

# **Report on the Operation of the Aged Care Act 1997**

**1 July 2006 to 30 June 2007**

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# Foreword

**By the Minister for Ageing,  
the Hon. Christopher Pyne**

I am pleased to present the *Report on the Operation of the Aged Care Act 1997* for 2006-07.

This past year has marked a further milestone in the Australian Government's continuous efforts to develop a high quality, world-class system that provides timely, accessible and affordable care for older Australians.



The Government has built decisively on the program of reforms that was presented in the 2004-05 Budget package of \$2.2 billion called *Investing in Australia's Aged Care: More Places Better Care*. In February 2007, the Prime Minister announced a further extensive package to consolidate the program of reform and deliver on the long-term changes needed in *Securing the Future of Aged Care for Australians*. This 2007-08 Budget package provided an additional \$1.6 billion for further improvements to our aged care system.

Importantly, the 2007-08 package further increased the Government's target provision ratio to a record high of 113 aged care places per 1,000 people aged 70 or over. This follows directly on the increase from 100 to 108 places that was delivered as part of the 2004-05 package of reforms. These substantial increases flow from the Government's determination to ensure adequate availability of aged care places, particularly for those older Australians who wish to stay in their own homes for as long as possible.

I am also pleased to report that the Australian Government actually exceeded its end-of-2007 target to provide 108 operational aged care places for every 1,000 people aged 70 years or over. A stocktake of Australia's aged care places showed the total operational ratio had reached 109.3 by 30 June 2007.

The Australian Government has continued with its blueprint for improving the delivery of community care services outlined in *The Way Forward*, a statement which was released in August 2004. During 2006-07, new Home and Community Care Agreements were signed with all state and territory governments that set out a clear commitment to work together to achieve better outcomes for those elderly Australians who continue to live at home. In addition, the Government has delivered on the introduction of the Transition Care Program for the frail aged with 2,000 places being allocated to state and territory governments by June 2007.

Arrangements for more timely and nationally consistent assessment for aged care are being developed and introduced, and the provision of world-class care and quality accommodation has been further supported with increased funding in the 2007 Budget package. The Government has continued its close oversight and scrutiny of the standards of care delivery in residential care. During 2006-07, every aged care residential service in Australia was subjected to least one unannounced visit.

The Office of Aged Care Quality and Compliance was established to implement a major reform package to further improve the quality of care for recipients of government-subsidised aged care. This involved significant amendments to the *Aged Care Act 1997*. Police checks for certain aged care staff and volunteers have been progressively implemented from 1 March 2007. A new Aged Care Complaints Investigation Scheme was also introduced, together with a new Aged Care Commissioner. These have been fully implemented and operational since 1 May 2007. From 1 July 2007, approved providers have also been required to comply with new legislative obligations, including compulsory reporting of sexual and serious physical assaults.

In summary, the resolve of the Australian Government to provide for our older Australians is captured in the substantial increases in funding levels that have occurred over the past 12 years. The 2007-08 Budget provided more than \$8.6 billion for aged care services which represents an increase of more than 177 per cent since 1995-96, or an average increase of nearly 9 percent per annum. This commendable achievement has enhanced the accessibility and quality of care services available to older Australians.

Since coming to the Ageing portfolio in early 2007, I personally have been impressed with the overall high quality of care being provided to our older Australians by dedicated providers and their staff. I look forward to continuing our work together to make an excellent aged care system even better.

A handwritten signature in black ink, appearing to read 'Chris Pyne', with a large, stylized flourish extending from the end.

Christopher Pyne

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# Executive Summary

The *Report on the Operation of the Aged Care Act 1997* meets the requirement of Section 63-2 of the *Aged Care Act 1997* (the Act) that the Minister for Ageing present to Parliament a report on the operation of the Act for each financial year. This Report describes the operation of the Act during 2006-07 and includes additional information to aid understanding of aged care programs and policies.

## Access to care

The Australian Government has established planning and assessment arrangements to ensure equitable access to aged care and to provide diverse and flexible services to all older Australians, including those with special needs. These planning and assessment arrangements were further enhanced by the Government's extensive package of reforms, called *Securing the Future of Aged Care for Australians* and announced by the Prime Minister in February 2007.

The package provided for an increase in the national provision target level from 108 to 113 operational aged care places for every 1,000 people aged 70 years or over. Changes are being introduced that improve the assessment of those seeking to obtain care and a new funding model to identify and provide for the needs of those people receiving residential care, particularly for those with high care needs.

The number of Australian Government subsidised aged care places continued to increase. There were 213,504 operational aged care places at 30 June 2007, equating to a ratio of 109.3 places per 1,000 people aged 70 years or older. There were 236,748 places allocated at 30 June 2007.

In the 2006 Aged Care Approvals Round, 7,928 new places were allocated. A further 11,334 new places have been made available for allocation in 2007-08, with 10,734 in the 2007 Aged Care Approvals Round and the remainder through national programs.

The 2004-05 Budget announced a national Transition Care Program, developed and jointly funded by the Australian Government and the state and territory governments. The Australian Government has met its target of allocating 2,000 transition care places to state and territory governments by 30 June 2007.

There were 2,873 aged care homes receiving Australian Government funding at 30 June 2007. An average of 94.5 per cent of all residential places were occupied during 2006-07.

There were around 52,400 admissions to residential respite care, and care recipients used an estimated 1.17 million resident days during 2006-07.

In 2005-06, Aged Care Assessment Teams recorded 188,744 assessments, of which 179,354 were completed. Following the endorsement of the Council of Australian Governments in February 2006, efforts have continued in all states and territories

toward more timely and consistent assessments by the Aged Care Assessment Teams. There has also been progress in the development of simplified entry and assessment processes for the Home and Community Care program. Field testing of a new Australian Community Care Needs Assessment (ACCNA) process took place during 2006-07.

The Australian Government continued to support care recipients with special needs, providing targeted care places for people from Aboriginal and Torres Strait Islander communities, people from diverse cultural and linguistic backgrounds, veterans (including spouses, widows and widowers of veterans), people who are socially or financially disadvantaged, and people living in rural or remote areas.

There were 157,607 people receiving care in residential homes as at 30 June 2007. Of these, the Australian Government was providing financial supplements (additional to the basic subsidy) for some 52,913 (33.6 per cent) concessional and 5,910 (3.8 per cent) assisted residents receiving residential care. In addition, there were a further 328 residents who were in receipt of financial hardship assistance at 30 June 2007.

The Australian Government is committed to ensuring that people are aware of the options available to them and that they have access to appropriate services. It provides a range of information products and services, including information lines, brochures and fact sheets, Internet websites, and the Commonwealth Carelink Centres network. Fifty-four Commonwealth Carelink Centres provided approximately 207,000 clients with information about community, residential and other aged care services during the year.

## Funding for care

Australian Government expenditure for aged care increased to \$7.7 billion in 2006-07, including \$5.7 billion for residential aged care subsidies and supplements and \$405 million for Community Aged Care Packages. Australian Government funding outside the *Aged Care Act 1997* included funding increases to \$928 million for Home and Community Care and \$167 million for the National Respite for Carers Program.

In the 2004-05 Budget, the Australian Government allocated an additional \$877.8 million over four years for a Conditional Adjustment Payment, payable to eligible approved providers of residential aged care on certain conditions. In 2006-07, the payment was 5.25 per cent of the basic subsidy amount and in 2007-08 this has risen to 7.0 per cent.

The Government has provided additional funding of \$1.6 billion for the extensive package of reforms announced in the *Securing the Future of Aged Care for Australians* announced in February 2007. The package allocated \$1.1 billion to increase payments for residents of aged care homes. A fairer and simpler income test is being introduced which will particularly benefit self-funded retirees who are less well off. The new simpler Aged Care Funding Instrument (ACFI) has been approved and will be used to classify all care recipients who enter residential care on or after 20 March 2008.

The package also provided \$411 million over four years to increase the availability of aged care in people's own homes, including the provision of an additional 7,200 community care places (including 1,600 high level care in the community places) and an additional 100,000 days of respite care.

Capital income is also available to service providers through resident accommodation payments, government accommodation subsidies, and targeted capital assistance grants. Some 65.5 per cent of homes received income from accommodation charges in 2006-07 and about 77.5 per cent held accommodation bonds at 30 June 2007. The average accommodation charge for new residents was an estimated \$16.02 per day. The average accommodation bond agreed with a new resident in 2006-07 was an estimated \$167,450 and the median new bond amount was an estimated \$132,000.

The Government's 2007 package of reforms also included significant increases in accommodation funding to support increased investment in high level residential care.

## **Quality of care**

The Aged Care Standards and Accreditation Agency accredits all Australian Government-funded aged care homes, with 92.2 per cent of homes accredited for at least three years. At 30 June 2007, 2.9 per cent of homes (85 homes) were identified as having some non-compliance in respect to the 44 Accreditation Standard Outcomes.

The quality framework is reinforced by a program of spot checks, audits and follow-up action. Where providers are found not to be meeting their responsibilities under the Act and failing to remedy the situation, there is the possibility of regulatory action such as the imposition of sanctions. In 2006-07, the Agency conducted a total of 6,329 visits to homes which represented an average of 2.19 visits per home. In December 2006, the Accountability Principles were amended to enable Agency assessors to undertake truly unannounced support contacts of residential aged care homes. All homes received at least one unannounced visit from the agency during the year. In addition to the agency visits, the Department conducted 739 visits, including 278 unannounced visits during 2006-07.

During 2006-07, the Department took sanctions action against 19 approved providers, including the issuing of 20 Notices of Decision to Impose Sanctions and 165 Notices of Non-Compliance.

Building quality and amenity continued to improve and the average number of residents per room continued to decline.

An estimated total of \$1,133 million of new building, refurbishment and upgrading work was completed during 2006-07, involving around 15.2 per cent of all homes. An estimated further \$1,855 million of work was in progress at 30 June 2007, involving around 12.3 per cent of all homes.

The 2004-05 Budget allocated \$13.7 million for Quality Reporting in Community Care. The first three-year cycle commenced nationally on 1 July 2005 and covered Community Aged Care Packages, Extended Aged Care at Home, and the National Respite for Carers Program.

During 2006-07, the Australian Government introduced a package of reforms to further protect older Australians receiving Government-subsidised residential and community care services. This included police checks for aged care staff and volunteers; an increase in the frequency of unannounced visits of aged care homes by the Aged Care Standards and Accreditation Agency; the development and implementation of an improved complaints investigation system; the compulsory reporting of sexual and serious physical assault in residential aged care services; legislative protection for approved providers and staff who report these assaults; the appointment of a new Aged Care Commissioner; and the establishment of a new Office of Aged Care Quality and Compliance within the Australian Government Department of Health and Ageing.

A total of \$26.8m has been provided over four years through the 2007-08 Budget *Securing the Future of Aged Care for Australians - Ensuring Quality in Community Care* initiative announced in February 2007. This measure aims to strengthen the existing quality assurance frameworks by increasing program monitoring and accountability; improving quality service provision through identification and promotion of best practice models; and increasing consumer and community awareness of services, advocacy and complaints options.

Prudential arrangements provide protection for residents who pay bonds and include a guarantee of repayment. In March 2006, Parliament passed legislation to strengthen the prudential arrangements and introduce a scheme to guarantee repayment of bond balances should an aged care provider become bankrupt or insolvent. These enhanced prudential arrangements commenced operation at the beginning of 2006-07. The Accommodation Bond Guarantee Scheme commenced operation on 1 May 2006 and, if triggered, the Government will make repayment of the bond to the resident and institute follow-up action to recover the amount from the defaulting provider.

During 2006-07, the Australian Government continued to expand investment in the education and training of aged care staff, including the provision of nursing scholarships and training opportunities for other care staff.

# Glossary

<b>ABS</b>	Australian Bureau of Statistics
<b>ACAT</b>	Aged Care Assessment Team
<b>Act, the</b>	The <i>Aged Care Act 1997</i>
<b>Agency, the</b>	The Aged Care Standards and Accreditation Agency
<b>Approved provider</b>	A person or organisation approved under Part 2.1 of the Act to be a provider of care for the purpose of payment of subsidy (A provider approved since the commencement of the Act must be a corporation.)
<b>ACFI</b>	Aged Care Funding Instrument
<b>ACPAC</b>	Aged Care Planning Advisory Committee
<b>ACPR</b>	Aged Care Planning Region
<b>AIHW</b>	Australian Institute of Health and Welfare
<b>CACP</b>	Community Aged Care Package
<b>CAP</b>	Conditional Adjustment Payment
<b>CIS</b>	Complaints Investigation Scheme
<b>COAG</b>	Council of Australian Governments
<b>CRS</b>	Complaints Resolution Scheme
<b>Department, the</b>	Department of Health and Ageing
<b>EACH</b>	Extended Aged Care at Home package
<b>EACHD</b>	Extended Aged Care at Home Dementia package
<b>Extra service</b>	Extra service status allows aged care homes to offer a 'significantly higher' than average standard of accommodation, services and food in return for additional payment under certain conditions.
<b>HACC</b>	Home and Community Care

High care

Residential high care includes:

- accommodation related services—for example, furnishings, bedding, general laundry, toiletry goods, cleaning services, meals, maintenance of buildings and grounds, and the provision of staff continuously on call to provide emergency assistance;
- personal care services—for example, assistance with the activities of daily living, such as bathing, toileting, eating, dressing, mobility, maintaining continence or managing incontinence, and communication; rehabilitation support; assistance in obtaining health and therapy services; and support for people with cognitive impairments; and
- nursing services and equipment—for example, equipment to assist with mobility, incontinence aids, basic pharmaceuticals, provision of nursing services and procedures, administration of medications, provision of therapy services and provision of oxygen.

Low care

Residential low care includes:

- accommodation related services—for example, furnishings, bedding, general laundry, toiletry goods, cleaning services, meals, maintenance of buildings and grounds, and the provision of staff continuously on call to provide emergency assistance;
- personal care services—for example, assistance with the activities of daily living, such as bathing, toileting, eating, dressing, mobility, maintaining continence or managing incontinence, and communication; rehabilitation support; assistance in obtaining health and therapy services; and support for people with cognitive impairments.

Minister, the

*from 21 March 2007, the Hon. Christopher Pyne MP, Minister for Ageing; and to 16 March 2007, Senator the Hon. Santo Santoro, Minister for Ageing*

MPS

Multi-purpose Service

NRA

Notice of Required Action

Office, the

Office of Aged Care Quality and Compliance

Principles, the

the Aged Care Principles, which are regulations made by the Minister under subsection 96-1(1) of the *Aged Care Act 1997*

RCS

Resident Classification Scale

Secretary

Secretary to the Department of Health and Ageing

# I Introduction

This *Report on the Operation of the Aged Care Act 1997* is the ninth in the series and covers the period 1 July 2006 to 30 June 2007. It meets the requirement of Section 63-2 of the Act that the Minister for Ageing present to Parliament a report on the operation of the Act for each financial year.

The *Aged Care Act 1997* (the Act) requires the report to include information on:

- the extent of unmet demand for places;
- the adequacy of the Australian Government subsidies provided to meet the care needs of residents;
- the extent to which providers are complying with their responsibilities under the Act;
- the amounts of accommodation bonds and accommodation charges charged;
- the duration of waiting periods for entry to residential care;
- the extent of building, upgrading and refurbishment of aged care facilities; and
- the imposition of any sanctions for non-compliance under Part 4.4 of the Act, including details of the nature of non-compliance and the sanctions imposed.

The Act does not limit the report to these matters.

## I.1 Structure and scope of this Report

This Report is organised around four themes.

- Chapter 2 deals with access to care. It includes information on the planning framework employed in the distribution of new places, current provision levels of aged care places, support for people with special needs, respite care, dementia care and support, access to aged care through independent assessment, and provision of information to clients and potential care recipients.
- Chapter 3 outlines the funding of aged care services, focusing particularly on funding in 2006-07 through accommodation payments, other user contributions, and Australian Government payments.
- Chapter 4 gives information on quality of care and accommodation. It describes the quality assurance framework, measures to ensure that approved providers of aged care meet their responsibilities, action to enhance the quality of care and equip the aged care workforce, and action to support consumers in the aged care system.
- Chapter 5 is a new addition and explains the arrangements for the new Aged Care Complaints Investigation Scheme and the new Aged Care Commissioner. It reports on the complaint activities under both the new arrangements since 1 May 2007 and the former Aged Care Complaints Resolution Scheme.

Appendices include information about:

- amendments to the *Aged Care Act 1997* and the Aged Care Principles in 2006-07;
- responsibilities of approved providers under the Act;
- sanctions imposed in 2006-07; and
- locations of Aged Care Assessment Teams.

While the Report focuses primarily on activities under the *Aged Care Act 1997*, those activities occur within the wider context of programs and policy for older Australians. The Report therefore includes information on matters outside the strict scope of the Act when this is useful for a more complete picture of activities under the Act. Important services provided outside the Act and therefore not discussed in detail in this Report, include the Home and Community Care program, the National Respite for Carers Program, and some aspects of dementia care and support.

## 1.2 Sources

Information for this report was collected primarily from Departmental information systems and records. Information has also been obtained from the Aged Care Standards and Accreditation Agency, the Complaints Resolution Committees and Aged Care Assessment Teams.

This Report must include information on the amounts of accommodation bonds and charges charged (paragraph 63-2(2)(d) of the Act) and the extent of building, upgrading and refurbishment of aged care facilities (paragraph 63-2(2)(e) of the Act). This information is not available to the Department in the ordinary course of business. Therefore a survey of aged care providers is conducted each year in August and September to obtain the required information for the preceding financial year. Taverner Research Company was contracted to undertake the survey for this Report. In 2007, 85.2 per cent of aged care homes responded to the survey, compared with 82.2 per cent in the previous year.



## 2 Access to care

The Australian Government aims to ensure access to Government-funded aged and community care for all frail older Australians who need care. In particular:

- 202,502 people received permanent residential care during 2006-07 - equivalent to 10.6 per cent of people aged 70 years or over (as at 30 June 2006 from 2006 ABS Census);
- 38,806 people received residential respite care during 2006-07 - equivalent to 2.0 per cent of people aged 70 years or over (as at 30 June 2006 from 2006 ABS Census) - of whom 17,932 were later admitted to permanent care;
- 55,373 people received care through a community care place (either a Community Aged Care Package, an Extended Aged Care at Home package or Extended Aged Care at Home Dementia package) during 2006-07 - equivalent to 2.9 per cent of people aged 70 years or over (as at 30 June 2006 from 2006 ABS Census) - including some who also received permanent or respite residential care during the year; and
- 6,511 people received care under the Transition Care Program during 2006-07.

In addition, an estimated 777,470 people received services through the Home and Community Care (HACC) program, of whom 67 per cent were aged 70 years or over.<sup>1</sup> Some of the people receiving care services under the HACC program could also have received residential and/or community care services during the year from the aged care programs administered under the *Aged Care Act 1997*.

### 2.1 Planning framework

Through a planning framework, the Australian Government seeks to achieve and maintain a national provision level of operational aged care places for every 1,000 people aged 70 years or over. The provision level (initially set at 100 places in 1985) was first increased from 100 places to 108 places as part of the 2004-05 Budget package, *Investing in Australia's Aged Care: More Places, Better Care*, with a view to reaching the new target in December 2007. That ratio was made up of 40 residential high care places, 48 residential low care places and 20 community care places.

In the February 2007 statement on *Securing the Future of Aged Care for Australians*, the provision ratio was further increased to 113 operational places per 1,000 people aged 70 years or over to be achieved by June 2011. The proportion of places offered has been adjusted from 20 to 25 places for community care, with high level residential care increased from 40 to 44 places and low level residential care adjusted from 48 to 44 places for every 1,000 people aged 70 years or over.

This increase in the number of community care places (from 20 to 25 places) will deliver a further 7,200 community care places, including 1,600 high level care in the community places, over the next four years.

---

1 Preliminary estimate for 2006-07.

The Australian Government ensures that the growth in the number of aged care places matches growth in the aged population. It also ensures balance in the provision of services between metropolitan, regional, rural and remote areas, as well as between people needing differing levels of care. Each year, the Australian Government makes available new residential and community care places for allocation in each state and territory. The number of new places relates to a comparison of the planning benchmarks with the number of people aged 70 years or over in the general population and current levels of service provision including newly allocated places which have not yet become operational.

The allocation of places to Aged Care Planning Regions within each state and territory is determined by the Secretary of the Department of Health and Ageing, acting on the advice of Aged Care Planning Advisory Committees (ACPACs). ACPACs provide advice on comparative aged care needs in the Aged Care Planning Regions, including consideration of people from the prescribed special needs groups.

ACPAC members in each state and territory are appointed by the Secretary and comprise people from government and the community with experience and/or interest in aged care. Members are not appointed to represent a particular body or group. They are chosen because of their ability to contribute to the planning of aged care and to give effective advice to the Secretary.

Following the Secretary's allocation of places within each state and territory, the annual Aged Care Approvals Round is conducted as an open competitive process to allocate the places to specific approved providers on the basis of their applications. Places are allocated to the approved providers that demonstrate that they can best meet the aged care needs within a particular planning region, community or group.

Particularly because of the time required for building approval and construction, providers have two years to make aged care places operational. This may be extended in certain circumstances. Providers allocated new residential places must make quarterly progress reports on when the places are expected to become operational. The capacity of applicants to bring places into operation as quickly as practicable is a consideration in the allocation process of the Aged Care Approvals Rounds. Community Aged Care Packages and Extended Aged Care at Home places tend to become operational soon after allocation.

Providers report that the primary reason for delays in bringing residential places into operation is due to planning issues with state, territory or local governments. The Australian Government consults with state, territory and local governments on ways to reduce these delays.

## 2.2 Provision

The number of allocated and operational aged care places as at 30 June 2007 are as follows.

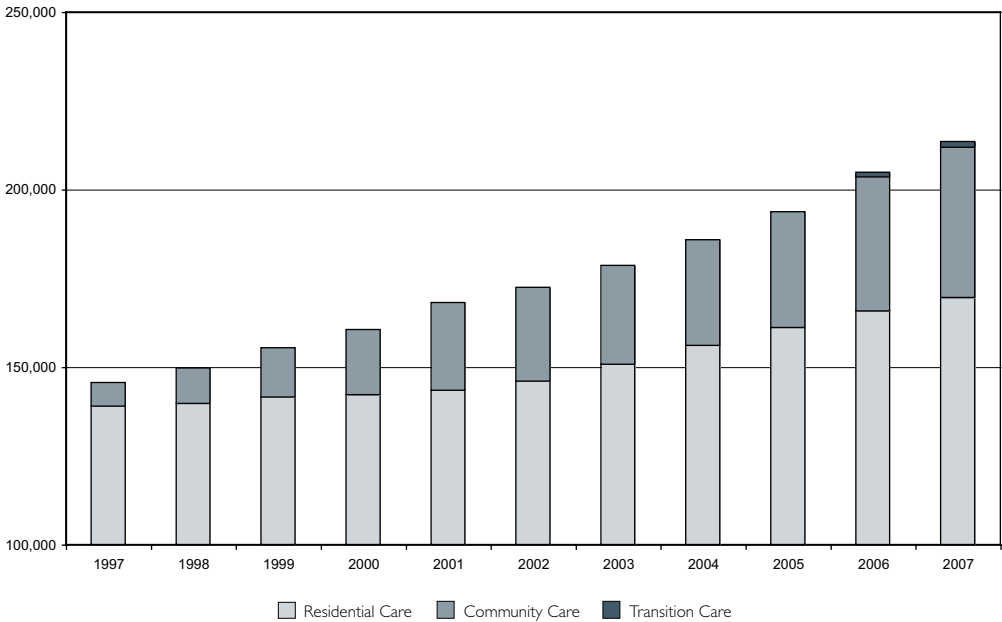
*Table 1: Allocated and operational residential, community and transition care places per 1,000 people aged 70 years or older at 30 June 2007, by state and territory*

	<b>Residential care - high</b>	<b>Residential care - low</b>	<b>Total residential</b>	<b>Community care</b>	<b>Transition care</b>	<b>Total places</b>
<b>Allocated Places</b>						
NSW	48.9	50.2	99.1	21.2	1.0	121.4
VIC	46.0	53.1	99.1	21.7	1.0	121.8
QLD	44.7	51.7	96.4	20.9	1.0	118.4
SA	48.5	50.0	98.6	21.4	1.0	121.0
WA	44.6	52.2	96.8	22.0	0.9	119.7
TAS	48.8	47.2	96.0	22.4	1.1	119.5
NT	60.2	43.7	103.9	128.3	2.8	235.0
ACT	44.4	61.7	106.1	26.8	1.6	134.5
<b>Australia</b>	<b>47.0</b>	<b>51.4</b>	<b>98.4</b>	<b>21.8</b>	<b>1.0</b>	<b>121.2</b>
<b>Operational Places</b>						
NSW	45.0	41.5	86.4	21.2	0.8	108.5
VIC	40.3	47.2	87.4	21.5	0.8	109.8
QLD	39.7	46.0	85.7	20.8	0.7	107.3
SA	46.5	46.9	93.4	21.4	0.8	115.7
WA	38.4	45.4	83.8	21.6	0.6	106.0
TAS	44.8	41.6	86.4	22.1	1.0	109.6
NT	56.0	41.1	97.0	128.3	1.4	226.7
ACT	29.6	42.9	72.5	26.8	1.6	100.9
<b>Australia</b>	<b>42.2</b>	<b>44.6</b>	<b>86.8</b>	<b>21.7</b>	<b>0.8</b>	<b>109.3</b>

Note: The ratios in this table are based on population projections derived from the 2006 Census available from the Australian Bureau of Statistics.

The number of operational aged care places increased from 204,869 at 30 June 2006 to 213,504 at 30 June 2007. This included 169,594 residential places, 42,316 community care places and 1,594 Transition Care places. The operational ratio at 30 June 2007 was 109.3 places per 1,000 people aged 70 years or older which achieved the 31 December 2007 target of 109 places some six months ahead of schedule. The number of operational places at 30 June 2007 represents an increase of 72,212 places, or 51.1 per cent, in the eleven years since June 1996.

Figure 1: Operational Aged Care Places from 1997 to 2007



### 2.3 Recent provision of new places

The 2006 Aged Care Approvals Round allocated 7,928 new places, including 1,976 Community Aged Care Packages (CACPs), 550 Extended Aged Care at Home (EACH) packages, 667 Extended Aged Care at Home Dementia packages and 4,735 residential aged care places. When allocated, these new places were worth more than \$210 million annually in Australian Government subsidies. The new residential care places were allocated to 198 aged care services around Australia in accordance with the process outlined above (see Section 2.1).

*Table 2: New residential and community care places allocated in the 2006 Aged Care Approvals Round, by state and territory*

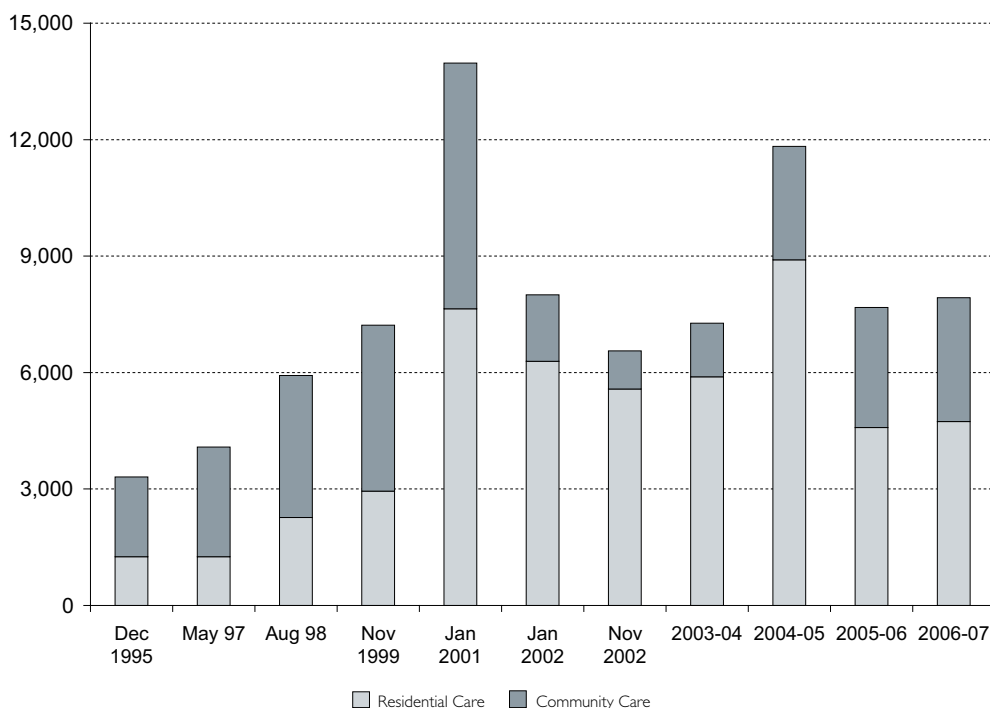
	<b>Residential aged care places</b>	<b>Community Aged Care Packages</b>	<b>Extended Aged Care at Home packages *</b>	<b>Total places</b>
New South Wales	1,437	595	411	2,443
Victoria	1,029	432	310	1,771
Queensland	1,044	599	201	1,844
South Australia	275	120	103	498
Western Australia	590	175	107	872
Tasmania	155	35	35	225
Northern Territory	15	10	20	45
Australian Capital Territory	190	10	30	230
<b>Australia</b>	<b>4,735</b>	<b>1,976</b>	<b>1,217</b>	<b>7,928</b>

\* Includes EACH Dementia packages

The Australian Government has made 11,334 new aged care places available for allocation in 2007-08, including 10,734 in the 2007 Aged Care Approvals Round. Places available in the 2007 Aged Care Approvals Round include 6,841 residential care places, 2,327 CACPs, 900 EACH packages and 666 EACH Dementia packages. Most of the remaining 600 places are available for allocation through national programs such as the Multi-purpose Services program.

Figure 2 shows allocations of new places since 1995. In January 2001 the Australian Government moved to accelerate achievement of the then target of 100 places per 1,000 people aged 70 years or over, by allocating additional places. In subsequent Aged Care Approvals Rounds, the allocation of places returned to more usual growth levels, until 2004-05, when the Australian Government increased the target ratio from 100 to 108 places per 1,000 people aged 70 or over. There will be a further increase in growth levels in order to move to the newly approved target ratio of 113 places per 1,000 people aged 70 years or over to be achieved by 2010-11.

Figure 2: New places allocated in annual rounds from 1995 to 2006-07



Note: co-ordinated Aged Care Approvals Rounds commenced in 1999

### 2.3.1 Gaps in Service Provision

Aged Care Planning Advisory Committees (ACPACs) in every state and territory provide advice to the Department of Health and Ageing on the distribution of aged care places in the annual Aged Care Approvals Round (ACAR). This advice is incorporated in the Regional Distribution of Aged Care Places which is published in conjunction with the Invitation to Apply for Places in the ACAR. (For further details, see Section 2.1.)

The Regional Distribution of Aged Care Places lists by Aged Care Planning Region, special needs groups and key issues identified by the respective state and territory ACPACs as requiring a particular focus in the relevant ACAR process.

While the published number of places and/or identified issues represents the Department's intentions in relation to the places for the region, the Department cannot guarantee that the exact number of places with the exact same focus will be allocated to the region. The final allocation of places is dependent upon the quantity and quality of the applications received and will reflect the best use of all the available places having regard to the need to obtain, as far as possible, a balanced outcome for each region.

The previous year's results are taken into account in planning for subsequent ACARs, including by bringing the issue to the attention of the relevant ACPAC and engaging with the community and aged care sector on particular needs. In many instances, a particular issue is re-identified in a subsequent ACAR or is addressed through other means, such as transferring places between providers or across regions.

When gaps in service provision cannot be addressed through the ACAR process, other options are considered.

## 2.4 New places in the next three years

The allocation process now provides information on the indicative numbers of new aged care places to be made available over the next three years. This forward notice increases the rate at which new places can become operational, by allowing existing and new providers more time to plan for expansion or restructuring of their services. It also encourages new providers into the sector.

On 26 March 2007, the Australian Government announced the numbers of new aged care places to be made available in 2007-08 as well as indicative releases for 2008-09 and 2009-10. More than 30,500 new aged care places will be made available through Aged Care Approvals Rounds in 2007 (10,734 places), 2008 (11,728 places) and 2009 (8,067 places), in addition to places available each year for national programs.

**Table 3: New aged care places to be allocated in 2007-08 and indicative releases for 2008-09 and 2009-10**

	2007-08				2008-09	2009-10	Three
	Residential	CACP	Flexible (a)	Total			year totals
NSW	2,043	855	545	3,443	3,287	2,616	9,346
Vic	1,472	569	384	2,425	2,342	1,663	6,430
Qld	1,582	429	274	2,285	3,285	1,997	7,567
SA	372	167	122	661	416	400	1,477
WA	1,006	220	143	1,369	1,919	999	4,287
Tas	167	47	43	257	206	182	645
NT	41	15	20	76	59	75	210
ACT	158	25	35	218	214	135	567
Subtotals	6,841	2,327	1,566	10,734	11,728	8,067	30,529
National programs	150	50	400 (b)	600	550	450	1,600
<b>Total</b>				<b>11,334</b>	<b>12,278</b>	<b>8,517</b>	<b>32,129</b>

Notes:

- a) Flexible places (per state and territory) includes EACH and EACH Dementia packages.
- b) Flexible places for the national programs include EACH and EACH Dementia packages, and Multi-Purpose Service places.

## 2.5 Community care

The Australian Government recognises that community care, particularly care in the person's own home, is the preference of most older people needing care.

### 2.5.1 Home and Community Care

The largest part of the Australian Government's support for community care is provided through the Home and Community Care (HACC) program. The HACC program is a joint Australian Government, state and territory government initiative administered under the *Home and Community Care Act 1985*. While the Australian Government provides 60 per cent of funding and maintains a broad strategic policy role, the HACC program is managed on a day-to-day basis by the state and territory governments.

The HACC program aims to provide a comprehensive and coordinated range of basic maintenance and support services to enable older Australians, those with a disability and their carers to live independently. In addition, the program aims to support these people to be more independent at home and in the community, thereby enhancing their quality of life and/or preventing their inappropriate admission to long term residential care.

HACC services include community nursing, personal care, meals, domestic assistance, home modification and maintenance, transport and community based respite care.

In early December 2006, the Minister for Ageing wrote to state and territory Ministers responsible for the HACC program with a formal offer of new HACC Agreements. All state and territory governments signed their new Agreement by 30 April 2007. The Minister for Ageing signed the Agreements on Monday 21 May 2007. In line with requirements under the HACC Act, the new Agreements were tabled in Parliament in May 2007.

The new Agreements took effect from 1 July 2007.

It is anticipated that the new arrangements will have substantial benefits in the following areas:

- Earlier allocation of funds: Simplifying administrative arrangements and business processes will significantly improve the timeliness of allocating funds to service providers. This will result in additional services on the ground for people in the target group each year.
- Better planning: The move to triennial planning will support an improved focus on planning for longer term strategic objectives to improve the operation of the program. It will also give greater certainty to communities and service providers.
- Improved relationships between governments: The interdependency of governments in achieving the objectives of the program has been recognised and the specific roles of the Australian Government and state and territory governments have been clarified to better support a collaborative approach to decision making and implementation of improvements in the program.



The program provided services to approximately 777,470 people in 2006-07 of whom 67 per cent were aged 70 years or over.<sup>2</sup> Since 1996, program funding has been growing by 6 per cent per year, in real terms.

**2.5.2 Community Aged Care Packages**

Community care in the person’s home is also provided as defined packages under the *Aged Care Act 1997*.

Community Aged Care Packages (CACPs) are individually tailored packages of low level care to support frail older people with complex conditions in their own homes. They are complemented by Extended Aged Care at Home (EACH) packages and EACH Dementia packages, which provide high level care. Table 4 shows the number of CACPs available in 1995 and 2007 and the percentage increase in available packages since 1995, by state and territory.

The February 2007 statement on *Securing the Future of Aged Care* announced that the number of allocated CACPs will be increased by 5,600 over the four years to 2010-11 in keeping with the higher target ratio of 25 community care places for every 1,000 people aged 70 years or over.

*Table 4: Number of allocated CACPs at 30 June 1995 and 30 June 2007, by state and territory*

	<b>1995</b>	<b>2007</b>	<b>Increase</b>
New South Wales	1,847	12,613	683%
Victoria	1,212	9,562	789%
Queensland	733	6,525	890%
South Australia	465	3,292	708%
Western Australia	437	3,230	739%
Tasmania	150	970	647%
Northern Territory	64	569	889%
Australian Capital Territory	36	489	1358%
<b>Australia</b>	<b>4,944</b>	<b>37,250</b>	<b>753%</b>

Note: the percentage increases vary significantly due to low base figures in 1995

2 Preliminary estimate from the HACC minimum data set for 2006-07.

## Audit of the CACP Program

The Australian National Audit Office (ANAO) undertook an audit of the CACP program commencing in January 2007. The objective of the audit was 'to form an opinion on the effectiveness of the Department of Health and Ageing's management of the CACP Program in fulfilling legislative objectives.' The ANAO tabled the Audit Report in Parliament on 23 May 2007.

The Audit Report concluded that 'The ANAO considers that DoHA has performed effectively' but identified that 'DoHA's ongoing management of CACPs would be strengthened by improvements' in the areas of management, administration and accountability.

The Audit Report provided eight recommendations, which were accepted by the Department. The Department is currently developing an action and implementation plan to meet the requirements of the recommendations.

### 2.5.3 The Way Forward

*A New Strategy for Community Care—The Way Forward*<sup>3</sup> outlines actions aimed at strengthening and improving the community care system, including the HACC, CACP and EACH programs. It builds on the current strengths of the community care system and outlines a number of ways to improve the system to reduce complexity and achieve greater consistency, as well as simplifying and creating a fairer system for people requiring care to stay at home.

In consultation with state and territory governments, good progress was made in a number of areas during 2006-07, including:

- signing of a new HACC Agreement between the Australian Government and each state and territory government, requiring the adoption of *The Way Forward* improvements in the HACC program;
- development and technical field testing of the Australian Community Care Needs Assessment and Carer Eligibility and Assessment Needs Assessment processes with the sector - in line with the February 2006 Council of Australian Governments' agreement to improve performance management of Aged Care Assessment Teams and to ensure timelier, more consistent and accountable assessments for frail older people requiring care services;
- research with the sector on client access and referral pathways, to inform establishment of Access Points demonstration sites late in 2007; and
- ongoing communication of key messages to the sector, keeping them up to date with progress and highlighting opportunities for involvement.

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3 *A New Strategy for Community Care. - The Way Forward*, Department of Health and Ageing, 2004.

## 2.5.4 Review of Community Aged Care Programs

The *Review of Subsidies and Services in Australian Government Funded Community Aged Care Programs* was announced in September 2006. This Review is focused on identifying areas where current arrangements could be refined and service delivery improved, with the view to identifying opportunities for a more integrated set of aged care programs that support frail older Australians as their needs change. The Review made good progress during 2006-07, with a range of modelling and analysis projects undertaken, together with sector consultations. The Department received over 50 submissions from community sector stakeholders wishing to provide input. The Review is expected to be completed by 2008, with advice provided to Government periodically as work progresses.

## 2.6 Residential care

The Australian Government funds aged care homes to provide residential aged care to older Australians whose care needs are such that they can no longer remain in their own homes. Residents receive either low level care or high level care. As their care needs change, residents often move between care levels while staying in the same aged care home. Low level care includes the provision of suitable accommodation and related services (such as laundry, meals and cleaning) and personal care services (such as assistance with the activities of daily living). High level care includes accommodation and related services, personal care services and nursing care and equipment.

There were 2,873 aged care homes receiving Australian Government funding at 30 June 2007. Occupancy of residential places, including permanent and respite care, was 94.5 per cent in 2006-07, compared with 95.2 per cent in 2005-06.

Residential care is provided in residential services managed by approved providers who comprise a mixture of not for profit, for profit and government operators. Table 5 shows the distribution of operational residential places, excluding flexible care places, by type of provider.

**Table 5:** *Operational residential places other than flexible care places, by provider type at 30 June 2007, by state and territory*

	Religious	Charitable	Community Based	For Profit	State Govt	Local Govt	Totals
NSW	17,955	11,482	8,924	17,538	811	742	57,452
Vic	7,363	2,874	6,569	19,600	5,973	1,039	43,418
Qld	12,378	4,443	3,668	7,649	1,536	233	29,907
SA	4,569	4,079	2,082	3,822	1,041	421	16,014
WA	4,427	2,257	1,684	4,836	98	542	13,844
Tas	1,724	903	1,078	518	115	16	4,354
NT	249	130	66	0	0	0	445
ACT	650	507	125	354	0	0	1,636
<b>Australia</b>	<b>49,315</b>	<b>26,675</b>	<b>24,196</b>	<b>54,317</b>	<b>9,574</b>	<b>2,993</b>	<b>167,070</b>
<b>Per cent</b>	<b>29.5%</b>	<b>16.0%</b>	<b>14.5%</b>	<b>32.5%</b>	<b>5.7%</b>	<b>1.8%</b>	<b>100.0%</b>

2.6.1 Entry periods for residential care

The Australian Government is committed to ensuring that older people can access residential and community care services when they need them. Table 6 shows the proportion of residents placed in permanent residential care within a specified time period after assessment by an Aged Care Assessment Team (ACAT), by level of care.

Table 6: Proportion of new entrants to permanent residential care entering within a specified period after ACAT assessment, by level of care at entry during 2006-07

	2 days or less	7 days or less	1 month or less	3 months or less	6 months or less
High care	12.0%	27.8%	57.7%	81.9%	91.9%
Low care	4.1%	10.3%	29.8%	59.9%	79.8%
All residents	8.2%	19.5%	44.5%	71.5%	86.2%

As described in previous editions of this Report, a 2002 report by the Australian Institute of Health and Welfare found that entry period is not valid as a proxy for waiting time or as a measure of the accessibility of residential aged care services. The AIHW report also confirmed that increased availability of community care and respite care has a significant effect in delaying entry into permanent care.<sup>4</sup>

ACAT approval for admission to residential care is valid for one year. This allows time for people who have been approved for care to visit different homes, consider their options, settle their affairs and make arrangements with the home of their choice before entering care. In emergency situations, residents may actually be placed in the residential home before an ACAT assessment.

2.6.2 Utilisation

For the continuing benefit of residents, the *Aged Care Act 1997* allows for those places allocated for low level care to be used for high level care and so enable residents to age in place. Table 7 gives information on the utilisation of residential places for low level care and high level care as at the end of 2006-07.

4 Australian Institute of Health and Welfare. *Entry period for Residential Aged Care*. Canberra, AIHW, 2002. (Aged Care Series, no. 7) The analysis showed that the supply of services in any particular region has a negligible effect on the entry period. The strongest determinants of entry period for residential aged care are whether or not the resident has used a community aged care package or residential respite prior to admission (these were associated with a longer entry period), and whether the resident was assessed by an ACAT while he or she was in hospital (this was associated with a shorter entry period).

Table 7: *Utilisation of operational residential aged care places at 30 June 2007, by state and territory*

	<b>Proportion of all operational residential places utilised for high care</b>	<b>Proportion of operational places allocated as low care and utilised for high care</b>
New South Wales	65.7%	34.0%
Victoria	61.1%	33.9%
Queensland	64.8%	40.9%
South Australia	73.1%	49.9%
Western Australia	62.6%	36.2%
Tasmania	69.8%	44.4%
Northern Territory	64.0%	31.6%
Australian Capital Territory	67.1%	48.1%
<b>Australia</b>	<b>64.9%</b>	<b>37.4%</b>

### 2.6.3 Extra Service

Aged care homes may be approved to offer residents Extra Service, which involves a significantly higher than average standard of accommodation, services and food. Approval may be for the whole of a residential home or for a distinct part. Extra Service does not affect the care provided to residents, as all residential aged care providers are required to meet designated care standards for all residents. Homes approved for Extra Service may charge an additional Extra Service daily amount. They may also charge accommodation bonds for both high care and low care residents.

Extra Service increases diversity in the aged care sector, by allowing residents to choose whether to pay the additional amounts for these additional services. The delegate considering an application for Extra Service status must be satisfied that there will be significant benefits to current and future care recipients in the region if the application is approved—including increased diversity of choice and better access to continuity of care. However, approval of Extra Service status must not be granted if it would result in an unreasonable reduction of access for concessional residents or persons aged at least 70 years who would have difficulty affording an Extra Service amount. Not more than 15 per cent of places in each state or territory may be approved to be offered as Extra Service.

At 30 June 2007, there were 11,898 residential aged care places approved for Extra Service status, of which 8,136 were operational for Extra Service. The total number of places approved for Extra Service represented 6.3 per cent of all allocated residential mainstream places and comprised 9,300 high care places and 2,598 low care places. In 2006-07, new Extra Service approvals were granted for 1,632 places, comprising 1,234 high care and 398 low care.

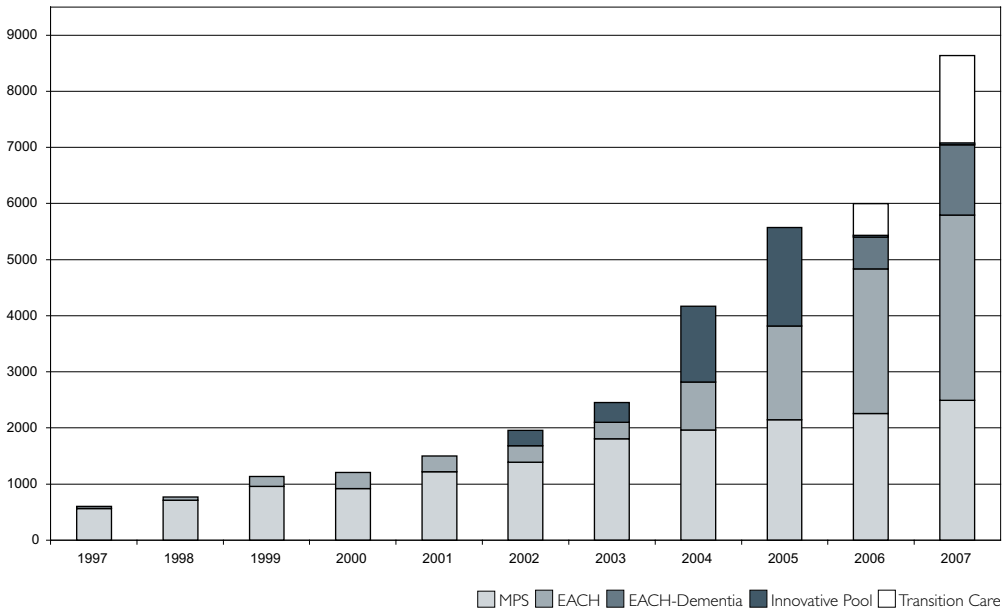
## 2.7 Flexible care

Flexible care addresses the needs of care recipients in ways other than the care provided through mainstream residential and community care. Five types of flexible care are now provided for under the Act—Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACH Dementia) packages, Innovative Care, Multi-purpose Service places and Transition Care places.

In addition, flexible models of care are provided under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. The services funded under this program provide culturally appropriate aged care, close to community and country of older Indigenous people, and mainly in rural and remote areas. Services delivered under this program are outside the *Aged Care Act 1997*.

Figure 3 shows the total number of operational flexible care places funded under the Act at 30 June in each year from 1996 to 2007.

Figure 3: Operational flexible places funded under the Aged Care Act 1997 from 1996 to 2007



### 2.7.1 Multi-purpose Services

Multi-purpose Services (MPS) are a joint initiative between the Australian Government and those states and territories that need such services. They deliver a mix of aged care, health and community services in rural and remote communities, many of which cannot sustain separate services. Some health, aged and community care services may not be viable in a small community if provided separately. By bringing the services together, economies of scale are achieved to support the services. Each MPS is financed by a flexible funding pool to which the state and the Australian Government contribute. This is reviewed regularly. An MPS can use the money to provide a mix of services, including aged care, best suited to its community's needs.

The Australian Government is providing Multi-purpose Services with an additional \$9.3 million in flexible funding over four years from 2005-06 to fund more than 122,000 days of respite care in rural areas.

At 30 June 2007, there were 101 operational MPS, with a total of 2,492 flexible aged care places (with some of the MPS serving more than one location). This represents an increase of seven services over the past financial year and an increase of nearly 9 per cent in the number of such operational, flexible aged care places.

Table 8: Multi-purpose Services and operational places at 30 June 2007, by state

	Number of Multi-purpose Services with operational aged care places	Operational aged care places
New South Wales	36	669
Victoria	7	318
Queensland	21	404
South Australia	5	239
Western Australia	29	768
Tasmania	3	94
<b>Australia</b>	<b>101</b>	<b>2,492</b>

### 2.7.2 Extended Aged Care at Home

The Extended Aged Care at Home (EACH) program provides high level aged care to people in their own homes, complementing the availability of Community Aged Care Packages which provide low level care.

The EACH Dementia program was announced in the 2005-06 Federal Budget as part of the initiative *Helping Australians with dementia, and their carers—making dementia a National Health Priority*. Funding of \$225.1 million over four years is being provided to create 2,000 EACH Dementia packages.

In the 2006 Aged Care Approvals Round, 950 new EACH packages and 667 EACH Dementia packages were allocated, bringing the total to 4,663 packages allocated nationally at 30 June 2007. The Australian Government has made available a further 900 EACH packages and 666 EACH Dementia packages for allocation in the 2007 Round.

By 30 June 2007 there were 3,302 operational EACH packages and 1,267 operational EACH Dementia packages.

In the February statement on *Securing the Future of Aged Care*, provision was made for an increase in community care places including the provision of an additional 1,600 high-level care packages.

**Table 9: Operational and allocated Extended Aged Care at Home packages at 30 June 2007, by state and territory**

	Operational packages 30 June 2007			Allocated packages 30 June 2007		
	EACH	EACH Dementia	Total operational	EACH	EACH Dementia	Total allocated
NSW	1,083	450	1,533	1,083	450	1,533
Vic	882	326	1,208	882	331	1,213
Qld	527	216	743	532	231	763
SA	286	111	397	286	116	402
WA	292	76	368	299	116	415
Tas	75	38	113	90	40	130
NT	70	20	90	70	20	90
ACT	87	30	117	87	30	117
<b>Australia</b>	<b>3,302</b>	<b>1,267</b>	<b>4,569</b>	<b>3,329</b>	<b>1,334</b>	<b>4,663</b>

The EACH Dementia packages are individually tailored packages of care for approved care recipients who have complex care needs because of behaviours of concern and psychological symptoms, associated with dementia, that impact on their ability to live independently in the community. The care packages provide services necessary to maintain the person at home, including nursing care or personal assistance (or both). The care recipients have been assessed by an Aged Care Assessment Team as requiring high level care, wish to remain living at home, and are able to do so with the assistance of an EACH Dementia package.

### 2.7.3 Innovative Care Services

The Innovative Pool supports the development and testing of flexible models of service delivery in areas where mainstream aged care services may not appropriately meet the needs of a location or target group. As an example, the Transition Care Program is built on the lessons learned from two pilot programs developed through the Innovative Pool - the Innovative Care Rehabilitation Services pilots and the Intermittent Care Services pilots, both of which addressed the interface between aged care and hospital care.



### **2.7.4 Transition Care**

In the 2004-05 Budget, the Australian Government announced the establishment of a national Transition Care Program. The program is jointly funded by the Australian Government and the state and territory governments.

The Transition Care Program provides time-limited, goal-oriented and therapy-focused care for older people after a hospital stay. Transition care provides older people with a package of services that includes low intensity therapy (such as physiotherapy, occupational therapy and social work), case management, and either nursing support and/or personal care.

Transition care can be provided for up to 12 weeks (with a possible extension of another 6 weeks) in either a home-like residential setting or in the community. A person may only enter transition care directly after discharge from hospital. The Transition Care Program targets older people who would otherwise be eligible for residential aged care. It also optimizes the functional capacity of those older people who are discharged from transition care to residential aged care. Importantly, transition care gives older people and their families and carers time to consider long-term care arrangements.

The Australian Government has allocated 2,000 flexible care places to the Transition Care Program. Transition care places were allocated to state and territory governments, as the approved providers for transition care, broadly in line with their share of the Australian population. All states and territories have established transition care services, and 1594 of the 2,000 places are now operational. With an average period of care of seven weeks, this means that, when fully established, the program will assist up to 15,000 older Australians each year.

An evaluation of the Transition Care Program has commenced to assess the impact of the program on clients and systems, and its cost effectiveness. The evaluation will conclude in 2008.

## **2.8 Respite care and carer support**

Respite care is residential or community care intended to give carers a break from their usual care arrangements and by doing so, assist people with care needs to continue living in the community. The Australian Government gives respite support through the residential care program under the *Aged Care Act 1997*, through the National Respite for Carers Program, and through the Home and Community Care program. An estimated 475,000 Australians are primary carers, helping older Australians or younger people with disabilities to live at home and in their community.

### **2.8.1 Respite in Multi-purpose Services**

The Australian Government is providing Multi-purpose Services with an additional \$9.3 million in additional flexible funding over four years from 2005-06 to fund more than 122,000 days of respite care in rural areas.

## 2.8.2 Residential respite

Residential respite gives short term care in aged care homes. It may be used on a planned or emergency basis. The number of resident respite days used increased from an estimated 1.10 million days in 2005-06 to 1.17 million days in 2006-07—an increase of 7.0 per cent.

The 2005-06 Budget included \$41.8 million over four years to increase high care respite in residential facilities, through incentives to aged care providers. The incentive is currently paid as an additional \$29.13 per day subsidy for high care respite to residential facilities who have met at least 70 per cent of their respite conditions of allocation. A total of \$8.5 million was paid in 2006-07 compared to \$3.4 million the previous year to providers who met the 70 per cent threshold.

*Table 10: Estimated respite care resident days by level of care during 2006-07, by state and territory*

	High	Low	Total
New South Wales	246,085	275,000	521,085
Victoria	72,120	190,713	262,833
Queensland	59,334	84,362	143,696
South Australia	57,587	62,010	119,597
Western Australia	20,101	51,682	71,783
Tasmania	14,096	14,855	28,951
Northern Territory	6,861	4,427	11,288
Australian Capital Territory	5,913	9,488	15,401
<b>Australia</b>	<b>482,097</b>	<b>692,537</b>	<b>1,174,634</b>

## 2.8.3 National Respite for Carers Program

The National Respite for Carers Program continued to provide support for carers of frail older Australians and people with disabilities. Commonwealth Carer Respite Centres provide carers with information, coordinate respite services, help carers access them, and arrange individual respite when needed. Carers received approximately 225,000 instances of respite from Commonwealth Carer Respite Centres in 2006-07.

Respite services funded under the National Respite for Carers Program provided approximately 3.4 million hours of respite in 2006-2007. This was delivered through over 600 respite services which provided respite in a variety of settings. This included 71 overnight community respite services and 96 new or expanded respite services for employed carers funded under the 2005-2006 Overnight Community Respite and Employed Carer Budget initiatives.

The 2007-08 Budget provided funding for an additional 100,000 days of respite care over four years. Approximately 1,000 additional people will benefit in the first year, which will increase to 4,000 additional people in the fourth year.

Commonwealth Carer Resource Centres, which were auspiced by Carer Associations in each state and territory, ceased to operate from 1 April 2007. The role of Carer Associations has been reviewed and they now provide carers with specialist advice, professional counselling through the National Carer Counselling Program, and education and training. Carers now obtain the information previously provided by the Resource Centres from Commonwealth Respite and Carelink Centres.

Eligibility and Needs Assessment (CENA) is an assessment tool being designed to determine eligibility for assistance and assessment of carer's needs. It was trialled and tested in 2006-07, and further refinement and technical design of the CENA will take place in 2007-08. This work is taking place as part of the reform work under *A New Strategy for Community Care—The Way Forward* (see Section 2.5.3).

## **2.9 Dementia care and support**

The Australian Government provides a range of services that directly benefit people with dementia and their carers. Some services for people with dementia and their carers are provided under the *Aged Care Act 1997*; other services are provided outside the Act. In the 2005-06 Budget, the Australian Government announced a five-year \$320.6 million initiative, *Helping Australians with dementia, and their carers—making dementia a National Health Priority* (Dementia Initiative). In August 2005, the Minister appointed a Dementia National Health Priority Taskforce comprising industry, peak bodies and clinical experts in the field of dementia research and care. It is charged with offering suggestions and recommendations to guide activities to be undertaken by specific working groups.

Through the Dementia Initiative, funding was provided for the following programs and activities.

### **2.9.1 Dementia—a National Health Priority - \$70.5 million**

In making dementia a national health priority, the Australian Government aims to strengthen the capacity of both the health and aged care sectors to provide appropriate evidence-based prevention and early intervention, assessment, treatment and care for people with dementia through:

- expanding the dementia research capacity and embedding the research findings into care and treatment;
- supporting improved diagnosis, assessment and behavioural management services; and,
- improving prevention and early intervention services.

### **2.9.2 Extended Aged Care at Home (EACH) Dementia - \$225.1 million**

Two thousand EACH Dementia packages will be allocated over three years, with 1,344 packages allocated at the end of 2006-07. A further 666 places will be allocated through the 2007 Aged Care Approvals Round (ACAR). EACH Dementia packages support people with complex high care needs and dementia who experience difficulties in their day to day life because of behavioural and psychological symptoms associated with their dementia. (For more details, see 2.7.2.)

### **2.9.3 Training to Care for People with Dementia - \$25 million**

The 2005-06 Budget initiative included \$25 million over four years to support dementia specific training for up to 17,000 aged care workers and for 7,000 carers and community workers who may come into contact with people with dementia, such as police and ambulance officers.

Additional support for the workforce is being provided through development of Special Needs Groups training resources and the development of a Dementia Resource Guide.

### **2.9.4 Dementia Behaviour Management Advisory Services**

New Dementia Behaviour Management Advisory Services (DBMAS) are being established in each state and territory and will build on the role of the Psychogeriatric Care Unit Program to help staff of Australian Government funded residential and community services, and carers working with people living with dementia who may be exhibiting challenging behaviour. DBMAS will provide:

- assessment and diagnosis support;
- clinical advice on managing behaviours that impact on care;
- clinical supervision and mentoring of carers and care staff;
- short term case management, including crisis management;
- management of brokerage funds to provide short term direct services;
- tailored information and education workshops;
- support and advice via telephone, e-mail and other communication mechanisms; and
- liaison and referral to other services, particularly specialist services.

### 2.9.5 National Dementia Support Program

The provision of information, education and training is a key focus of the National Dementia Support Program, delivered by Alzheimer's Australia through funding from the Dementia Initiative, the National Respite for Carers Program, and the Dementia Education and Support Program. The level of information and support provided to people with dementia and their carers continued to increase in 2006-07. The program provides:

- The National Dementia Helpline (Freecall 1800 100 500), which offers information, advice, counselling and referral to a range of support services.
- Dementia and Memory Centres, which provide a range of information, support and social access services to people with dementia and their families and carers. They also play a valuable role in informing the general public about dementia issues.
- Early intervention support programs, such as the Living with Memory Loss Program that offers targeted support to people with early-stage dementia and their families and carers through structured support groups.
- Non-clinical advice, counselling and professional support, offering one-on-one counselling to people with dementia and their families and carers.
- Education and training programs, which offer accredited training to respite workers and structured training to families and carers of people with dementia.
- Awareness raising and information activities, such as the provision of National Dementia Helpsheets on a range of relevant topics relating to dementia and quality care, the development of national resources to support people with dementia and their families and carers (such as publications *The Caring Experience* and *Living with Dementia*), and the National Dementia Awareness Month, held in September/October.
- Support for special needs groups, which recognises the need for activities that targets the needs of special populations such as Aboriginal and Torres Strait Islander Peoples, people from culturally and linguistically diverse backgrounds, people in rural and remote areas, younger people with dementia, and socially disadvantaged people.

More than 50,000 people used these services during 2006-07.

## 2.10 Independent assessment

Under the Aged Care Assessment Program, the Australian Government provides grants to state and territory governments to operate 114 Aged Care Assessment Teams (ACATs).

ACATs comprehensively assess the care needs of frail older people and assist them to gain access to the types of available services most appropriate to meet their care needs. This may involve simply referring clients to community care services such as those available under the Home and Community Care (HACC) program. Alternatively, they could approve the client's eligibility for Australian Government subsidised aged care services including residential, community and flexible care services.

To ensure their services are accessible for all older Australians, Aged Care Assessment Teams have been established to work across all regions in each state and territory and can be based in hospitals or in the local community. Assessments are conducted in accordance with the aged care legislation and Commonwealth Guidelines for the Aged Care Assessment Program. Aged care assessment teams are made up of doctors, nurses, social workers and other health professionals who can provide a thorough assessment of older peoples' care needs and offer advice on suitable and available care options.

A total of 188,744 assessments were recorded in 2005-06, of which 179,354 were completed, compared with 187,723 assessments recorded in 2004-5, of which 176,877 were completed. (Some assessments are not completed because, for example, the client's circumstances may change or the client may withdraw mid-way through the assessment process.)

In February 2006 the Council of Australian Governments agreed to improve access to care services for the elderly, people with disabilities and people leaving hospital, through:<sup>5</sup>

- more timely and consistent assessments by Age Care Assessment Teams; and
- simplified entry and assessment processes for the Home and Community Care (HACC) program.

Aged Care Assessment Program (ACAP) Officials identified national priority areas to improve and strengthen the ACAP. Activities that have been implemented are:

- a National Aged Care Assessment Team Review;
- the development of a National Training Strategy;
- a report on the variability of ACAT recommendations; and
- progress towards the engagement of a consultant to fully cost the ACAP.

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5 See Council of Australian Governments' Meeting, 10 February 2006. *Communiqué*. Attachment D—Better health for all Australians: action plan at: [http://www.coag.gov.au/meetings/100206/attachment\\_d\\_better\\_health.pdf](http://www.coag.gov.au/meetings/100206/attachment_d_better_health.pdf).

State and territory governments were also allocated funding in 2006-07 to those areas in each jurisdiction which have been identified for improvement. Activities being progressed at the state and territory level include workforce development and support, client pathways, service models and assessment tools, quality improvement activities, data management and information technology.

## **2.1.1 Support for people with special needs**

The *Aged Care Act 1997* aims to provide aged care services in a way that best meets the identified needs of the community. It facilitates access to care irrespective of gender, race, culture, language, economic circumstance or geographic location. In accordance with these aims, the Secretary may decide, under Section 12-5 of the Act, that a number of aged care places will be made available to focus on the care of particular groups of people. People with special needs are identified under the Act and Principles as people from Aboriginal and Torres Strait Islander communities, people from non-English speaking (culturally and linguistically diverse) backgrounds, people who live in rural or remote areas, people who are financially or socially disadvantaged, and veterans, including spouses, widows and widowers of veterans.

The Act requires approved providers to demonstrate their understanding of the particular care needs of people from the special needs groups when applying for new places or the transfer of places.

In the 2006 Aged Care Approvals Round, 990 residential aged care places and 708 community aged care places were allocated to aged care providers seeking to provide services to people from four of the special needs groups. A further 1,846 residential and 1,148 community aged care places were allocated to rural, remote and regional areas.

People from special needs groups also have access to places allocated to serve the needs of the general population.

### **2.1.1.1 Aboriginal and Torres Strait Islander people**

Conditions associated with ageing generally affect Aboriginal and Torres Strait Islander people substantially earlier than other Australians. Planning for aged care services is therefore based on the Aboriginal and Torres Strait Islander population aged 50 years or older, compared with 70 years or older for other Australians.

Aboriginal and Torres Strait Islander people access mainstream services under the *Aged Care Act 1997* including those managed by Aboriginal and Torres Strait Islander organisations, and also services funded outside the *Aged Care Act 1997* under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. In many areas, services under the Act that are managed by non-Indigenous approved providers have a significant number of Aboriginal and Torres Strait Islander clients.

All aged care services that are funded under the *Aged Care Act 1997* are required to provide culturally appropriate care. Also, whether they are located in a community or residential setting, services may be subject to specific conditions of allocation in relation to the proportion of care to be provided to particular groups of people, including Aboriginal and Torres Strait Islander people.

In the 2006-07 Budget, an additional 150 places and funding of \$15.1 million over 4 years were allocated for the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. The additional places will bring the total number of places under this program to an estimated 750 places. These flexible care places help ensure that Aboriginal and Torres Strait Islander people can access culturally appropriate care services as close as possible to their communities, which are mainly in rural and remote locations.

Aged Care providers who deliver aged care services to Aboriginal and Torres Strait Islander people will also receive additional support under the *Securing the future of aged care for Australians* package announced in February 2007 (see 2.11.4 below).

### **2.11.2 People from culturally and linguistically diverse backgrounds**

Partners in Culturally Appropriate Care is a program that was developed in 1997 to support aged care service providers in the provision of culturally appropriate care to people from non-English speaking (culturally and linguistically diverse) backgrounds. The 2005-06 Budget provided \$5.1 million over three years to continue the Partners in Culturally Appropriate Care initiative.

In the 2004-05 Budget, the Australian Government provided \$11.6 million over four years to establish the Community Partners Program. The program commenced on 1 January 2005 and it assists older people from culturally and linguistically diverse communities to gain access to aged care services.

In the 2007-08 Budget, the Government announced additional funding of \$13.2 million over 5 years. This funding effectively doubles the size of the program with over 70 projects funded in 2007-08. Since its establishment, over 146 projects have been funded nationally.

### **2.11.3 Veterans**

Veterans, including spouses, widows and widowers of veterans are designated as 'people with special needs' under the *Aged Care Act 1997*.<sup>6</sup>

### **2.11.4 People who live in rural or remote areas**

The aged care planning system ensures that aged care places are provided in rural and remote areas in proportion to the number of older people who live there.

The Multi-purpose Services (MPS) program supports improvement in the integration and provision of health and aged care services for small rural and remote communities. The flexibility inherent in the program can be used to respond to the specific needs of each community and to allow change, as the community's needs change. Nationally, the number of MPS increased from 95 in June 2006 to 101 services in June 2007. Some MPS provide services at more than one location. (For more information on the MPS program see Section 2.7.1.)

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6 *Allocation Principles 1997*, section 4.4B, made under section 11-3 of the *Aged Care Act 1997*.



As part of the *Securing the future of aged care for Australians* package announced in February 2007, the Government is providing \$42.6 million over five years to support providers who deliver aged care services to people in disadvantaged or difficult-to-service circumstances. This additional financial support is focused on Aboriginal and Torres Strait Islander communities, people living in remote and very remote areas of Australia, and older homeless people. The additional assistance includes peer and professional support services, emergency support services and capital funding.

### **2.11.5 People who are financially or socially disadvantaged**

Frail older people who are financially or socially vulnerable are protected from disadvantage in accessing aged care services. There are special arrangements for concessional residents in residential care and hardship provisions for care recipients in residential and community care. Support is also provided for people in insecure housing arrangements.

#### **Concessional and assisted residents**

The concessional resident arrangements established under the *Aged Care Act 1997* mean that older people have access to care, irrespective of their capacity to make accommodation payments. Concessional residents do not pay accommodation bonds or charges. The Australian Government gives additional supplements to aged care providers on behalf of concessional residents. Concessional residents are those who:

- receive an income support payment; and
- have not owned a home for the last two or more years (or whose home is occupied by a 'protected' person, for example, the care recipient's spouse or long term carer); and
- have assets of less than 2.5 times the annual single basic age pension.

From 1 July 2005, asset testing for new residents has been undertaken by Centrelink (and, for Veterans, by the Department of Veterans' Affairs), rather than by the providers of aged care. Previously, providers had to assess residents' assets, while Centrelink or DVA assessed their income. People who were aged care residents at 1 July 2005 are not affected by the revised asset testing arrangements, unless they move to a new aged care home.

Aged care homes also receive an additional supplement for assisted residents, who are a subset of the concessional resident group. The criteria for determining assisted resident status are the same as for concessional resident status, except that an assisted resident has assets of between 2.5 and 4.0 times the annual single basic age pension amount. Assisted residents have sufficient assets to make a small contribution to their accommodation costs and they are subsidised at a lower rate than concessional residents.

For each aged care planning region, there is a minimum target ratio for concessional residents, based on regional socio-economic indices. The lowest regional target ratio is 16 per cent and the highest is 40 per cent. In 2006-07, the targets were exceeded in every region. The concessional resident ratio includes concessional and assisted residents, and certain residents approved under the hardship provisions.

The concessional resident supplement is paid at two levels. An aged care home receives a higher rate of supplement for eligible concessional residents if more than 40 per cent of its residents are concessional or assisted residents. The lower rate is paid for eligible concessional residents of homes where 40 per cent or fewer of their residents are assisted or concessional residents.

The supplement paid for eligible assisted residents is calculated separately and is not affected by changes to the proportion of concessional and assisted residents.

Of the 157,607 people receiving care in residential homes as at 30 June 2007, financial support was being provided for some 52,913 (33.6 per cent) concessional and 5,910 (3.8 per cent) assisted residents. In addition, there were a further 328 residents who were in receipt of financial hardship assistance at 30 June 2007.

### Hardship provisions

Financial hardship assistance provisions under the *Aged Care Act 1997* cater for the minority of residents who have difficulty paying care fees and accommodation payments. Applicants for financial hardship assistance may seek assistance with their daily care fees, the income tested fee, accommodation charge, or accommodation bond. Where assistance is granted, the Australian Government pays an additional supplement so that the aged care provider is not disadvantaged. During 2006-07, the Department processed 940 applications for financial hardship assistance. Of these, 58 per cent were approved and 9 per cent were rejected as ineligible. Following advice from the Department, the remaining 33 per cent of applications were withdrawn when, for example, the Department was able to recommend more appropriate ways to obtain needed support. Approvals of financial hardship assistance are reviewed on a case-by-case basis or when a resident's financial circumstances change. There are some classes of care recipients who are automatically eligible for a hardship supplement. These are described in the Residential Care Subsidy Principles.

### Assistance with Care and Housing for the Aged

The Assistance with Care and Housing for the Aged (ACHA) program supports frail, low income, older people who are renting, in insecure housing arrangements, or who are homeless. The program helps them to remain in the community by facilitating access to housing that is linked to community care. Because their housing arrangements are insecure, some frail older people whose care needs could be met by a Community Aged Care Package (CACP) are at risk of premature admission to residential care. Through the ACHA program, the Australian Government contributes recurrent funds to organisations that provide support through paid workers and volunteers, linking people to mainstream housing and care services. The ACHA program operates outside the *Aged Care Act 1997*.

\$2.7 million was paid to 43 providers in 2006-07, to assist older people obtain access to permanent housing and other community support. In the 2007-08 Budget, the Government committed \$5.7 million to expand the ACHA program for both new and existing providers over the next four years as part of the *Securing the Future of Aged Care for Australians* package. This increase will enable providers to help more people obtain housing and community care services. It will also make funding available to new providers to expand ACHA into new regions. This is the first real growth in the ACHA program since its introduction in 1992.

## 2.12 Information

Good information and support services are important to achieving timely and appropriate access to care.

### 2.12.1 Information line

Since 1997, the Department has provided an Aged Care Information Line (Freecall 1800 500 853) open to the public. There were 92,529 calls to the information line in 2006-07, compared to 90,389 calls in 2005-06.

*Table 11: Calls to the information line by main category of caller and main reason for call during 2006-07*

Caller Type	Number of calls	Percentage of all calls (*)
<b>Main category of caller:</b>		
Friend or family member	58,133	62.8%
Self or general public	9,890	10.7%
Providers of residential care	9,776	10.6%
Spouse	2,673	2.9%
<b>Main issue or reason for call:</b>		
Income tested or means tested fees	22,418	24.2%
Accommodation bonds and charges	23,710	25.6%
Daily care fees	20,940	22.6%
Health and Ageing publications	18,761	20.3%

(\*) Totals do not add to 100 per cent as this table shows only the most important categories of caller and reason for call.

### 2.12.2 Fact sheets, newsletters and updates

The Department disseminates a wide range of information products on ageing and aged care to consumers, care providers, health professionals and the general community.

Over 4.5 million individual information products were distributed to consumers, including:

- 2.8 million items from stable stock such as the *Complaints Resolution Scheme* brochure (available in 16 different languages);
- more than 100,000 items of carer information such as fact sheets on *Legal Arrangements, Managing Money, Services for You*;
- more than 337,000 items for continence such as *Continence Aids Assistance Scheme Application Guidelines* and *Dementia and Incontinence* brochures; and
- more than 930,000 items on Carelink and almost 400,000 items on dementia.

Manuals and other publications for care providers include:

- *Taking a Break* large print fact sheet;
- *Draft Community Packaged Care Guidelines*, published as an electronic manual on CD-ROM which provides more benefits for clients than paper manuals, such as improved search ability;
- *Managing Health Care & Medication* fact sheet; and
- *Carer Emergency Card* (available in 13 languages).

There was a range of information products, including fact sheets, brochures and promotional posters, that was distributed to support the introduction of the new package of reforms to further protect older Australians receiving Government-subsidised residential and community care services. The information products were tailored to fit different audiences such as approved providers and their staff, care recipients and their representatives, Aged Care Assessment Teams, aged care industry peak bodies and aged care consumer peak bodies, Members of Parliament, state and territory governments, medical professionals, elder abuse organisations, carer groups, police, hospitals and advocates.

There were 98 email and 3 mailfax information circulars sent to service providers and major stakeholders during 2006-07 advising of amendments to policy and procedures. Information items were also mailed to 22 mailing lists.

Through the National Continence Management Strategy, more than 350 information resources are available, including fact sheets and brochures on incontinence and bladder and bowel management. Targeted resources include information for men with prostate disease and information for women after childbirth. Information is available for people caring for others affected by incontinence. There is also a range of resources for Aboriginal and Torres Strait Islander peoples affected by incontinence.

### **2.12.3 Internet**

The Department's website ([www.health.gov.au](http://www.health.gov.au)) offers information about Australian Government aged care services. The site includes updates and amendments to documents that are routinely distributed to all providers, as well as major reports and other publications.

The Seniors Portal ([www.seniors.gov.au](http://www.seniors.gov.au)) is the Australian Government's principal site for people over 50, bringing together information from more than 290 government and non-government sources. Unique visits to the Seniors Portal averaged 18,500 per month in 2006-07.

Early in 2005, the Department released the online Commonwealth Carelink Services directory ([www.commcarelink.health.gov.au](http://www.commcarelink.health.gov.au)) which contains information about aged care homes and community care services. Building on this site, a consumer website was developed in 2005-06 to provide more comprehensive information for consumers. It provides tools to help people better understand their needs and the services available. The site ([www.agedcareaustralia.gov.au](http://www.agedcareaustralia.gov.au)) was launched in November 2006. Unique visits to the site averaged 15,500 per month in 2006-07.

### **2.12.4 Commonwealth Carelink Centres**

Fifty-four Commonwealth Carelink Centres ([www.commcarelink.health.gov.au](http://www.commcarelink.health.gov.au)) provided approximately 207,000 clients with information about community, residential and other aged care services during 2006-07. Clients include general practitioners, other health professionals, service providers, individuals and their carers. Commonwealth Carelink Centres may be contacted through a national freecall number, 1800 052 222.

### **2.12.5 Dementia information and support**

The level of information and support provided to carers of people with dementia continued to increase in 2006-07. (For more details, see Section 2.9).

### **2.12.6 Carer Information and Support Program**

The Carer Information and Support Program funds the development and distribution of carer information products, including education programs for carers and information about government programs that support carers. The Carer Information and Support Program distributed an estimated 452,300 items in 2006-07.

### **2.12.7 Reforms in Community Care**

A dedicated section of the Department's website - [www.health.gov.au/thewayforward](http://www.health.gov.au/thewayforward) - is maintained to keep the sector up to date of progress under *The Way Forward* and informed of opportunities for involvement in consultations relating to the reform work. The Department also supported and presented on aspects of the community care reforms at a number of major industry conferences and forums during 2006-07.



## 3 Funding for care

### 3.1 Growth in funding for aged care

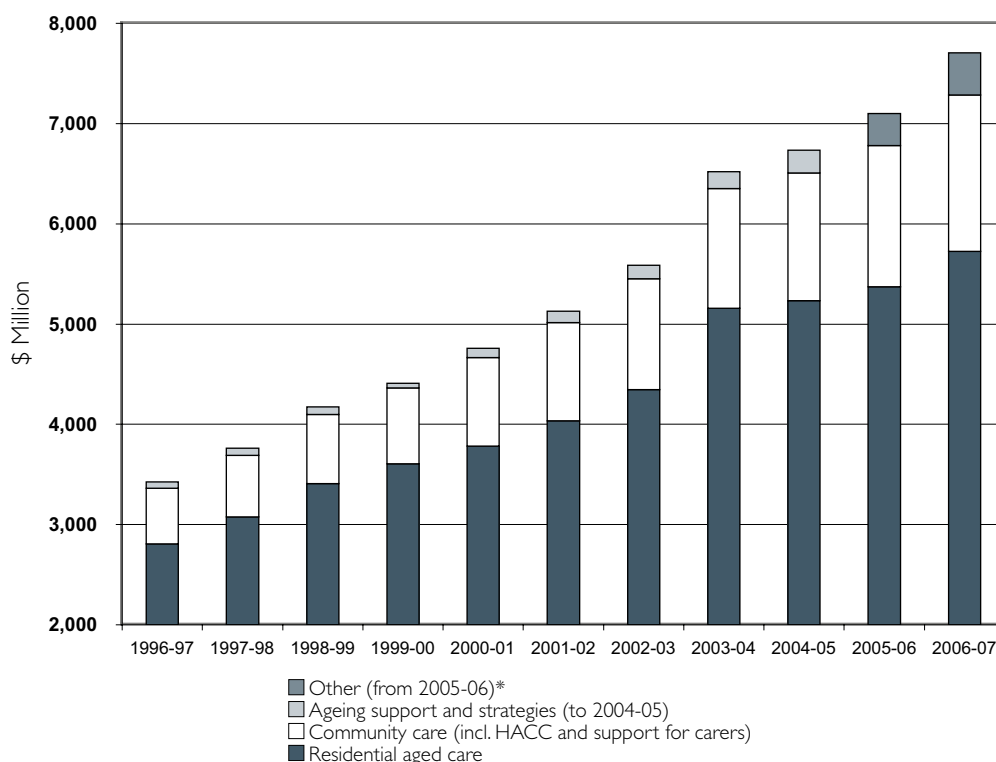
The Australian Government is committed to ensuring that frail older Australians receive the best possible care and to providing sufficient funding for aged and community care services to provide this care. Australian Government expenditure for ageing and aged care was \$7.7 billion in 2006-07, compared with \$7.1 billion in 2005-06.

- Expenditure on residential aged care subsidies and supplements was \$5.7 billion in 2006-07, compared with \$5.3 billion in 2005-06—an increase of 6.0 per cent. This was an increase of 130 per cent since 1995-96 when expenditure was \$2.5 billion.
- Australian Government expenditure on the Home and Community Care program was \$928 million in 2006-07, compared with \$858 million 2005-06—an increase of 8.2 per cent. This was an increase of 119 per cent since 1995-96 when Australian Government expenditure for Home and Community Care was \$423 million.
- Expenditure on Community Aged Care Packages was \$405 million in 2006-07, compared with \$357 million in 2005-06—an increase of 13.5 per cent. This was an increase of more than 1122 per cent since 1995-96 when expenditure was \$33 million.<sup>7</sup>

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<sup>7</sup> In 2005-06, the program group structure for the outcome changed from four outcome groups to eight, to provide greater clarity in the reporting of expenditures. Expenditure figures reported in this paragraph have been compiled to provide comparability between 1995-96, 2005-06 and 2006-07. The new program groups are 4.1 Aged care assessment (\$65.4m in 2006-07); 4.2 Aged care workforce (\$27.4m); 4.3 Ageing information and support (\$36.1m); 4.4 Community care (\$1,561.4m); 4.5 Culturally Appropriate Aged Care (\$20.9m); 4.6: Dementia (\$29.6m); 4.7 Flexible aged care (\$239.1m); and 4.8: Residential care (\$5,724.8m).

Figure 4: Growth in Australian Government outlays for aged care from 1996-97 to 2006-07



\* Includes, aged care assessment, aged care workforce, ageing information and support, culturally appropriate aged care, Dementia, and flexible aged care.

## 3.2 Community care

### 3.2.1 Home and Community Care

The Australian Government contributes approximately 60 per cent of Home and Community Care (HACC) program funding nationally and maintains a broad strategic role. State and territory governments contribute approximately 40 per cent of program funding and manage the program on a day-to-day basis. Australian Government funding available for HACC in 2006-07 was \$928.4 million, an increase of 119 per cent since 1995-96. Total combined Australian, state and territory funding for 2006-07 was \$1.524 billion, an increase of \$116.2 million over the previous year.

On 26 July 2006, the Australian Government announced provision of up to \$30 million in extra, one-off, unmatched funding to build on and extend the work agreed by the Council of Australian Governments in February 2006 for improved, nationally consistent arrangements for access, assessment and referral for HACC services. The extra funding recognises costs associated with implementing the reforms and will be available only to those states and territories that implement the reforms outlined in *A New Strategy for Community Care—The Way Forward*, released in August 2004.



### 3.2.2 Community Aged Care Programs

Australian Government financial assistance for Community Aged Care Packages (CACPs), Extended Aged Care at Home (EACH) packages and EACH Dementia packages is paid to service providers as a contribution to the cost of providing care. The Minister for Ageing determines the rates for subsidies and supplements, usually on 1 July of each year. The current rates of payment can be found on the Department's Internet site.<sup>8</sup> The Australian Government's recurrent expenditure on CACPs has increased from \$33.1 million in 1995-96 to \$404.9 million in 2006-07.

*Table 12: Australian Government expenditure for Community Aged Care Packages in 2005-06 and 2006-07, by state and territory*

	2005-06 \$m	2006-07 \$m	Increase \$m	Increase %
New South Wales	124.1	140.1	16.0	12.9%
Victoria	94.3	106.5	12.2	12.9%
Queensland	54.7	63.3	8.6	15.7%
South Australia	33.0	37.2	4.2	12.7%
Western Australia	29.0	34.4	5.4	18.6%
Tasmania	10.1	11.1	1.0	9.9%
Northern Territory	6.3	6.6	0.3	4.8%
Australian Capital Territory	5.0	5.7	0.7	14.0%
<b>Australia</b>	<b>356.6</b>	<b>404.9</b>	<b>48.3</b>	<b>13.5%</b>

The 2004-05 Budget provided new funding of \$225.1 million over four years to create 2,000 EACH Dementia packages (see Section 2.7.2). Australian Government recurrent expenditure on EACH and EACH Dementia packages, which has risen from \$15.5 million in 2003-04 to a combined total of \$129.0 million in 2006-07, an increase of 732 per cent.

In the February 2007 statement on *Securing the Future of Aged Care for Australians*, an additional \$299 million over four years to 2010-11 was allocated to provide an additional 5,600 CACPs and 1,600 high-level care (ie EACH and EACH Dementia) packages.

<sup>8</sup> See <http://www.health.gov.au/internet/wcms/publishing.nsf/Content/ageing-finance-subsidies.htm>

Table 13: Australian Government expenditure for Extended Aged Care at Home packages in 2005-06 and 2006-07 and Extended Aged Care at Home Dementia packages in 2006-07, by state and territory

	EACH				EACH Dementia 2006-07
	2005-06 \$m	2006-07 \$m	Increase \$m	Increase %	2006-07 \$m
NSW	19.9	31.8	11.9	59.8%	7.3
Vic	19.5	29.7	10.2	52.3%	4.6
Qld	9.9	17.1	7.2	72.7%	2.2
SA	5.9	9.6	3.7	62.7%	1.9
WA	4.8	8.1	3.3	68.8%	0.7
Tas	1.9	2.7	0.8	42.1%	0.5
NT	1.5	2.1	0.6	40.0%	0.8
ACT	1.9	2.8	0.9	47.4%	7.1
<b>Australia</b>	<b>65.3</b>	<b>103.9</b>	<b>38.6</b>	<b>59.1%</b>	<b>25.1</b>

### 3.2.3 Care recipients' contribution

The Australian Government does not set the level of fees that CACP and EACH recipients are asked to pay, but it does set the maximum level of the daily care fees that providers may ask care recipients to pay. For older people on the maximum basic rate of pension, fees must not exceed 17.5 per cent of the pension (\$6.33 a day at 30 June 2007). Additional fees are limited to 50 per cent of any income above the maximum pension rates. However, no one may be denied a service because they cannot afford to pay. CACPs and EACH packages are GST exempt.

### 3.2.4 Community care grants (CACP establishment grants)

Community care grants assist organisations that may be disadvantaged in meeting the cost of establishing viable CACP services. Those receiving grants include organisations without an established service infrastructure, those servicing remote or isolated communities where there are limited resources, and services with only small numbers of CACPs. Individual grants may be up to \$50,000 (GST-exclusive), depending on the circumstances of the organisation, and are paid prior to the commencement of services. Forty-two community care grants were made in 2006-07 for a total value of \$1.6 million.

Under the *Securing the Future of Aged Care for Australians* package, there was provision for expanding the eligibility for community care grants to the Extended Aged Care at Home and EACH Dementia programs. Amendments to legislation to effect this change and other minor changes which will allow more flexibility in supporting supply of packages to areas of particular need are scheduled during 2007-08.

Table 14: Community care establishment grants during 2006-07, by state and territory

	Number of grants made	Total value (\$'000)
New South Wales	9	405
Victoria	8	325
Queensland	18	623
South Australia	1	42
Western Australia	1	10
Tasmania	3	113
Northern Territory	1	81
Australian Capital Territory	1	53
<b>Australia</b>	<b>42</b>	<b>1,652</b>

**3.2.5 Viability supplement**

The 2006-07 Budget provided \$19.4 million over four years for a new viability supplement to community aged care programs such as Community Aged Care Packages, Extended Aged Care at Home, and community care provided by Multi-purpose Services and services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program in rural and remote areas. The supplement recognises the higher costs and recruitment difficulties faced by these services. The development of eligibility criteria and associated changes to the payment systems to process the supplement, meant that initial payments were not made until late June 2007. However, retrospective adjustments to the commencement date of 1 January 2007 were processed as provider claims were received.

The Australian Government already provides a viability supplement to residential aged care services in rural and remote areas of Australia (see Section 3.3.3).

**3.3 Residential care—recurrent funding**

**3.3.1 Australian Government recurrent funding**

Australian Government funding for residential care has risen from \$2.5 billion in 1995-96 to \$5.7 billion in 2006-07. This includes funding appropriated through the Health and Ageing portfolio as well as funding for veterans in residential care through the Veterans’ Affairs portfolio. These combined appropriations are paid as subsidies and supplements to aged care homes through the Health and Ageing payment system, managed by Medicare Australia.

Table 15: Australian Government recurrent residential aged care funding in 2005-06 and 2006-07, by state and territory

	2005-06	2006-07	Increase	%
New South Wales	1,849.8	1,959.8	110.0	5.9%
Victoria	1,316.8	1,396.4	79.6	6.0%
Queensland	953.7	1,005.0	51.3	5.4%
South Australia	550.3	590.8	40.5	7.4%
Western Australia	441.1	465.2	24.1	5.5%
Tasmania	147.2	153.4	6.2	4.2%
Northern Territory	17.7	17.3	-0.4	-2.4%
Australian Capital Territory	51.6	54.2	2.6	5.1%
CO (accrual)	5.4	13.4	8.0	na
<b>Australia</b>	<b>5,333.6</b>	<b>5,655.5</b>	<b>321.9</b>	<b>6.0%</b>

Note: Includes funding through the Veterans' Affairs portfolio.

The Australian Government subsidises the provision of residential aged care to those approved to receive it. The payment for each resident is calculated as follows:

- a basic subsidy amount determined, for permanent residents, by the resident's classification under the Resident Classification Scale and, for respite residents, by the Aged Care Assessment Team's assessment of the resident;
- plus any primary supplements for concessional residents, transitional residents, respite residents, oxygen, enteral feeding and payroll tax and the Conditional Adjustment Payment (see Section 3.3.2);
- less any reductions in subsidy resulting from the provision of extra services, adjusted subsidies for government (or formerly government) owned aged care homes or the receipt of a compensation payment;<sup>9</sup>
- less any reduction resulting from the income-testing of residents who entered residential care on or after 1 March 1998;
- plus any other supplements, including the pensioner supplement, the viability supplement and the hardship supplement (which reduces charges for residents who would otherwise experience financial hardship);
- plus since 2004-05, an additional Conditional Adjustment Payment which is an additional percentage of the basic subsidies paid to eligible providers of residential aged care - for more information see Section 3.3.2

The Minister for Ageing determines the rates for subsidies and supplements, usually on 1 July of each year. The current rates of payment can be found on the Department's Internet site.<sup>10</sup>

<sup>9</sup> The adjusted subsidy reduction was removed from former government owned homes effective 1 July 2007. Transfers of places from Government to a Non-Government owned service will have the adjusted subsidy reduction removed from the date of transfer.

<sup>10</sup> See <http://www.health.gov.au/internet/wcms/publishing.nsf/Content/ageing-finance-subsidies.htm>

As announced in the February 2007 statement on *Securing the Future of Aged Care*, new arrangements are being introduced for the determination of basic care subsidies (see Section 3.3.6) and accommodation payments (see Section 3.4.3). These changes are particularly aimed at the provision of more high care places and more money for those on the highest care needs.

**Table 16: Average Australian Government payments (subsidy plus supplements) for each residential aged care recipient, 1995-96, 2005-06 and 2006-07**

	1995-96	2005-06	2006-07 (a)	Increase 1995-96 to 2006-07	Increase 2005-06 to 2006-07
High care resident	\$26,793	\$44,070	\$45,200	69%	2.6%
Low care resident	\$6,817	\$15,690	\$16,200	137%	3.3%
All residents	(b)	\$34,600	\$36,000	(b)	(c) 4.0%

- (a) Preliminary estimates, which are subject to change due to retroactive adjustments.
- (b) An average cost for all residents for 1995-96 is not available, as high care and low care were then provided through separate programs for nursing homes and hostels.
- (c) The growth rate for "All residents" is higher because it reflects the increase in average payments plus a shift in relative numbers from low care to high care.

### 3.3.2 Conditional Adjustment Payment

In the 2004-05 Budget package, the Australian Government allocated an additional \$877.8 million over four years for a new Conditional Adjustment Payment (CAP) to eligible approved providers of residential aged care. The conditions imposed for the receipt of CAP aim to strengthen financial management and corporate governance arrangements in the aged care industry and assist approved providers to improve their services so that they can continue to provide high quality care to residents. For 2006-07 CAP had risen to 5.25 per cent and in 2007-08 it is 7.0 per cent of the basic subsidy amount.

Receipt of CAP funding by individual approved providers is voluntary and conditional on compliance with requirements set out in the Principles.<sup>11</sup> In summary, the participating approved provider must offer opportunities for, and encourage, staff training, prepare audited financial reports, and participate in Departmental workforce surveys.

Only four approved providers have chosen not to participate in CAP. All other participating approved providers have met (or are working to meet) the CAP requirements. All participating approved providers have:

- indicated compliance for calendar year 2006 with the CAP staff training condition, by lodging a written notice by 28 February 2007; and
- indicated compliance with the CAP audited financial reporting requirements, by lodging a written notice during 2006-07.

11 Division 4, Part 10 of *Residential Care Subsidy Principles* 1997

### 3.3.3 Viability supplement

Viability Supplement for residential aged care services is a special payment made available under the *Aged Care Act 1997* to assist residential aged care services in rural and remote areas with the extra cost of delivering services in those areas.

The 2004-05 Budget package *Investing in Australia's Aged Care: More Places, Better Care* provided funding of \$14.8 million over four years to increase the viability supplement available to rural and remote providers so they can continue to provide high quality care. The new funds were in addition to the \$13 million each year already available to providers through the viability supplement. The supplement recognises the lower income stream available to, and higher costs faced by, many rural and remote providers.

The eligibility criteria for the viability supplement were reviewed to ensure better targeting prior to the introduction of the increased funding from 1 January 2005. Viability supplement is payable for care recipients in residential aged care services which meet specific criteria. The amount of viability supplement paid to a provider depends on where the service is located, the number of places in the service, and the proportion of care recipients with special needs. Eligible services are generally those with fewer than 45 places and in less accessible locations.

As well as the viability supplement for residential care, the February 2007 announcement on *Securing the Future of Aged Care* provided an additional \$42.6 million over five years to provide additional practical support to aged care services that care for people in difficult circumstances within the community. The 2006-07 Budget provided funding for a new viability supplement for community aged care services in rural and remote areas (see Section 3.2.5).

*Table 17: Australian Government expenditure for residential viability supplement and the number of aged care services receiving residential viability supplement during 2006-07, by state and territory*

	Mainstream residential		Flexible care services funded under the National Aboriginal and Torres Strait Islander Aged Care Strategy		Multi-purpose Services	
	Services	\$'000	Services	\$'000	Services	\$'000
NSW	128	3,628.5	2	83.4	36	1,522.0
Vic	101	2,358.0	0	0	7	318.5
Qld	104	4,379.7	3	232.6	21	1,221.2
SA	56	1,761.2	4	382.2	5	975.3
WA	34	1,779.2	1	116.8	29	1,875.0
Tas	24	810.8	0	0	3	138.9
NT	10	920.3	8	826.4	-	-
ACT	0	0	0	0	-	-
<b>Australia</b>	<b>457</b>	<b>15,638.0</b>	<b>18</b>	<b>1,641.4</b>	<b>101</b>	<b>6051.0</b>

Notes: Includes all services receiving a payment, including positive adjustments based on a previous year's entitlement. At 30 June 2007, there were 101 operational MPS all of which received the viability supplement.

### 3.3.4 Resident contributions—care fees

The Australian Government considers that aged care residents who can afford to do so, should make a contribution towards the cost of their accommodation and daily living costs, just as they would if they were living in the community. At the same time, the Australian Government recognises that quality care is expensive and that Australian Government revenues must continue to meet the major cost of providing quality care.

The Australian Government does not set the level of care fees that residents in aged care homes are asked to pay, but it does set the maximum level of the care fees that providers of care may ask residents to pay. There are two types of care fees—basic daily care fees and income tested fees. The maximum level of the two fees is determined by a resident's income and assets, the service chosen, and whether he or she has special circumstances (for example, if the resident is an ex-Prisoner of War).

At 30 June 2007, the maximum basic daily care fee that a resident could be asked to pay was \$30.77 (85 per cent of the basic rate of the age pension) for means-tested pensioners and respite residents, and \$38.35 for non-pensioners.

Residents who entered care on or after 1 March 1998 and who have sufficient income, can also be asked to pay an income-tested fee. Full pensioners do not pay income-tested fees. At 30 June 2006, the maximum daily income tested fee that a resident could be asked to pay was \$23.70 for part-pensioners, and \$53.96 for non-pensioners.

The Australian Government pays additional subsidy so that new residents do not pay income-tested fees for the first 28 days, while their income assessment is finalised. This ensures that they are not charged inappropriately and simplifies administrative arrangements for care providers. Around 49,500 new aged care residents each year and their aged care providers benefit from this initiative.

As part of the February 2007 *Securing the Future of Aged Care* statement, the Government announced the introduction of a fairer income test, which will apply to all residents from 20 March 2008. The test will be simplified by treating all income assessable in the same manner and calculated at only one rate for all residents. This will particularly benefit self-funded retirees who are less well off. There will be no fee increases for any existing residents as a result of these changes.

### 3.3.5 Resident Classification Scale

The Resident Classification Scale (RCS) is used to appraise the care needs of residents for funding purposes. RCS appraisals are conducted by aged care homes and classify residents into one of eight funding categories. Around 202,159 appraisals were conducted in 2006-07. Appraisals are completed when residents are admitted into residential aged care and when classifications expire. Classifications expire after one year, after a resident has been on extended hospital leave, or when there is a significant change in care needs. RCS appraisals are subject to review (see Section 4.3.3).

When the new Aged Care Funding Instrument (ACFI - see Section 3.3.6) is introduced, existing residents may continue to receive funding within the RCS funding categories in the following circumstances. If a resident's RCS classification has expired, but the ACFI appraisal would result in a rate of subsidy that is less than \$15 above the existing RCS rate for that resident, the subsidy for that resident will continue to be paid at the existing RCS rate.

### **3.3.6 Aged Care Funding Instrument**

In the 2004 Budget, the Australian Government announced it would introduce a new funding model with fewer funding categories and two new supplements. The supplements are for residents with behavioural conditions, including dementia, and for residents with complex health care needs, including palliative care.

In 2005 a new funding instrument, the Aged Care Funding Instrument (ACFI) was developed to replace the current Resident Classification Scale. The ACFI is designed to closely match funding to the care needs of residents; reduce documentation; and improve agreement between aged care staff and review staff about the classification of residents.

In 2006, the ACFI model was trialled with approximately 23 per cent of aged care homes nationally participating. Results of the trial and ongoing consultation with an industry Reference Group have assisted in finalising the development of ACFI.

The Aged Care Amendment (Residential Care) Bill 2007 amending the *Aged Care Act 1997* was passed by Parliament in June 2007. This will allow the ACFI to be used to classify all care recipients who enter residential aged care on or after 20 March 2008.

As part of the \$1.6 billion *Securing the Future for Aged Care in Australia* package announced by the Prime Minister on 11 February 2007, the Australian Government has provided an extra \$393.5 million to help implement ACFI. To assist the industry, a national training program will be conducted in which approximately 10,000 aged care staff and their managers will receive face to face training in the new requirements in late 2007 and early 2008.

## **3.4 Residential care—capital funding**

Capital income is available to service providers through resident accommodation payments (accommodation bonds and accommodation charges), the capital component of Australian Government recurrent funding, and through targeted capital assistance.

### **3.4.1 Government capital and other assistance**

Accommodation bonds and charges provide aged care homes with a capital stream to upgrade and maintain buildings. The Australian Government acknowledges, however, that some homes may not be in a position to attract sufficient residents who can pay accommodation payments because, for example, of their rural or remote location or because the homes target financially disadvantaged people. An ongoing program of targeted capital assistance assists providers who, as a result of such circumstances, are unable to meet the cost of necessary capital works.



In the 2006-07 Budget, the Australian Government committed funding of \$134.2 million over four years to continue capital assistance to eligible aged care homes in rural and remote areas.

Forty-seven million dollars in capital assistance was allocated during 2006-07, to assist providers of residential care to improve and upgrade 35 aged care homes, with almost 92 per cent of this funding allocated to services in rural and remote areas. Of this, \$15.5 million was allocated as Residential Care Grants, to support fire and safety related improvements and other works required for accreditation and certification, as well as the construction of new accommodation. The remaining \$30.5 million was provided through the Regional and Rural Building Fund (including \$3.4 million in Rural Adjustment grants) to assist rural and regional aged care homes to upgrade the quality of their buildings or to expand, thereby increasing access to aged care places for rural communities.

The Australian Government is also assisting with capital requirements through increased payments for concessional, respite and transitional residents, boosting the funds available to aged care providers by a further \$438.6 million over four years from 2004-05.

The majority of initiatives under the \$1.6 billion *Securing the Future of Aged Care for Australians* reform package announced in February 2007 will commence in March 2008, but \$96 million was allocated as an interim capital boost for providers of high level care. This capital boost will take the form of an interim accommodation supplement of \$3.50 per day for all eligible high care residents except those occupying extra service places. It applies for the period 1 July 2007 to 19 March 2008 and will be paid in three instalments in October 2007, January 2008 and April 2008.

Under these new arrangements, the combination of new government accommodation payments and new resident accommodation fees (see Section 3.4.3) will see an additional \$755 million over four years flowing to the sector. This additional funding will support increased investment in aged care homes to provide high level care so that these places will be available when people need them. Those who can afford it are being asked to contribute more to their accommodation, while the level of Government payments will increase for those who cannot meet the costs themselves. The fees paid by existing residents will not be increased by this package.

### **3.4.2 Resident contributions—accommodation bonds**

An estimated 77.5 per cent of aged care homes held accommodation bonds at 30 June 2007, compared with 74.1 per cent at 30 June 2006. The average accommodation bond agreed with a new resident in 2006-07 was \$167,450 compared with \$141,690 in 2005-06. The median bond amount in 2006-07 was \$132,000 compared with \$122,500 in 2005-06.<sup>12</sup>

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12 Accommodation bond and charge data for 2006-07 are based on preliminary results of the 2007 Survey of Aged Care Homes and subject to further refinement following detailed analysis of the survey results

In about 27 per cent of the aged care homes that received new bonds in 2006–07, the average new bond amount agreed for the home was \$100,000 or less. In an estimated further 11 per cent of such homes, the average amount for new bonds was in the range \$100,001 to \$150,000.

As shown in Table 18, the method of payment of bonds most frequently used by new residents was payment by lump sum.

*Table 18: Method of payment of accommodation bonds from 2004-05 to 2006-07  
(as percentage of all bond-paying new residents)*

Method of payment	2004-05	2005-06	2006-07
Lump sum	91.8%	91.2%	91.1%
Periodic payments	4.5%	3.8%	3.6%
Combination of lump sum and periodic payments	3.7%	5.0%	5.3%

The size of individual bonds has increased substantially over recent years. As a bond can represent a significant proportion of a resident's life savings, the Australian Government has taken measures to strengthen the protection of residents' bonds. (See Sections 4.3.4 to 4.3.6 for more information.)

### 3.4.3 Resident contributions—accommodation charge

In 2006–07, an estimated 65.5 per cent of homes collected accommodation charges, compared with 60 per cent in 2005–06. The average daily charge to new residents was \$16.02, compared with \$15.62 in 2005–06. Of accommodation charges agreed with new residents during 2006–07, an estimated 83.9 per cent were at the maximum allowable amount of \$17.13.

Under the new arrangements announced in the February 2007 Statement and being implemented in March 2008, daily accommodation payments will increase for new residents entering high care from then. Some new residents with sufficient means will make all of the new payments themselves. For those new residents without sufficient means to make any of the new payments themselves, the Government will pay the increased amount in full. For those without the means to make all of the payment, they will pay some and the Government will pay the remainder.

## 3.5 Residential care—structure

The aged care sector is composed of the religious and charitable, community, private for profit and government sectors. Table 19 indicates that, since 1996–97, the proportion of places operated by the religious and charitable, and the government sectors have decreased, while the proportion operated by the private sector has increased.

Table 19: Operational residential care places by ownership sector (percentage of all operational places)

Year	Religious, charitable or community	State or local government (*)	Private for profit	Total
30 June 1997	62.5%	11.6%	25.9%	100.0%
30 June 2007	59.3%	8.7%	32.1%	100.0%

(\*) There are no places operated by a territory government.

Increased funding from Australian Government and user contributions, together with the requirements for certification and accreditation introduced as part of the 1997 reforms, has stimulated restructuring and investment in the aged care sector. The level of interest in investment in residential aged care places is an indicator of the viability of the sector. Other indicators of confidence in the sector include demand for new places released during the Aged Care Approvals Rounds, the prices paid for existing places, the level of building work and financial institutions’ views of the sector. The 2007 Survey of Aged Care Homes has confirmed that the sector continues to engage in extensive building and upgrading work. More details of building activity are in Section 4.2.3.

### 3.6 Multi-purpose Services

There was continued growth in expenditure for the Multi-purpose Services program, from \$62.3 million in 2005-06 to \$69.2 million in 2006-07. The 2006-07 Budget provided Multi-purpose Services with an additional \$9.3 million over four years for respite care in rural areas.

Table 20: Australian Government expenditure for Multi-purpose Services in 2005-06 and 2006-07, by state

	2004-05 \$m	2005-06 \$m	2006-07 \$m
New South Wales	16.0	18.9	20.9
Victoria	7.9	8.3	8.6
Queensland	7.1	8.8	10.1
South Australia	5.9	6.6	7.1
Western Australia	13.2	16.6	19.9
Tasmania	2.3	3.1	2.7
<b>Australia</b>	<b>52.4</b>	<b>62.3</b>	<b>69.2</b>

### 3.7 Respite care and carer support

The Australian Government continues to increase spending on respite care. Expenditure on the National Respite for Carers Program was about \$167 million in 2006-07. The outlay in 2007-08 is projected to be \$185 million which means that there has been a nine-fold increase in funding for the respite program since 1996-97. Australian Government support for the National Respite for Carers Program complements support provided to carers through residential respite care. Expenditure on residential respite care was \$122.5 million in 2006-07, compared with \$105.8 million in 2005-06, as shown in Table 21.

*Table 21: Australian Government expenditure for residential respite care in 2005-06 and 2006-07, by state and territory*

	2005-06	2006-07
	\$m	\$m
New South Wales	49.1	57.3
Victoria	20.9	23.8
Queensland	12.9	15.0
South Australia	11.4	13.5
Western Australia	5.9	6.5
Tasmania	3.0	3.3
Northern Territory	1.1	1.5
Australian Capital Territory	1.5	1.6
<b>Australia</b>	<b>105.8</b>	<b>122.5</b>

### 3.8 Independent assessment

Age-related growth indexation for the Aged Care Assessment Program was first introduced in the 1998-99 Budget in recognition of the ageing of the population and associated increase in demand for assessment services. In the 2006-07 Budget, the Australian Government provided new funding of \$20.1 million over four years to assist Aged Care Assessment Teams (ACATs) to keep pace with the demand for assessment services. In addition, as part of the Australian Government's contribution to the Council of Australian Governments' *Better Health Initiative*,<sup>13</sup> announced on 10 February 2006, the Government is providing new funding of \$24.2 million over five years (including \$0.1 million in 2005-06) to improve assessments by ACATs (see Section 2.10 for more details).

Expenditure in 2006-07 for the Aged Care Assessment Program was \$65.4 million, which included funding ACATs, Evaluation Units, recurrent ACAT Training, EACH D assessments, and the Dementia Support for Assessment Program (DSA).

13 Council of Australian Governments' Meeting, 10 February 2006. *Communiqué*. Attachment D—Better health for all Australians: action plan at: [http://www.coag.gov.au/meetings/100206/attachment\\_d\\_better\\_health.pdf](http://www.coag.gov.au/meetings/100206/attachment_d_better_health.pdf).

### 3.9 Aged care eBusiness

The Department has been pursuing an eBusiness strategy to reduce the paperwork burden on aged care providers and support the electronic lodgement of documentation to the Department.

As part of the 2004-05 Budget measure, *Investing in Australia's Aged Care—Streamlining Administration for Better Care*, the Department with Medicare Australia and aged care providers, developed the Online Claiming system. The new system supports electronic lodgement of both community care and residential care subsidy claim related forms from providers, and eligibility assessments from Aged Care Assessment Teams. This system also supports access to key information online through a secure Medicare Australia website.

The Department will seek to expand the range of eBusiness services available for aged care providers. In the next stage, Medicare Australia will extend the Online Claiming system to support electronic lodgement of the new Aged Care Funding Instrument (ACFI) in line with the policy implementation on 20 March 2008.



## 4 Quality of care and accommodation

The Australian Government is committed to ensuring the best possible aged care for frail older Australians. Strategies that support the provision of quality services include:

- legislated responsibilities for aged care providers;
- the work of the independent Aged Care Standards and Accreditation Agency;
- a continuous quality improvement process; and
- assistance to develop and maintain a sufficient and skilled aged care workforce.

A standards framework underpins the quality of care received by older Australians in aged care and the Act provides for sanctions to be applied against the small number of providers that do not meet their responsibilities.

### 4.1 Community care

In the 2004-05 Budget, \$13.7 million was allocated for Quality Reporting in Community Care, and the first three-year cycle commenced nationally on 1 July 2005. The primary objectives have been to:

- ensure that care recipients continue to receive the levels of care they need; and
- improve measurement and reporting of the programs' operation.

Quality reporting applies to Community Aged Care Packages (CACPs), Extended Aged Care at Home (EACH) and the National Respite for Carers Program. It involves three steps in which services report against uniform quality standards and departmental officers complete desk audits and validation visits.

At the conclusion of the second year of the cycle on 30 June 2007, 950 service outlets had fully completed the quality reporting process. This represents 67 per cent of the 3 year target.

Quality assurance processes are already well established in Home and Community Care. All Home and Community Care services are required to appraise their performance over a three-year cycle. The current cycle commenced in 2006.

A total of \$26.8m has been provided over four years through the Government's 2007 *Securing the Future of Aged Care for Australians - Ensuring Quality in Community Care* initiative to strengthen the quality assurance framework for community care packages and the National Respite for Carers Program. Strategies include:

- increased program monitoring and accountability including enhanced standards, improved data collection, risk assessment and unannounced reviews;
- supporting the sector to improve quality service provision through identification and promotion of best practice models in key areas including care planning, falls prevention, wound management and safe medication management; and
- increasing consumer and community awareness of services and advocacy and complaints options.

## 4.2 Residential care

### 4.2.1 Preventing elder abuse in residential aged care

Early in 2006, the Minister for Ageing established the Residential Aged Care Abuse Taskforce to analyse stakeholder feedback in relation to physical and sexual abuse in residential aged care facilities. The taskforce provided the platform for subsequent policy and program development to enable a prompt response to allegations of such serious incidents. The response includes the following initiatives:

- the establishment of a new Office of Aged Care Quality and Compliance;
- the introduction of compulsory police checks for staff, volunteers and contractors in aged care services subsidised by the Australian Government who have, or are likely to have, unsupervised access to care recipients;
- an increased number of spot checks by the Aged Care Standards and Accreditation Agency;
- establishment of an aged care complaints investigation scheme including the appointment of an Aged Care Commissioner;
- compulsory reporting of allegations of incidents of sexual or serious physical assault; and
- legislative protection for approved providers and staff who report these assaults.

See Chapter 5, Complaints Investigation Scheme for further details.



#### 4.2.2 Quality of accommodation—Building standards and certification

Certification focuses on the building quality of aged care homes. A home must be certified to be able to receive accommodation payments and extra service charges. The fire safety targets and the privacy and space targets have also been linked to the increased capital funding which forms part of the Government's *Securing the Future of Aged Care for Australians* package. Residential aged care services are required to meet these targets to be eligible to receive the maximum level of the new accommodation supplement from March 2008. Residents expect high quality and safe accommodation in return for their direct and indirect contributions.

While certification is not time limited, it is based on the principle of continuous improvement and an agreed 10-year plan, which gives homes a clear framework of safety, privacy and space standards. Every residential service that was constructed prior to July 1999 is required to have no more than four residents accommodated in any room, no more than six residents sharing each toilet and no more than seven residents sharing each shower or bath.

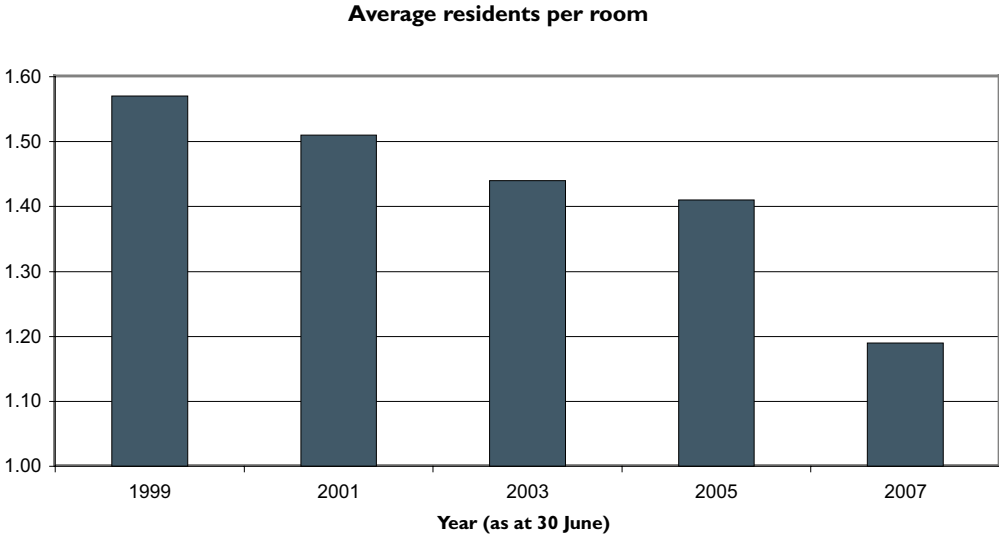
For new buildings constructed since July 1999, there is to be an average for the whole residential aged care service of no more than 1.5 residents per room. No room may accommodate more than two residents. There is also a mandatory standard of no more than three residents per toilet, including those off common areas, and no more than four residents per shower or bath. Table 22 shows the summary of a survey of the accommodation situation of all homes as at 31 December 2006.

Table 22: Ratio of resident places per room, per toilet and per shower as at 31 December 2006

	% Places	Places per room	Places per toilet	Places per shower
<b>Homes built pre -July 1999</b>	77.5%	1.23	1.46	1.55
<b>Homes built July 1999 onwards</b>	19.6%	1.07	1.10	1.13
<b>Pre-July 1999 homes with extensions since</b>	2.9%	1.05	1.08	1.13
<b>All homes</b>	<b>100.0%</b>	<b>1.19</b>	<b>1.35</b>	<b>1.43</b>

All services are required to meet space and privacy targets by 31 December 2008. The average number of residents per room has declined from an estimated 1.57 in July 1999 to 1.19 in December 2006 as shown in Figure 5. This continual reduction in the average number of residents per room is a reflection of the works carried out by homes to meet the targets.

Figure 5: Average number of residents per room in aged care homes from 1999 to 2007



The requirements of the 1999 Certification Assessment Instrument do not override the building and fire safety regulations within each state and territory. Through the Building Code of Australia (BCA), the state and territory building regulations set the minimum community standard for safety, health and amenity of buildings.

Ninety seven per cent of residential aged care services met the fire and safety requirements of the 1999 Certification Instrument at 30 June 2007, compared with 85 per cent at 30 June 2006. Three per cent of services had not yet met the increased quality measure for fire safety by 30 June 2007 but have building works underway and are expected to achieve the targets in the near future.

Approved providers of residential aged care are required to complete a fire safety declaration for each calendar year. The declaration seeks assurance that Australian Government-funded residential aged care services have complied with applicable state, territory and local government fire safety laws as at 31 December each year. In 2006, all fire safety declaration forms were received. Of these, one indicated non-compliance and this home is currently under the supervision of the local council.

The Department may take action if an approved provider fails to meet its responsibility to complete the fire safety declaration. The responsibility for monitoring compliance with fire safety laws rests with the appropriate state, territory or local government authorities.

**4.2.3 Quality of accommodation—Building activity**

Through accommodation payments, residential aged care providers have access to funding for continued improvement to accommodation and care. The sector is continuing to invest significant funds in new buildings, rebuilding, and upgrading of homes. Table 23 sets out details.<sup>14</sup>

14 Building activity data for 2006-07 are preliminary and subject to further refinement following detailed analysis of the survey results.

An estimated total of \$1,133 million of new building, refurbishment and upgrading work was completed during 2006-07, involving about 15.2 per cent of all homes. An estimated further \$1,855 million of work was in progress at 30 June 2007, involving about 12.3 per cent of all homes. At June 2007, an estimated 15.1 per cent of homes were planning building work.

*Table 23: Estimated building work expenditure by residential aged care services from 2004-05 to 2006-07<sup>15</sup>*

	2004-05	2005-06	2006-07
<b>Completed Building Work</b>			
Estimated total building work completed during the year or in progress at 30 June	\$2,084m	\$2,241m	\$2,988m
Proportion of homes that completed any building work during the year	16.8%	16.7%	15.2%
Proportion of homes with any building work in progress at the end of the year	12.1%	11.3%	12.3%
<b>New Building Work<sup>1</sup></b>			
Proportion of homes that completed new building work in the year	3.7%	3.1%	2.7%
Proportion of homes with new building work in progress at the end of the year	2.8%	2.9%	3.2%
Estimated new building work completed in the year	\$573m	\$756m	\$729m
Estimated new building work in progress at the end of the year	\$482m	\$542m	\$801m
Proportion of homes that were planning new building work	7.7%	6.9%	4.6%
<b>Rebuilding Work<sup>2</sup></b>			
Proportion of homes that completed rebuilding work in the year	0.8%	0.4%	0.7%
Proportion of homes with rebuilding work in progress at the end of the year	1.1%	1.1%	1.7%
Estimated rebuilding work completed in the year	\$85m	\$60m	\$97m
Estimated rebuilding work in progress at the end of the year	\$256m	\$256m	\$556m
Proportion of homes that were planning rebuilding work	3.0%	2.5%	2.7%
<b>Upgrading work<sup>3</sup></b>			
Proportion of homes that completed upgrading work in the year	12.6%	13.2%	11.8%
Proportion of homes with upgrading work in progress at the end of the year	8.8%	7.4%	7.4%
Estimated upgrading work completed in the year	\$292m	\$300m	\$307m
Estimated upgrading work in progress at the end of the year	\$396m	\$328m	\$497m
Proportion of homes that were planning upgrading work	11.3%	9.6%	7.9%

1 New building is defined as work relating to a new building to accommodate new or transferred aged care places.

2 Rebuilding work is defined as the complete demolition and reconstruction of an approved service on the same site.

3 Upgrading work is defined as renovation or refurbishment of an existing service including extensions.

15 Source: Surveys of Aged Care Homes, 2005, 2006 and 2007.

#### 4.2.4 Quality of care—Accreditation process

The *Aged Care Act 1997* provides for an accreditation-based quality assurance system. Aged care homes must be accredited in order to receive Australian Government subsidies. The *Review of Pricing Arrangements in Residential Aged Care* found that, “There is broad industry support for accreditation and a general acknowledgment that it has substantially improved standards of care across the industry.”<sup>16</sup> Accreditation assesses the performance of homes against the 44 expected outcomes of the four Accreditation Standards:

- management systems, staffing and organisational development;
- health and personal care;
- resident lifestyle; and
- physical environment and safe systems.

The Aged Care Standards and Accreditation Agency manages the accreditation of aged care homes in accordance with the *Accreditation Grant Principles 1999*. It is a wholly owned Australian Government company limited by guarantee, registered with the Australian Securities and Investment Commission, and subject to the *Commonwealth Authorities and Companies Act 1997*. The Agency’s functions include:

- managing the accreditation process using the Accreditation Standards;
- promoting high quality care and helping the sector to improve service quality, by identifying best practices and providing information, education and training;
- assessing, and strategically managing, services working towards accreditation; and
- liaising with the Department about aged care services that do not comply with the Accreditation Standards.

During 2006-07, the Agency conducted education and information sharing activities including Better Practice events in each state attended by a total of 1,430 delegates, a national seminar series on strategic continuous improvement attended by a total of 2,080 participants, courses in assessing for accreditation including the aged care quality assessment course attended by a total of 430 participants and Quality Education on the Standards (QUEST) sessions delivered to 6,700 staff in 604 homes.

The Agency publishes its own annual report, which gives details about the operation of accreditation. Further information is at the Agency’s website at <http://www.accreditation.org.au>.

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16 *Review of Pricing Arrangements in Residential Aged Care*. Summary of the Report. Canberra, 2004, pp. 38-39.

#### 4.2.5 Quality of care—Accreditation outcomes and awareness

Aged care homes must be accredited to continue receiving Australian Government funding. At 30 June 2007, the number of homes accredited for at least three years was 2,662 or 92.2 per cent. At 30 June 2007, 2.9 per cent (85 homes) were identified as having some non-compliance in respect to the 44 Accreditation Standard Outcomes.

One home was the subject of a decision not to accredit following a site audit. Two homes were granted exceptional circumstances exemption under Section 42-5 of the *Aged Care Act 1997*.

During 2006-07, 94 review audits were conducted and 91 decisions were made:

- 34 homes were the subject of a decision not to revoke or vary the period of accreditation;
- 55 homes were the subject of a decision to vary accreditation; and
- two homes were subject to a decision to revoke accreditation. Both homes were sold to new approved providers. One home has successfully been granted a new period of accreditation having been assessed as complying with all 44 of the expected outcomes to the Accreditation Standards. The other home is awaiting assessment for accreditation.

### 4.3 Compliance with legislative requirements

Approved providers of Australian Government-funded aged care must comply with responsibilities specified in the *Aged Care Act 1997* and in the Aged Care Principles. These responsibilities encompass quality of care, user rights and accountability for Government funding. The responsibilities of approved providers are outlined in Appendix B.

Australians expect high standards of care in aged care homes. The quality and accreditation framework emphasises homes accepting responsibility for providing, maintaining and improving service. Sanctions may be used to encourage compliance when other measures have failed. The regulatory processes give providers every opportunity to reach compliance. Measures to ensure approved providers meet their responsibilities include:

- targeted and random spot checks on services;
- compliance notices to encourage improvement;
- sanctions for continued or serious non-compliance with responsibilities;
- reviews of resident classifications; and
- prudential arrangements to protect residents who pay bonds.

Both the Aged Care Standards and Accreditation Agency and the Department have a role in monitoring aged care homes. In broad terms, the Agency manages the accreditation process and monitors homes' compliance with the Accreditation Standards, while the Department monitors compliance by approved providers with all their legislative responsibilities. The Department is responsible for taking sanctions action when approved providers breach their responsibilities, including failing to implement improvements required by the Agency.

Information about the standards achieved by homes is published on the Agency's website. All accreditation and review audit reports are also published on the site at [www.accreditation.org.au](http://www.accreditation.org.au).

#### **4.3.1 Spot checks, site audits and visits**

The Aged Care Standards and Accreditation Agency conducts support visits and regularly monitors the progress homes are making towards continuous improvement. In addition, the Department conducts visits to monitor Australian Government-funded aged care homes for compliance with their responsibilities under the *Aged Care Act 1997*.

In the 2004-05 Budget, the Australian Government provided the Agency with an additional \$36.3 million over four years to, among other things, significantly increase its visiting program and ensure that all homes are visited annually. The 2006-07 Budget provided a further \$8.6 million for increased spot checks of aged care homes by the Agency.

During 2006-07, the Agency conducted the following visits to assess and monitor Australian Government-funded aged care homes against the Accreditation Standards:

- 1,014 accreditation site audits;
- 94 review audits, of which 61 were unannounced; and
- 5,221 support contacts, of which 3,566 were unannounced.

This means that the Agency conducted a total of 6,329 visits to homes during 2006-07, compared with 4,997 visits the previous year. The Agency undertook an average of 2.19 visits per home in 2006-07.

In addition, the Department conducted 739 visits in 2006-07, which included 278 unannounced visits.

All homes received at least one unannounced visit during the year.

#### **4.3.2 Sanctions**

In 2006-07, the Department took sanction action against 19 approved providers, including the issuing of 20 Notices of Decision to Impose Sanctions. The Department also issued 165 Notices of Non-Compliance. At 30 June 2007, 15 of the sanctions remained in place. Details of sanctions imposed in 2006-07 are included at Appendix C.

### 4.3.3 Resident Classification Scale reviews

Aged care providers are accountable for the subsidies they receive to give care to residents of aged care homes. As it is the staff of the home that use the Resident Classification Scale (RCS) to assess each resident for funding purposes, the Department checks the accuracy of classifications to protect taxpayer funding and ensure that the funding for each resident reflects his or her care needs. These RCS classification reviews are a primary accountability measure to safeguard public expenditure on residential aged care.

During 2006-07, approximately 13,556 reviews of RCS appraisals were completed. Of those reviews, 5,352 or 39.5 per cent, resulted in reductions of funding, of which 238, or 4.5 per cent, were appealed. On appeal to the Department, approximately 62 per cent of the 238 appealed decisions were confirmed. In approximately 21 per cent of cases, the original classification by the home was reinstated. In the remaining cases, 10 per cent of the review decisions were set aside and a new decision substituted and the remaining 7 per cent are yet to be finalised.

Two approved providers sought to appeal the review of the RCS appraisal through the Administrative Appeals Tribunal during 2006-07 and decisions are still pending on both these cases.

### 4.3.4 Security of accommodation bonds

At 1 July 2006, approved providers reported through the Accommodation Bond and Entry Contribution return that they held nearly 50,000 bonds with a total value of around \$5.2 billion. The average holding per approved provider was \$5.5 million and the 11 largest accommodation bond holders held approximately 20 per cent, or around \$1 billion, of all accommodation bond monies.

### 4.3.5 Prudential arrangements

All approved providers of residential care and flexible care services (ie multi-purpose services) that hold accommodation bonds and entry contributions are required to comply with the prudential requirements set out in the *Aged Care Act 1997* and the *User Rights Principles 1997*. The principal objective of the prudential requirements is to protect accommodation bonds and entry contributions paid to approved providers by residents of aged care services.

The prudential requirements are supplemented by the Accommodation Bond Guarantee Scheme established under the *Aged Care (Bond Security) Act 2006*. This scheme guarantees that resident's accommodation bond and entry contribution balances will be repaid in the event that their approved provider becomes bankrupt or insolvent and defaults on its refund obligations to residents.

On 1 July 2006, enhanced prudential arrangements commenced operation and approved providers were required to comply with strengthened statutory obligations. The principal element of the enhanced prudential arrangements was the introduction of three prudential standards – the Liquidity Standard, the Records Standard and the Disclosure Standard. The prudential standards collectively seek to enhance management of accommodation bond and entry contribution funds by approved providers through:

- requiring approved providers to systematically assess their future accommodation bond and entry contribution refund obligations and the associated funding implications to ensure that they are able to meet their refund obligations as they fall due; and
- promoting the transparency of approved providers management of accommodation bond and entry contribution funds by requiring disclosure to residents, prospective residents and the Department of information on the approved provider's prudential compliance and their financial position.

During 2006-07, the Department undertook a range of activities to promote approved provider understanding of the strengthened prudential arrangements and encourage compliance. These activities included informing and advising approved providers about their obligations under the Act and the *User Rights Principles 1997*, distributing guidance material on the prudential requirements, and participating in conferences, seminars and workshops.

The Department also conducted monitoring and compliance activity during the year to promote compliance with the prudential requirements, including assessing the Annual Prudential Compliance Statements lodged by approved providers and investigating cases of possible non-compliance with the prudential requirements. The Annual Prudential Compliance Statement (APCS) is a key mechanism through which the Department monitors the compliance of approved providers with the prudential requirements. The Department required an APCS to be completed for each service operated by an approved provider, indicating compliance during 2005-06 with the prudential requirements in effect up to 30 June 2006.

In total during the 2006-07 financial year, the Department issued 12 'warning letters', six Notices of Non-Compliance and one Notice to Remedy to approved providers for prudential non-compliance. Following this compliance activity, sanctions were imposed on one approved provider with a history of non-compliance in meeting statutory timeframes for accommodation bond refunds and late submission of the APCS. The sanction was to revoke approved provider status unless a financial adviser was appointed for 12 months. A financial adviser was appointed to assist the approved provider remedy the non-compliance and implement sustainable business systems. All outstanding accommodation bond balances, including interest, have been repaid and the approved provider continues to meet refunds of accommodation bond balances as they fall due.

#### **4.3.6 Accommodation Bond Guarantee Scheme**

The Accommodation Bond Guarantee Scheme (Guarantee Scheme), which commenced on 1 May 2006, covers all residents who have paid an accommodation or entry contribution to an approved provider. In order to be triggered, the Guarantee Scheme requires that the approved provider has been placed into bankruptcy or liquidation and there is at least one outstanding accommodation bond or entry contribution balance.



In the event that the Guarantee Scheme is triggered, the Government will, in the first instance, repay the accommodation bond balances directly to residents or their estate. In exchange for the payment, any rights that a person had to recover the amount from the approved provider are transferred to the Commonwealth. The Government will then recover costs by pursuing the defaulting approved provider. If the Government is unable to recover these costs, it has the capacity to levy all aged care approved providers that hold accommodation bonds.

The Accommodation Bond Guarantee Scheme has not been triggered since its introduction in May 2006.

## **4.4 Aged care workforce**

An adequate and well-qualified workforce is fundamental to the delivery of quality aged care. Since 2002, the Australian Government has allocated \$274 million for workforce initiatives designed to increase overall staff supply, to provide additional training opportunities for existing staff and to create better career paths for all care workers. These initiatives assist providers to meet their responsibilities under the *Aged Care Act 1997* and to develop a well trained aged care workforce.

### **4.4.1 More aged care nurses**

In the 2002-03 Budget, the Australian Government committed \$26.3 million to fund 1,000 aged care nursing scholarships to encourage more people to enter or re-enter aged care nursing, especially in rural and regional areas. The 2006-7 Budget invested a further \$36 million for an additional 1,000 aged care nursing scholarships. These scholarships are administered by the Royal College of Nursing Australia. Each scholarship is valued at \$10,000 per year, to a maximum of \$30,000. Since the Scheme commenced in 2003, 1,143 undergraduate scholarships, 618 continuing professional development scholarships or postgraduate and 17 honours scholarships have been awarded.

As part of the Australian Government Aged Care Nurses Scholarship Scheme, financial assistance is also being provided to the Royal College of Nursing Australia to provide support programs for aged care nursing scholarship recipients.

The Government's *Securing the Future of Aged Care* package provided a further \$4.1 million for 410 postgraduate scholarships targeted at nurses working in community care.

In May 2004, the Australian Government, together with ACT Health, funded a pilot project to explore the role of Aged Care Nurse Practitioners in the care of older people and identify benefits to the health of older people and the health care sector more broadly. Pilots have also been conducted in Western Australia, South Australia and New South Wales. The Aged Care Nurse Practitioner pilots have been extended until November 2007.

#### 4.4.2 Support for Aged Care Workers

The 2002-03 Budget provided \$21.2 million over four years to provide training opportunities to personal care staff employed in aged care in rural and remote locations. The Funds were invested in training to:

- upgrade the skills of personal care staff;
- increase the availability of skilled personal staff in aged care homes; and
- free registered nurses to concentrate on clinical care.

The 2006-07 Budget invested a further \$30 million over four years to continue training to ensure that personal care staff are better able to provide high quality care to residents in aged care homes in rural and remote locations. Since its establishment, this program has provided over 12,700 training places for staff in aged care homes throughout Australia. A further 11,500 training places were approved in 2006-07 financial year.

#### 4.4.3 Better Skills for Better Care

The Australian Government provided \$101.4 million over four years in the 2004-05 Budget to:

- assist up to 15,750 care workers to have access to recognised education and training opportunities such as Certificate Level III or IV in aged care work. More than 13,000 personal care workers have been offered training as a result of the first three rounds of funding;
- assist up to 8,000 aged care workers to have access to the Workplace English Language and Literacy (WELL) program;
- assist up to 5,250 enrolled nurses to receive recognised and approved medication administration education and training programs. More than 4,200 enrolled nurses have been offered training as a result of this funding; and
- fund 1,600 new full or part-time nursing places at universities that demonstrate their ability to meet aged care nursing education benchmarks.

#### 4.4.4 Dementia care skills for aged care workers

As part of the 2005-06 Budget initiative, *Helping Australians with dementia and their carers—making dementia a National Health Priority*, \$13.8 million is being invested over four years to fund dementia specific training for 17,000 aged care workers across Australia—5,000 workers received training in the first 12 months of the project. The training covers vital aspects of good dementia care, including care planning, communication, and managing challenging behaviour.

#### **4.4.5 Community care workforce—additional training**

In the 2006-07 Budget, the Australian Government committed new funding of \$13.4 million over four years to support training for the community care workforce. A further \$32.1 million was provided in the 2007-08 Budget.

These programs aim to enhance the skills and knowledge of aged care workers who provide home based care to frail older Australians with complex care needs. This will provide up to 8,700 certification level training places over four years to aged care workers who deliver Australian Government funded 'packaged care' services such as those provided under the EACH, EACH Dementia and CACP programs. Up to 2,000 of these training places will be allocated to aged care workers from culturally and linguistically diverse or Aboriginal and Torres Strait Islander backgrounds. The first funding round was advertised on 2 June 2007 for 1,675 places.

### **4.5 Supporting consumers**

#### **4.5.1 Community Visitors Scheme**

The Community Visitors Scheme (CVS) improves the quality of life of residents of aged care services who have limited family and social contact and may be at risk of social or cultural isolation. The CVS has wide acceptance in the community and the aged care sector. In 2006-07, funding for the CVS was approximately \$8.6 million, with 6,588 funded visitors.

A review of the CVS in 2004 identified issues of sustainability, access and equity within the program. The 2006-07 Budget subsequently provided an additional \$4.7 million over three years for the expansion of the CVS. This included an additional 912 visitor places (taking the total number to 7,500) and an increase in the rate at which each visitor place is funded.

The Budget also provided an additional \$1.8 million over four years to cover the cost of police checks for CVS volunteer visitors.

#### **4.5.2 Advocacy Services**

The Department funds aged care advocacy services in each state and territory under the National Aged Care Advocacy Program. Advocacy services provide independent advocacy and information to recipients or potential recipients of aged care services (or their representatives). The services also perform an educative role for aged care recipients and providers on the rights of care recipients.

The National Aged Care Advocacy Program has recently developed its third strategic plan spanning 2007-2010. The Strategic Plan is responsive to a range of factors such as aged care reforms, demographic changes and changes in consumer expectations. Total expenditure for the program in 2006-07 was \$2.4 million.

In 2006-07, services under the National Aged Care Advocacy Program undertook 3,216 advocacy cases, handled 7,331 general enquiries and provided 1,391 face-to-face education sessions.



# 5. COMPLAINTS INVESTIGATION SCHEME

## 5.1 Aged Care Complaints Investigation Scheme

The Aged Care Complaints Investigation Scheme (CIS) commenced operation on 1 May 2007 and is available to anyone who wishes to make a complaint about the care and services provided in Australian Government-subsidised aged care. Clients include care recipients, their family, friends and representatives and staff of aged care services.

The CIS moves away from the alternative dispute resolution approach of previous complaints handling arrangements, which included the Aged Care Complaints Resolution Scheme (CRS) and a Commissioner for Complaints. The CIS has greater investigatory powers and provides a seamless avenue for the Department to determine the validity of a complaint and act as appropriate, rather than relying on parties to the complaint to resolve the issues, as was the case under the CRS.

The CIS also has the power to conduct investigations on their own initiative and issue Notices of Required Action, where an approved provider is found to be in breach of their responsibilities under the *Aged Care Act 1997* (the Act).

The CIS is administered by the Department of Health and Ageing (the Department). CIS officers are located in each of the Department's state and territory offices and can be contacted by phoning 1800 550 552. Complaints can also be made in writing to the CIS at GPO Box 9848, in your capital city.

### 5.1.1 The Aged Care Commissioner

The Aged Care Commissioner is a statutory office created under the Act. The functions of the Commissioner are outlined in the Act and include, to:

- examine, in response to a complaint or on their own initiative, the Secretary's processes for handling matters under the *Investigation Principles 2007* (the Principles);
- examine decisions made by the Secretary under the Principles which are identified, by the Principles, as being examinable by the Commissioner;
- examine complaints about the Aged Care Standards and Accreditation Agency (the Agency) with regard to the accreditation of Australian Government subsidised aged care services. This includes the power to examine complaints about the conduct of a person carrying out an accreditation audit or support contact, but does not include the power to examine complaints about accreditation decisions; and
- make recommendations arising from these examinations.

Ms Rhonda Parker was appointed Aged Care Commissioner from 1 May 2007 to 30 April 2010. Ms Parker held the position of Commissioner for Complaints for one month prior to this appointment to cover the transition to the new arrangements.

The Aged Care Commissioner is also required to produce an annual report, for presentation to the Minister for Ageing, on the operations of his/her office. The Aged Care Commissioner's annual report will be made available on the Commissioner's website at: <http://www.commissionerforcomplaints.net.au/docreports/index.htm>

### **5.1.2 Enabling legislation**

A number of new measures, designed to further safeguard the rights of those receiving Australian Government subsidised aged care, were given effect through amendments to the *Aged Care Act 1997* and Aged Care Principles. These amendments enabled the introduction of the new complaints arrangements and the establishment of the Aged Care Commissioner on 1 May 2007.

Details on the new arrangements, including the procedures to be followed when investigating complaints and the functions of the Aged Care Commissioner, are provided in the Principles.

### **5.1.3 Transitional arrangements**

While the CIS and Aged Care Commissioner technically replaced the CRS and Commissioner for Complaints on 1 May 2007, provision was made for the CRS to continue to operate up until 31 August 2007. This allowed individuals with an ongoing CRS complaint to choose between continuing to have their complaint dealt with under the CRS or transferring their case into the new CIS.

These transitional arrangements also allowed for the newly established Aged Care Commissioner to assume the responsibilities of the previous Commissioner for Complaints up until 31 August 2007.

## **5.2 Establishing the Complaints Investigation Scheme**

The following actions were taken in establishing the new Complaints Investigation Scheme (CIS) and the Aged Care Commissioner.

### **5.2.1 Establishment of the Office of Aged Care Quality and Compliance**

The Office of Aged Care Quality and Compliance (the Office) was established in August 2006 to oversee the development and implementation of the new complaints handling arrangements and other associated measures, designed to further safeguard the rights of those receiving Australian Government subsidised aged care. Further information on the Office can be found at <http://www.health.gov.au/OACQC>.

Several major tasks were undertaken which included:

- overseeing the introduction of compulsory police checks for staff and certain volunteers with unsupervised access to aged care recipients;
- providing information materials for recipients of aged care, approved providers of aged care and other key stakeholders intended to educate them about their rights and responsibilities under the CIS as well as the introduction on 1 July 2007 of the compulsory reporting of reportable assaults.
- the recruitment and training of around 100 investigation officers Australia-wide;
- amendments to the Act and introduction of new Investigation Principles which enabled the introduction of the CIS;
- the development of comprehensive procedures for departmental staff governing the operations of the CIS to ensure national consistency in the way complaints are handled; and
- the development of an Investigation Management System designed to record, handle and prioritise contacts made to the CIS in accordance with the procedures.

### **5.2.2 Training**

All CIS officers have completed a five-day Aged Care Investigation Training course, conducted by a registered training organisation. CIS staff have also received training in:

- good complaints handling;
- understanding and applying the *Aged Care Act 1997* and Principles; and
- understanding the role of the Aged Care Standards and Accreditation Agency.

## **5.3 Complaints activity under previous arrangements**

The Aged Care Complaints Resolution Scheme (CRS) was established to deal with complaints about Australian Government subsidised aged care services. The CRS was based on an alternative dispute resolution model and encompassed three separate but inter-related stages – negotiation, mediation and determination. A complaint could be finalised at any stage, or progressed through all three stages before a resolution was reached.

The CRS was administered by the Department and overseen by an independent Commissioner for Complaints. The first Commissioner was appointed in September 2000 and the office continued to be occupied up until 30 April 2007.

The Commissioner was responsible for overseeing the effectiveness of the CRS and dealing with complaints about the operation of the CRS. The Commissioner also had responsibility for managing the determination process and reporting to both the Department and the Minister for Ageing on the operation of the Scheme.

Table 24: Number of complaints received by the Aged Care Complaints Resolution Scheme from 2000-01 to 2006-07, by state and territory

	Type of call	00-01	01-02	02-03	03-04	04-05	05-06	06-07
<b>NSW</b>	<b>Complaint</b>	604	418	269	223	280	338	222
	<b>Information</b>	na	1113	1126	1188	1477	1763	1437
<b>Vic</b>	<b>Complaint</b>	435	439	563	382	290	418	423
	<b>Information</b>	na	1176	1529	1936	1724	1812	1815
<b>Qld</b>	<b>Complaint</b>	284	110	120	83	105	163	195
	<b>Information</b>	na	1407	1213	990	609	588	457
<b>SA</b>	<b>Complaint</b>	146	101	98	105	101	105	208
	<b>Information</b>	na	136	851	785	246	294	218
<b>WA</b>	<b>Complaint</b>	144	109	95	105	151	136	115
	<b>Information</b>	na	1887	1438	1290	542	196	228
<b>Tas</b>	<b>Complaint</b>	88	38	54	44	44	64	35
	<b>Information</b>	na	58	41	84	99	98	118
<b>NT</b>	<b>Complaint</b>	1	11	4	6	4	16	14
	<b>Information</b>	na	37	65	49	49	49	29
<b>ACT</b>	<b>Complaint</b>	27	23	24	19	29	20	17
	<b>Information</b>	na	87	90	91	99	98	101
<b>Total</b>	<b>Complaint</b>	<b>1,729</b>	<b>1,249</b>	<b>1,227</b>	<b>967</b>	<b>1,004</b>	<b>1,260</b>	<b>1,229</b>
<b>Total</b>	<b>Information</b>	<b>na</b>	<b>5,901</b>	<b>6,353</b>	<b>6,413</b>	<b>4,924</b>	<b>4,897</b>	<b>4,403</b>
<b>GRAND</b>	<b>TOTAL</b>	<b>*1,729</b>	<b>7,150</b>	<b>7,580</b>	<b>7,380</b>	<b>5,928</b>	<b>6,157</b>	<b>**5,632</b>

\* Data not available for 2000-01

\*\* Data relates to period 1 July 2006-30 April 2007

Further information on the CRS, including annual reports for the period 2000-01 to 2006-07, can be found on the Aged Care Commissioner's website: <http://www.commissionerforcomplaints.net.au/docreports/index.htm>

## 5.4 Complaints activity under the Complaints Investigation Scheme

As at 30 June 2007, the CIS had been in operation for only two months. This limited timeframe makes it difficult to confidently identify and report trends.

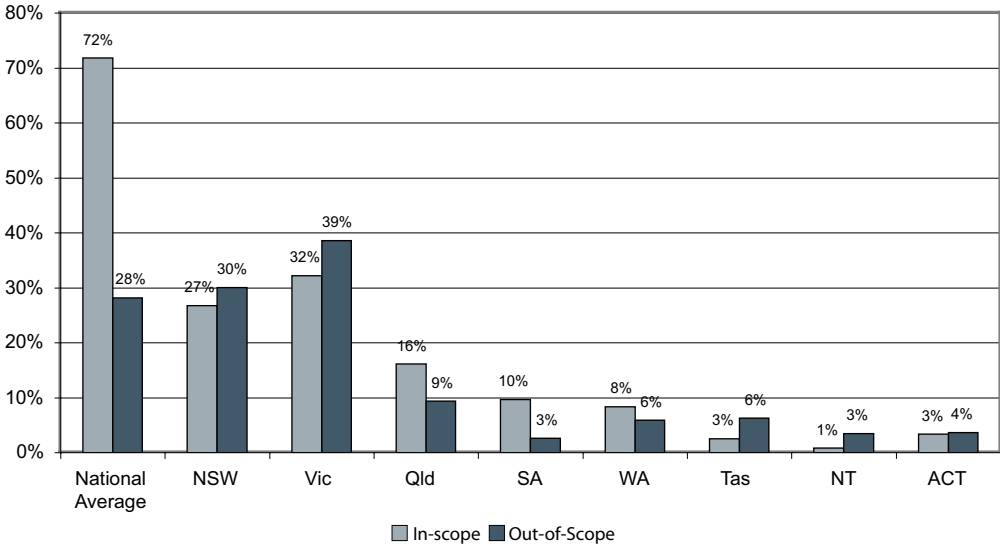
### 5.4.1 Number of Cases

The CIS received 1,629 contacts between 1 May 2007 and 30 June 2007. Approximately 72 per cent (or 1,170) of these contacts were considered 'in-scope' cases, that is, relating to an approved provider's responsibilities under the Act, and subsequently investigated. The remaining 28 per cent (or 459) raised 'out-of-scope' issues and were therefore not investigated.



Victoria received the highest number of contacts during the reporting period, with 32 per cent (or 377) of the total number of in-scope cases and 39 per cent (or 177) of the total number of out-of-scope cases recorded Australia-wide. New South Wales recorded similar figures, with 27 per cent (or 313) of the total number of in-scope cases and 30 per cent (or 138) of the total number of out-of-scope cases. Figures for all states and territories are shown in Figure 6.

**Figure 6:** Identification of complaints as in-scope or out-of-scope from 1 May 2007 to 30 June 2007, by state and territory

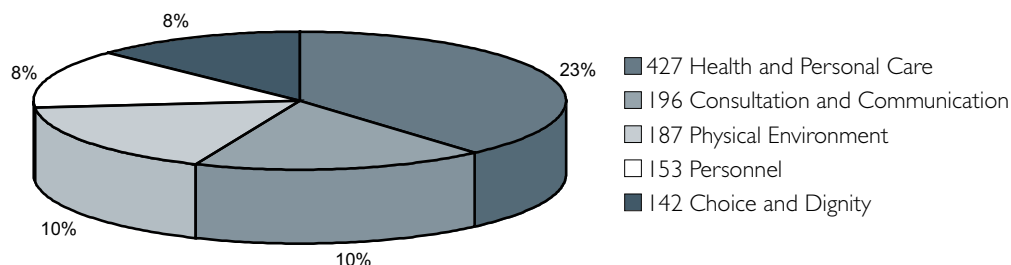


### 5.4.2 Most commonly reported issues

CIS cases often incorporate more than one issue. Fifteen issue keywords are currently identified and reported against. During the reporting period, 1,877 individual issues were identified. The majority of these issues were grouped under the following five keywords:

- Health and Personnel Care;
- Consultation and Communication;
- Physical Environment;
- Personnel; and
- Choice and Dignity.

Figure 7: The five most commonly reported issues from 1 May 2007 to 30 June 2007



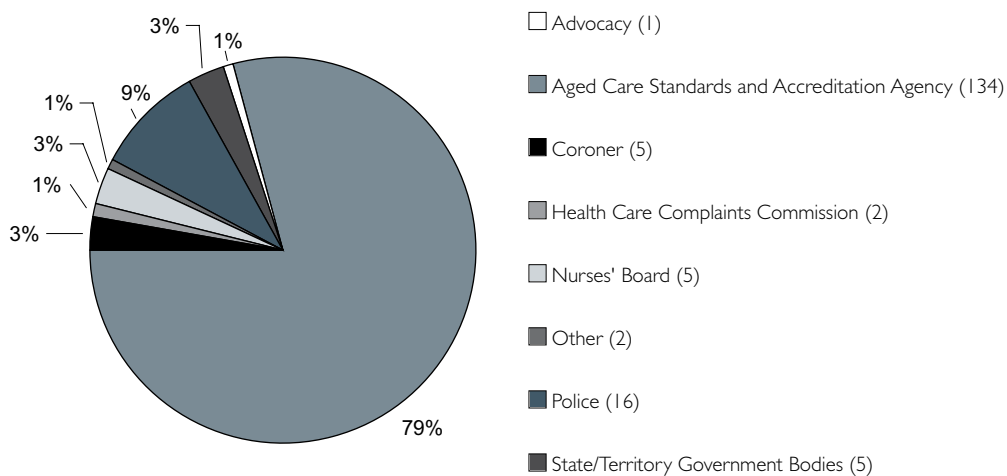
### 5.4.3 Referrals to External Agencies

During the course of investigating a case, the CIS may refer issues to an external agency more appropriately placed to deal with the matters raised. For example, criminal issues are referred to the relevant state/territory police service, while issues which relate to the conduct of a health professional are referred to the relevant health professional regulatory body, such as the Nurses Registration Board, Medical Board and the Health Care Complaints Commission.

Between 1 May 2007 and 30 June 2007, the CIS made 170 referrals to external agencies. Approximately 79 per cent (or 134) of these referrals were made to the Aged Care Standards and Accreditation Agency, which monitors homes against legislated care standards and is the first point of assessment for issues which indicate a breakdown in processes or practices that affects, or potentially affects, a number of care recipients, or has been ongoing over a period of time.

Figures for referrals to other external agencies are shown in Figure 8.

Figure 8: Breakdown of the 170 referrals to external agencies from 1 May 2007 to 30 June 2007



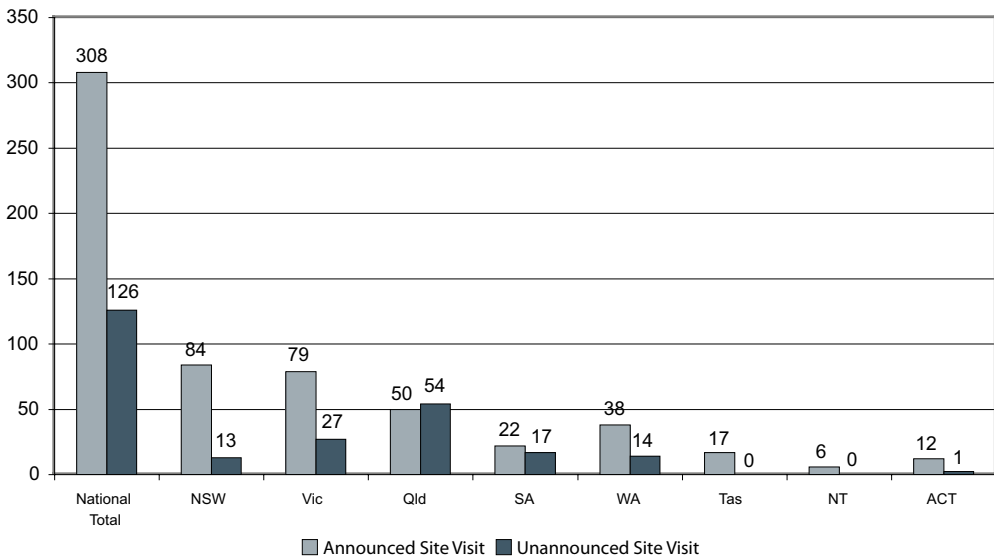
5.4.4 Site visits

CIS officers may visit either the approved provider’s premises or the service during the course of investigating a case. Visits may be announced or unannounced.

The CIS conducted 434 site visits between 1 May 2007 and 30 June 2007. This means that a site visit was undertaken in 37 per cent of all in-scope cases. Approximately 70 per cent (or 308) of these visits were announced. The remaining 30 per cent (or 126) were unannounced.

Site visit figures for each of the states and territories are shown in Figure 9.

Figure 9: The number of site visits from 1 May 2007 to 30 June 2007, by state and territory



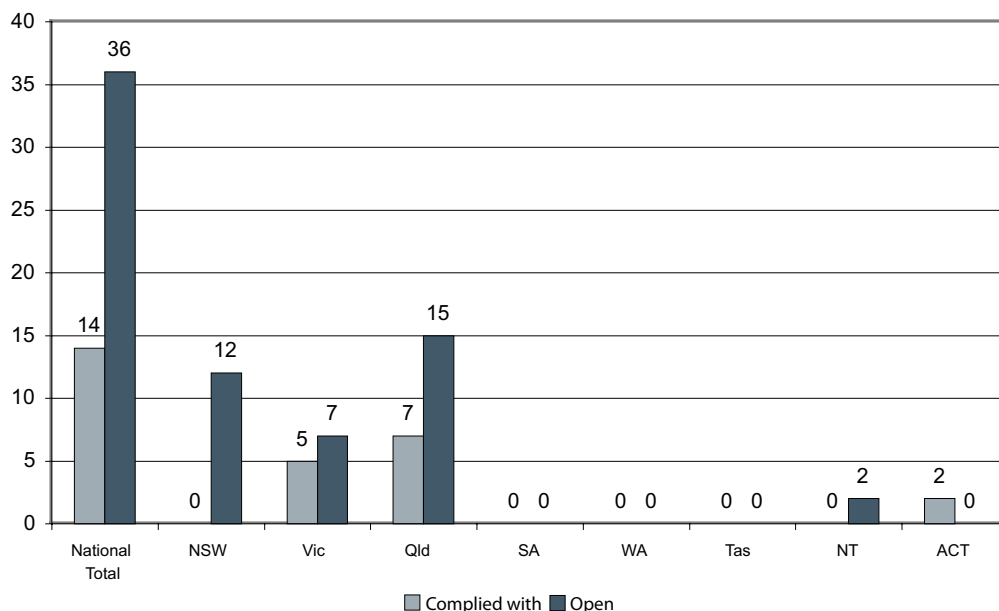
5.4.5 Notices of Required Action

A Notice of Required Action (NRA) is issued when an approved provider is found to be in breach of their responsibilities under the Act or Principles and has not already taken action to address the breach. Each NRA sets out the details of the breach, what the provider must do to address the breach and the timeframe in which this action must be taken. The intention of a NRA is to give the provider an opportunity to address the breach before compliance action is considered.

Between 1 May 2007 and 30 June 2007 the CIS issued 50 NRAs. Thirty six (or 72 per cent) of these NRAs remained open at 30 June 2007, that is to say the period in which the approved provider had been allowed to implement the required action had not yet elapsed. The remaining 14 (or 28 per cent) had been complied with, resulting in no further action against the approved provider.

NRAs were issued in all states and territories except Western Australia, Tasmania and South Australia. Queensland issued 22 NRAs (or 44 per cent of the national total) while New South Wales and Victoria both issued 12 (or 24 per cent each of the national total) and the Northern Territory and the Australia Capital Territory both issued two (or 4 per cent each of the national total).

Figure 10: Notices of Required Action from 1 May 2007 to 30 June 2007, by state and territory



#### 5.4.6 External review

The Aged Care Commissioner has the power:

- to examine, in response to a complaint or on their own initiative the Secretary's processes for handling the matters under the Principles;
- to examine decisions made by the Secretary under the Principles which are identified, by the Principles, as being examinable by the Commissioner; and
- make recommendations arising from these examinations.

No requests for an examination of a complaint or decision were received by the Commissioner during the reporting period.

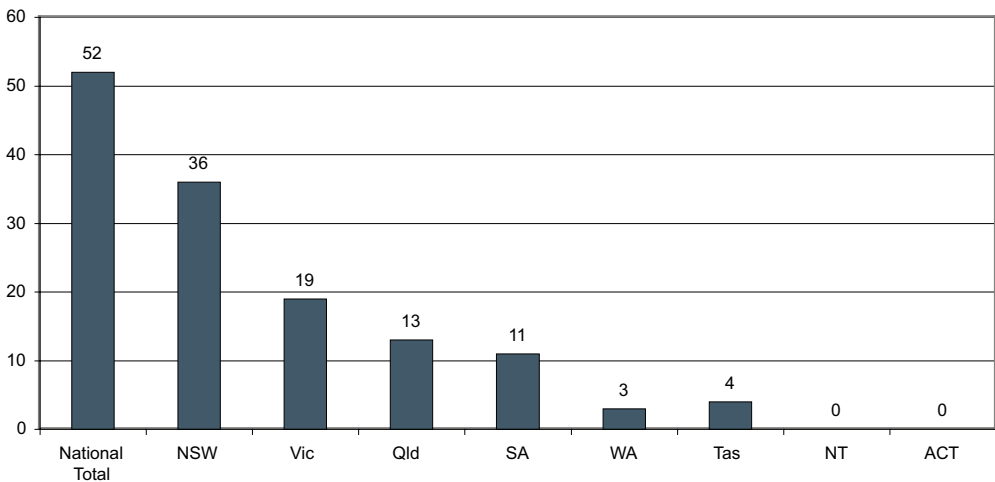
5.4.7 Departmental initiated investigations

The Department can initiate an investigation based on any information received. It does not have to come via a contact to the CIS.

During the reporting period, the CIS conducted 86 department-initiated investigations. The majority of these investigations were undertaken in New South Wales (36 or 41 per cent of the national total), Victoria (19 or 22 per cent of the national total) and Queensland (11 or 12 per cent of the national total).

Tasmania and Western Australia undertook a small number of department-initiated investigations (four and three respectively). Neither of the territory offices undertook an investigation of this nature.

Figure 11: Department-initiated investigations from 1 May 2007 to 30 June 2007, by state and territory



5.4.8 Stakeholder Satisfaction

Satisfaction surveys are being distributed to all parties once cases are finalised. It is too early at this stage to adequately report on response rates and satisfaction levels.



# Appendix A:

## **Amendments to the Aged Care Act 1997 and the Aged Care Principles**

### **The Aged Care Act 1997 was amended by:**

#### *Aged Care Amendment (Residential Care) Act 2006*

- Amends the *Aged Care Act 1997* to harmonise aged care and pension assets tests in relation to income streams and assets disposals (gifts).

#### *Australian Participants in British Nuclear Tests (Treatment) (Consequential Amendments and Transitional Provisions) Act 2006*

- Provides for consequential amendments to the *Aged Care Act 1997*.

#### *Families, Community Services and Indigenous Affairs and Veterans' Affairs Legislation Amendment (2006 Budget Measures) Act 2006*

- Provides for consequential amendments to the *Aged Care Act 1997*.

#### *Aged Care Amendment (Security and Protection) Act 2007*

- Implements new aged care complaints handling mechanism including the new Aged Care Commissioner;
- Introduces requirement for approved providers and staff to report and be protected when reporting allegations and incidents of sexual and serious physical assault.

#### *Aged Care Amendment (Residential Care) Act 2007*

- Implements a new funding model for residential aged care with a reduced number of basic funding categories ;
- Introduces two new care supplements.

## The Aged Care Principles were amended by:

Records Amendment Principles 2006 (No. 1)	Amends the <i>Records Principles 1997</i> by requiring that approved providers of residential aged care services keep certain records in order to demonstrate compliance with requirements to obtain police checks for staff employed by them or engaged through employment agencies and certain volunteers.
Records Amendment Principles 2007 (No. 1)	Amends the <i>Record Principles 1997</i> to give effect to the introduction of the new complaints investigation arrangements, the establishment of the Aged Care Commissioner, and the requirement for approved providers of residential aged care to report incidents of sexual and serious physical assault, including protection for those who report.
Community Visitors Grant Amendment Principles 2006 (No. 1)	Amend the <i>Community Visitors Grant Principles 1997</i> to ensure that one of the conditions for inclusion in all community visitors grants agreements is a requirement for police certificates.
Accountability Amendment Principles 2006 (No. 1)	Amends <i>Accountability Principles 1998</i> by requiring that operators of aged care services which are subsidised by the Australian Government will require that staff employed by them or engaged through an employment agency, and certain volunteers have police certificates (commonly known as police checks).
Accountability Amendment Principles 2007 (No. 1)	Amend the <i>Accountability Principles 1998</i> to include a discretion for approved providers not to report certain allegations of assault.
Information Amendment Principles 2007 (No. 1)	Amends the <i>Information Principles 2007</i> and provides for the Secretary to disclose protected information to the Aged Care Commissioner.
<i>Investigation Principles 2007</i>	Outlines the process that the Secretary of the Department of Health and Ageing will undertake in investigating complaints or information brought to his or her attention regarding the responsibilities of a residential or community aged care provider under the <i>Aged Care Act 1997</i> . These Principles repeal the <i>Committee Principles 1997</i> .



# Appendix B:

## Responsibilities of approved providers under the Aged Care Act 1997

Approved providers are required to comply with their responsibilities under the *Aged Care Act 1997*. These include meeting their responsibilities in relation to:

### Quality of care

- providing the care and services that are specified in the *Quality of Care Principles 1997* for the type and level of aged care that is provided by the service;
- complying with the Accreditation Standards; and
- maintaining an adequate number of skilled staff to ensure that the care needs of care recipients are met.

### User rights

- providing care and services of a quality consistent with the Charter of Residents Rights and Responsibilities and the requirements in the *User Rights Principles 1997* relating to:
  - residents' security of tenure of their places;
  - access to the service by residents' representatives, advocates and community visitors;
  - providing information to residents about their rights and responsibilities and about the financial viability of the service;
  - restrictions on moving a resident within a residential service;
  - booking fees for respite days; and
  - complying with the prudential and other requirements in relation to any accommodation payments charged for a resident's entry to a service.
- charging no more than the amount permitted under the *Aged Care Act 1997* and *User Rights Principles 1997* for the care and services that it is the approved provider's responsibility to provide;
- charging no more for other care or services than an amount agreed beforehand with the resident, accompanied by an itemised account of the care and services provided;
- offering to enter into a resident agreement with the resident and, if the resident wishes, entering into such an agreement;
- ensuring that personal information about the resident is used only for purposes connected with providing aged care to the resident, or for a purpose for which the information was given to the provider by the resident or their representative;

- establishing a complaints resolution mechanism for the service and using it to address any complaints made by, or on behalf of, a resident; and
- if the service has Extra Service status, complying with the requirements of the *Aged Care Act 1997* and the *Extra Service Principles 1997* in relation to extra service fees and agreements.

### **Accountability requirements**

- keeping and maintaining records that enable claims for payments of Residential Care Subsidy to be verified and proper assessments to be made of whether the approved provider has complied with, or is complying with, its responsibilities;
- cooperating with any person who is exercising the powers of an authorised officer under the *Aged Care Act 1997* and complying with the provider's responsibilities in relation to the exercise of those powers;
- notifying the Department of any change of circumstances that materially affects the provider's suitability to be a provider of aged care, and responding within 28 days to any request by the Secretary of the Department to provide further information in this regard;
- notifying the Department of any change to the provider's key personnel within 28 days after the change occurs;
- taking the steps required under section 63-1A of the Act and specified in the *Sanctions Principles 1997* to ensure that none of the provider's key personnel is a disqualified individual;
- complying with any conditions that apply to the allocation of any places included in the service;
- providing records or copies of records to another approved provider relating to any places transferred to that provider;
- if the provider intends to relinquish any places:
  - notifying the Department at least 60 days beforehand of the proposed date of relinquishment;
  - complying with any proposal accepted or specified by the Secretary for ensuring that the care needs of residents occupying those places are met;
- allowing people authorised by the Secretary access to the service to assess whether residents have been approved to receive care at an appropriate level;
- conducting in a proper manner appraisals or reappraisals of the care required by residents;
- if the service or a distinct part of the service has extra service status, complying with the conditions of grant of extra service status;
- allowing people authorised by the Secretary access to the service to review the service's certification;
- complying with any undertaking given to the Secretary, and agreed by the Secretary, to remedy non-compliance with the provider's responsibilities;
- complying with the prudential requirement relating to accommodation bonds;

- —if the provider is receiving Conditional Adjustment Payment—meeting the requirements for the payment;
- allowing people acting for an accreditation body to have access to the service for the purpose of accrediting the service, or reviewing its accreditation;
- complying with the requirement to report allegations or suspicions of assaults on residents of aged care homes, and provide protections for persons who report;
- complying with the requirements to ensure that staff, volunteers and contractors who have, or are likely to have, unsupervised access to care recipients, undertake a national criminal history record check to determine their suitability to provide aged care services;
- allowing people representing the Secretary to have access to the service for the purpose of investigating information about a matter involving an approved provider's responsibilities under the Act or Principles; and
- allowing a person representing the Aged Care Commissioner to have access to the service for the purpose of examining decisions made by the Secretary under the *Investigation Principles 2007* or for the purposes of investigating complaints about the Secretary's processes for handling matters under the *Investigation Principles 2007*.

### **Allocation of places**

- complying with the conditions on the allocation of places to the provider including those relating to the proportion of places that must be provided to:
  - people with special needs;
  - concessional and assisted residents;
  - people needing a particular level of care;
  - people receiving respite care; and
  - other people specified in the notice of allocation of places to the provider.
- complying with the requirements of the Act in relation to:
  - any variation of the conditions of allocation of places; and
  - any transfer of places.



# Appendix C:

## Sanctions imposed under the Aged Care Act 1997, 1 July 2006 to 30 June 2007

State and Service	Approved provider	Sanction(s) imposed	Date imposed	Reason for imposing sanction(s)	Outcomes (*)
<b>Queensland</b>					
Ngooderi House Hostel	Doomadgee Aboriginal Community Council	<p>1. Approval as an approved provider revoked unless an adviser is appointed for six months.</p> <p>2. Vary the allocation of places to restrict high care residents being admitted for a period of six months</p>	8 Sep 06	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified the serious risk and the Department determined the serious risk was an immediate and severe risk to health, safety and well-being of residents.	Sanctions expired 8 Mar 07.
Orana Nursing Home	Lutheran Church of Australia Queensland District	Approval as an approved provider of aged care services revoked unless an accredited diversional therapy training program is conducted until required staff competencies are achieved.	22 Sep 06	The Approved Provider did not comply with all its responsibilities in relation to Accreditation Standards and failed to comply with an undertaking to remedy this non-compliance.	Sanction was lifted on 12 Jan 07.
Star of the Sea/Torres Strait Home for the Aged	Torres Strait Home for the Aged Association Inc	Approval as an approved provider revoked unless an administrator is appointed for six months.	17 Jan 07	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified the serious risk and the Department determined the serious risk was an immediate and severe risk to health, safety and well-being of residents.	Sanction still in place as at 30 Jun 07.
Dija Mita Aged & Disabled Hostel	Aborigines & Islanders Alcohol Relief Service	Approval as an approved provider revoked unless an adviser is appointed for six months.	25 Jan 07	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified the serious risk and the Department determined the serious risk was an immediate and severe risk to health, safety and well-being of residents.	Sanction still in place as at 30 Jun 07.

State and Service	Approved provider	Sanction(s) imposed	Date imposed	Reason for imposing sanction(s)	Outcomes (*)
Hibiscus House Nursing Home	People Care Pty Ltd	1. Approval as an approved provider revoked unless an adviser is appointed for six months. 2. No Australian Government funding for new residents for a period of six months.	30 Apr 07	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified the serious risk and the Department determined the serious risk was an immediate and severe risk to health, safety and well-being of residents.	Sanction still in place as at 30 Jun 07.
<b>New South Wales</b>					
Curie Nursing Home	Samir Pty Ltd	1. Approval as an approved provider revoked unless an adviser is appointed for six months. 2. No Australian Government funding for new residents for a period of six months.	15 Sep 06	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified the serious risk and the Department determined the serious risk was an immediate and severe risk to health, safety and well-being of residents.	Sanction 1 (appointment of an adviser for six months) expired on 14 Mar 07. Sanction 2 (no Govt funding for new residents for six months) was lifted on 2 Mar 06.
Byaview Gardens Nursing Home	Consolidated Land Holdings Pty Ltd	Approval as an approved provider revoked unless an adviser with financial experience is appointed for 12 months.	19 Mar 07	The approved provider did not comply with its responsibilities in relation to prudential matters.	Sanction still in place as at 30 Jun 20.
<b>South Australia</b>					
Regency Green Multi-Cultural Aged Care Service	UnitingCare Wesley Port Adelaide Inc	1. Approval as an approved provider of aged care services revoked unless the approved provider provides behavioural management training. 2. No Australian Government funding for new residents for a period of six months.	10 May 07	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified the serious risk and the Department determined the serious risk was an immediate and severe risk to health, safety and well-being of residents.	Sanction still in place as at 30 Jun 07.

State and Service	Approved provider	Sanction(s) imposed	Date imposed	Reason for imposing sanction(s)	Outcomes (*)
Brighton Aged Care	Bresant Pty Ltd	No Australian Government funding for new residents for a period of six months.	17 May 07	The Department identified immediate and severe risk to the safety, health or wellbeing of residents in relation to the living environment.	Sanction still in place as at 30 Jun 07.
Ridge Park Health Care Centre	Ridge Park Health Care Centre Pty Ltd	1. Approval as an approved provider revoked unless an adviser is appointed for six months. 2. No Australian Government funding for new residents for a period of six months.	6 June 07	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified the serious risk and the Department determined the serious risk was an immediate and severe risk to health, safety and well-being of residents.	Sanction still in place as at 30 Jun 07.
<b>Victoria</b>					
Cohuna Retirement Village Inc	Cohuna Retirement Village Inc	1. Approval as an approved provider revoked unless an adviser is appointed for six months. 2. No Australian Government funding for high care residents for a period of six months.	11 Aug 06	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified the serious risk and the Department determined the serious risk was an immediate and severe risk to health, safety and well-being of residents.	Sanction 2 No Australian Government funding for high care residents lifted on 23 Jan 07. Sanction 1 expired 11 Feb 07.

State and Service	Approved provider	Sanction(s) imposed	Date imposed	Reason for imposing sanction(s)	Outcomes (*)
Wyndham Manor Aged Care Facility	Mon Repos Nursing Home Pty Ltd	<p>1. Approval as an approved provider revoked unless an adviser is appointed for six months.</p> <p>2. No Australian Government funding for new residents for a period of six months.</p>	7 Dec 06	<p>The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified the serious risk and the Department determined the serious risk was an immediate and severe risk to health, safety and well-being of residents.</p>	<p>Transfer of Service On 2 Jan 07 the Service transferred from Approved Provider Mon Repos Nursing Home Pty Ltd to The Uniting Church in Australia Property Trust (Victoria).</p> <p>Accreditation Status On 21 Dec 06 he Delegate made a determination under subsection 42-5(1) of the Aged Care Act 1997 that for a period of six months to 21 Jun 07 the service is taken to meet its accreditation requirements.</p>
Viewhills Manor	Ozmal Enterprises Pty Ltd	<p>1. Approval as an approved provider of aged care services revoked unless a financial management adviser is appointed for a period of six months.</p> <p>2. No Commonwealth funding for new residents for a period of six months.</p> <p>3. Not entitled at any time, either during the period of the sanction or afterwards, to charge an accommodation bond or an accommodation charge for new residents for a period of six months.</p>	19 Jan 07	<p>The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Department determined that there was an immediate and severe risk to the health, safety, or well-being of residents.</p>	<p>On 21 Mar 07 sanctions expire on the Service. Sanctions remain with the Approved Provider as at 30 Jun 07.</p>



<b>State and Service</b>	<b>Approved provider</b>	<b>Sanction(s) imposed</b>	<b>Date imposed</b>	<b>Reason for imposing sanction(s)</b>	<b>Outcomes (*)</b>
The Excelsior Aged Care	Chendana Pty Ltd	1. Approval as an approved provider revoked unless an adviser is appointed for six months.	16 Mar 07	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Department determined that there was an immediate and severe risk to the health, safety, or well-being of residents.	Sanction still in place as at 30 Jun 07.
		2. No Australian Government funding for new residents for a period of six months.			
Barongarook Gardens	Consolidated Land Holdings Pty Ltd	Approval as an approved provider revoked unless an adviser with financial experience is appointed for 12 months.	19 Mar 07	The approved provider did not comply with its responsibilities in relation to prudential matters.	Sanction still in place as at 30 Jun 07.
Grandridge Lodge	Mirboo North Community Care Inc	1. Approval as an approved provider revoked unless an adviser is appointed for six months.	18 May 07	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Department determined that there was an immediate and severe risk to the health, safety, or well-being of residents.	Sanction still in place as at 30 Jun 07.
		2. No Australian Government funding for new residents for a period of six months.			
Plumpton Villa Aged Care Facility	Glen-Craig Villages Pty Ltd	1. Approval as an approved provider revoked unless an adviser with nursing experience is appointed for six months. 2. No Australian Government funding for new residents for a period of six months.	8 Jun 07	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Department determined that there was an immediate and severe risk to the health, safety, or well-being of residents.	Sanction still in place as at 30 Jun 07.

State and Service	Approved provider	Sanction(s) imposed	Date imposed	Reason for imposing sanction(s)	Outcomes (*)
<b>Western Australia</b>					
Italian Community Nursing Home	Italian Aged Care Incorporated	1. Approval as an approved provider revoked unless an adviser is appointed for six months. 2. No Australian Government funding for new residents for a period of six months.	2 Mar 07	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Department determined that there was an immediate and severe risk to the health, safety, or well-being of residents.	Sanction still in place as at 30 Jun 07.
Florence Hummerton Lodge	Rosewood Care Group Ltd	1. Approval as an approved provider revoked unless an adviser is appointed for six months. 2. No Australian Government funding for new residents for a period of six months.	24 Apr 07	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Department determined that there was an immediate and severe risk to the health, safety, or well-being of residents.	Sanction still in place as at 30 Jun 07.
Karlarra House	Western Australian Government	1. Approval as an approved provider revoked unless an adviser is appointed for six months. 2. No Australian Government funding for new residents for a period of six months.	26 May 07	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Department determined that there was an immediate and severe risk to the health, safety, or well-being of residents.	Sanction still in place as at 30 Jun 07.

(\*) Note: Section 68-1 of the *Aged Care Act 1997* provides that a sanction that has been imposed on an approved provider for non-compliance with its responsibilities ceases to apply if (a) the sanction period ends or (b) the Secretary decides under section 68-3 of the Act that it is appropriate for the sanction to be lifted. When applicable, the duration of a sanction is fixed by the Secretary and specified in the notice of decision to impose a sanction.