

**2019-20**

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

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# **Minister's Foreword**

## Minister's Foreword

*By the Minister for Aged Care and Senior Australians  
Senator the Hon Richard Colbeck*



I am pleased to present the 2019–20 Report on the Operation of the *Aged Care Act 1997*.

In 2019-2020, Australian Government expenditure on aged care was more than \$21 billion, providing access to aged care services for more than 1.3 million people.

This year has been a difficult year for all Australians – with natural disasters including bushfires and floods impacting large parts of Australia, and with the challenges brought by the COVID-19 pandemic.

COVID-19 has been one of the most significant events in one hundred years.

These events have had particular impact on our most vulnerable senior Australians, many of whom rely on the aged care system.

The Australian Government responded early and has been continuously building and adapting the National Response Plan since January 2020, in collaboration with the aged care sector, state and territory governments and health authorities, incorporating lessons learned from Australia and around the world.

The Government has invested more than \$1.6 billion in this effort for additional measures to combat COVID-19 in aged care, with targeted measures aimed at protecting senior and vulnerable Australians and those who care for them. We will continue to provide leadership and support to limit the impact that COVID-19 has on senior Australians in aged care.

The next twelve months is a critical time for aged care sector reform - including a possible examination and revision of the *Aged Care Act 1997* itself – following the Government's consideration of the recommendations made by Royal Commission into Aged Care Quality and Safety, which is due to provide its final report in February 2021.

The Australian Government continues to undertake substantial reforms to improve safety and quality in aged care, including the introduction of the new Quality Standards during this financial year, and work to develop a reformed funding model more fit to serve the needs and expectations of the Australian community. We continue to invest strongly in home care packages to reduce wait times and get more senior Australians into the care they need.

As we move towards this critical phase towards reforming the system, there will continue to be a focus on ensuring more Australians can live in their homes for longer with access to appropriate levels of home care and that all Australians receiving aged care are cared for with kindness, respect and dignity.

The Government is committed to Australia having the best aged care system in the world. I look forward to continuing to work with all stakeholders to deliver for our senior Australians.

A handwritten signature in blue ink that reads "Richard Colbeck".

**Richard Colbeck**  
Minister for Aged Care and Senior Australians



# Key Facts in Aged Care 2019–20

Nearly **64 per cent** of aged care expenditure was on residential aged care.



There were **845** approved providers of residential aged care and **920** approved providers of home care packages.



RESIDENTIAL CARE: **845**



HOME CARE: **920**



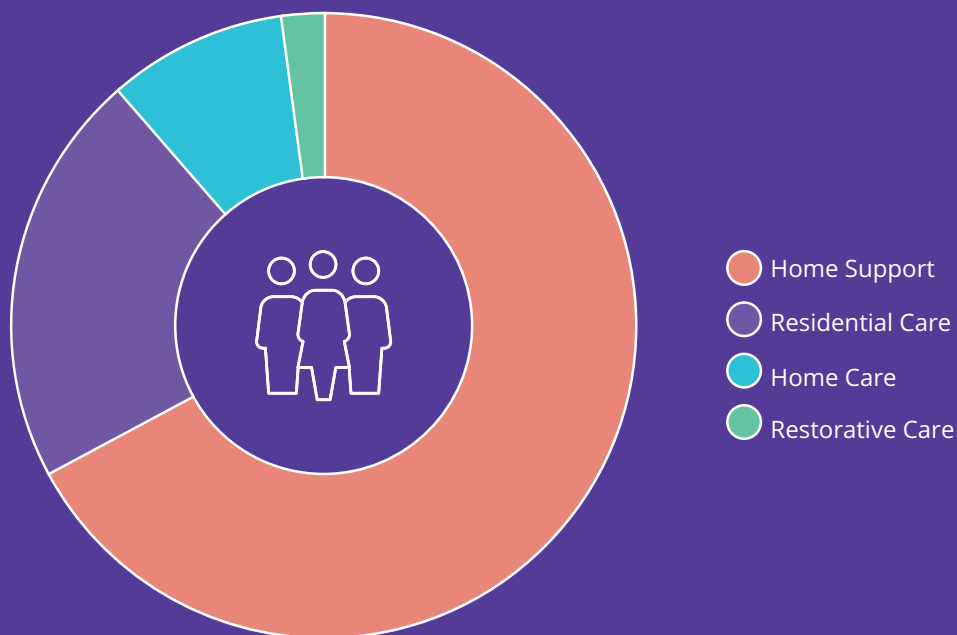
FLEXIBLE CARE: **129**

More than **1,450** organisations were funded to deliver CHSP services.



HOME SUPPORT: **1,452**

Almost **two-thirds** of aged care consumers accessed basic support at home.



# Introduction

## Purpose of this report

This report details the operation of Australia’s aged care system during the 2019–20 financial year. It is the twenty-second report in the series. The report is delivered to Parliament by the Minister in accordance with section 63-2 of the *Aged Care Act 1997* (the Act).

## Scope

In addition to meeting the reporting requirements specified in the Act, the report provides an overview of the components of the Australian aged care system (including those not governed by the Act), in order to present a comprehensive snapshot of the system as a whole during the 2019–20 financial year.

## Structure of the report

Chapter 1 provides an overview of the aged care system in Australia.

Chapter 2 describes the systems and resources available to ensure consumers have access to information about aged care services, and describes the processes through which they gain access to those services.

Chapters 3 to 7 describe the various types of service provision on a continuum from entry level community care to permanent residential care, including flexible care options and respite care.

Chapter 8 describes the provisions made to support people who are designated as having special needs.

Chapter 9 summarises the Australian Government’s contribution to aged care workforce measures.

Chapter 10 gives an overview of the regulatory and prudential frameworks to ensure compliance by providers with the provisions of the Act, and to ensure consumers receive quality services.

Appendix A addresses the reporting requirements specified in s63-2 of the Act.

## Data sources

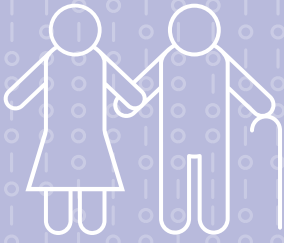
Data in this report was collected from departmental information systems and records.

On 15 August 2017, a new, user-friendly, interactive website targeted to a wide audience was launched. The GEN Aged Care Data website (GEN)<sup>1</sup> is Australia's only central, independent repository of national aged care data and is managed and regularly updated by the Australian Institute of Health and Welfare.

Note that improvements to the collection of all residential aged care sector financial data (including accommodation payments and building activity) were introduced in 2017 with the establishment of the new Aged Care Financial Report (ACFR). The ACFR streamlines sector reporting obligations and will establish a new baseline for this information.

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1 [www.gen-agedcaredata.gov.au](http://www.gen-agedcaredata.gov.au)



**Over  
1.3 million  
consumers of  
aged care**



**227,534  
operational  
residential and  
flexible places**



**\$21.2 billion  
in Australian Government  
expenditure**





# **Overview of the Australian Aged Care System**

# 1 Overview of the Australian Aged Care System

## 1.1 Introduction

The traditional image of aged care is often associated with residential care. While it is true that the majority of expenditure is in the residential care sector, in fact, the majority of people remain independent and stay in their home, connected to family and community, for the duration of their lives. For some, home support and home care packages provide the support they need to maintain independent living. Only a small proportion of older Australians are accessing residential care at any point in time.

The aged care system offers a continuum of care under three main types of service: Commonwealth Home Support, home care packages, and residential care. There are also several types of flexible care available to consumers (and their carers) that extend across the spectrum from home support to residential aged care.

### Commonwealth Home Support Programme

The Commonwealth Home Support Programme (CHSP) provides entry-level services focussed on supporting individuals to undertake tasks of daily living to enable them to be more independent at home and in the community. Services under the program are provided on an on-going or episodic basis, depending on need.

For more information on the CHSP, see Chapter 3.

### Home Care

This is a more structured, more comprehensive package of home-based support, provided over four levels.

- Level 1 – to support people with basic care needs
- Level 2 – to support people with low level care needs
- Level 3 – to support people with intermediate care needs
- Level 4 – to support people with high care needs.

For more details on Home Care, see Chapter 4.

## Respite Care

Respite care is an important support service for frail people and their carers, and is provided in a number of settings to allow flexibility for users.

For more details on respite care, see Chapter 5.

## Residential Care

Residential care provides support and accommodation for people who have been assessed as needing higher levels of care than can be provided in the home, and, where required, 24-hour nursing care. Residential care is provided on either a permanent, or a temporary (respite) basis.

For more information on residential care, see Chapter 6.

## Flexible Care

Flexible care acknowledges that in some circumstances an alternative to mainstream residential and home care is required. There are five types of flexible care:

- Transition Care
- Short-Term Restorative Care
- Multi-Purpose Services
- National Aboriginal and Torres Strait Islander Flexible Aged Care
- Innovative Care.

For more information on flexible care, see Chapter 7.

## Summary

While the components of the system represent a continuum of care from low-level (possibly temporary) to high-level, permanent care, a consumer's progression through the system is not necessarily linear.

When and where on the care-spectrum a person enters the system (and indeed whether they ever enter it), and their progression through it, is determined by the complex interaction of intrinsic and extrinsic factors. These include the social determinants of health, physical and mental health and well-being, social support and inclusion.

Each person's life experience is unique and therefore there is no 'typical' aged care consumer. The aged care system is designed to be flexible and responsive to these varying needs.

## 1.2 Managing supply and demand

### Supply

The Australian Government's needs-based planning framework aims to grow the supply of aged care places in proportion to the growth in the aged population.

It also seeks to ensure balance in the provision of services between metropolitan, regional, rural and remote areas, as well as among people needing differing levels of care.

The Australian Government manages the supply of aged care places by specifying a national target provision ratio (the ratio) of subsidised aged care places. At 30 June 2020, the ratio is 78.4 operational aged care places for every 1,000 people aged 70 years and over.

While the overall target provision ratio comprises residential care, home care, and, since 2016, restorative care places, the reported 'operational provision ratio' refers only to places assigned to approved providers. Since the introduction of the Increasing Choice in Home Care reforms on 27 February 2017, home care packages can no longer be defined as 'operational places' as they are not assigned to the provider, but to the consumer, and are therefore no longer included in the operational provision ratio.

As the number of places increases, the balance of care types within the ratio will also change. The change in mix of care types is intended to respond to the reported consumer preference to stay at home, where possible, and, to accommodate the inclusion of the recently introduced Short-Term Restorative Care (STRC) program.

The Australian Government does not regulate the supply of home support services in the same way as it does home care and residential care, as these services are provided through grant-funding arrangements, although the supply is affected by overall funding levels.

### Current provision

The total number of operational residential and flexible aged care places at 30 June 2020 was 227,534. This represents an increase of 4,493 residential and flexible aged care places since 30 June 2019.

At 30 June 2020, there were 142,436 people in a home care package, an increase of 35,729 since 30 June 2019.

## Allocation of residential aged care places

The Aged Care Approvals Round (ACAR) is a competitive application process that enables prospective and existing approved providers of aged care to apply for a range of new Australian Government-funded aged care places (residential aged care places and STRC places) and may also offer financial assistance in the form of capital grants for eligible aged care providers.

There was no ACAR in 2019–20. The 2020 ACAR, which was scheduled to start in March 2020, was postponed until at least September 2020 to allow aged care providers to focus on slowing the spread of the COVID-19. Current information is available on the department's website.<sup>2</sup>

## Allocation of home care packages

Under the Act, the Australian Government provides a subsidy to an approved provider of home care, chosen by the client, to coordinate a package of care, services and case management to meet their individual needs.

Individuals approved for a home care package are placed on a national queue until a package becomes available and is assigned to them. Consumers are placed on the queue according to the date they were approved for home care, and their priority for home care services, ensuring a consistent and equitable national approach. They are assigned a package when they are the next eligible consumer on the queue at a particular level and priority.

**Table 1: Number of people in a home care package on 30 June each year from 2017 to 2020**

State/territory	2017	2018	2019	2020
<b>NSW</b>	23,403	30,418	35,863	48,270
<b>Vic</b>	18,541	23,449	27,776	39,425
<b>Qld</b>	13,293	18,514	21,562	27,560
<b>WA</b>	6,752	8,246	8,999	11,049
<b>SA</b>	5,609	6,855	7,758	10,254
<b>Tas</b>	1,907	2,330	2,626	3,428
<b>ACT</b>	1,141	1,316	1,464	1,810
<b>NT</b>	777	719	659	640
<b>Australia</b>	<b>71,423</b>	<b>91,847</b>	<b>106,707</b>	<b>142,436</b>

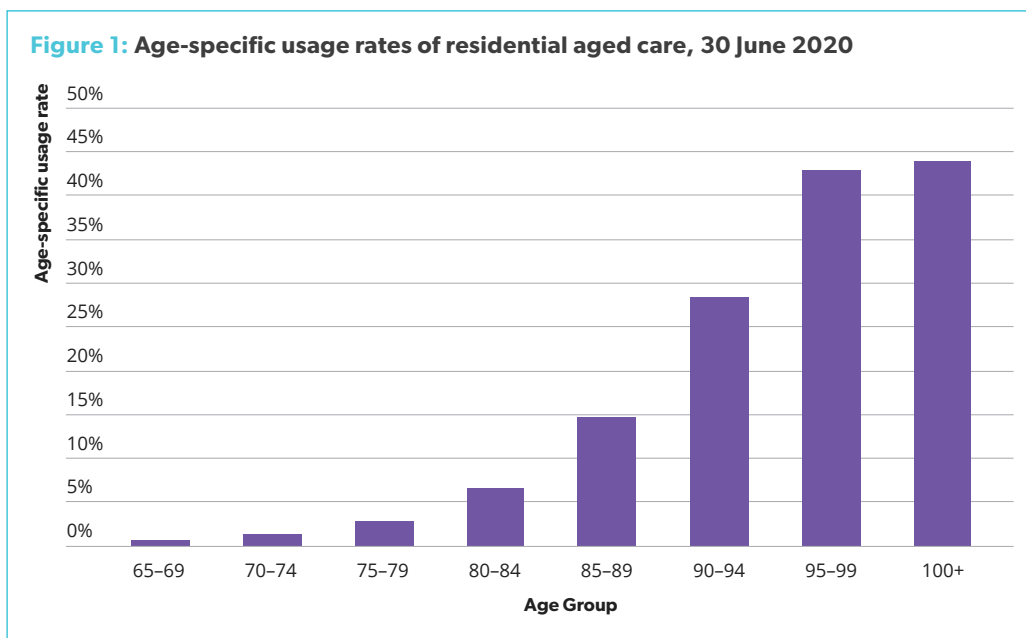
Note: Location of home care consumers is based on the physical address of the service delivering the care.

<sup>2</sup> <https://www.health.gov.au/initiatives-and-programs/2020-aged-care-approvals-round-acar>

## Demand

### Age

The ageing of the population and the associated increasing number of people with dementia are the two main factors driving increased demand for aged care services. As age increases, the likelihood of needing care increases, as shown in Figure 1.



At 30 June 2020, 16.0 per cent of Australia’s population was aged 65 years and over (4.1 million people) and 2.0 per cent was aged 85 years and over (517,000 people). By 2030, it is estimated that 18.1 per cent of the population will be aged 65 years and over (5.4 million people) and 2.4 per cent (719,500 people) will be 85 years and over.

While older age groups have greater utilisation of aged care services, it is not age per se that determines access, rather, assessed need.<sup>3</sup>

3 However certain age cohorts are typically used for planning purposes and are referenced in this report: 65 years plus (50 years plus for Aboriginal and Torres Strait Islander people) - is the ‘traditional’ definition of an older person and constitutes the aged care target population that the Australian Government has sole responsibility for funding; 70 years plus is used for planning purposes, such as determining ratios of residential care places; and 85 years plus is considered ‘very old’ and more closely reflects the target population of the high-end of aged care.

Access to home care packages and residential aged care services is through a comprehensive assessment performed by one of the 80 Aged Care Assessment Teams (ACAT) which operate in all states and territories. ACATs are funded by the Australian Government and administered by the relevant state/territory government. In 2019–20, a total of 186,891 ACAT assessments were administered. If a person has been assessed as eligible for a particular level of home care package, but there are none available, the person can be offered a lower level package as an interim measure until a higher level package is available. This connects them with care as soon as possible, given package availability.

Access to CHSP is through an assessment by a Regional Assessment Service (RAS).

## **Dementia**

Dementia is an umbrella term describing conditions associated with an ongoing decline of the brain and its abilities, characterised by the impairment of brain function, including language, memory, perception, personality and cognitive skills. Dementia is a terminal condition and the second most common underlying cause of death in Australia.

Dementia usually occurs in people who are aged 65 and over. After the age of 65 the likelihood of developing dementia doubles every five years. Currently the prevalence of dementia in Australia is estimated at almost 10 per cent of people aged 65 and over, rising to 30 per cent of people 85 years and over.<sup>4</sup>

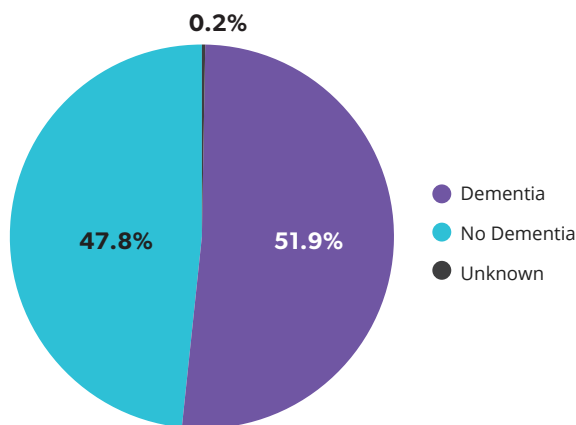
In 2020, there were an estimated 399,800 Australians with dementia, over 40 per cent of whom were aged 85 years and over. The number of people with dementia is anticipated to grow to around 900,000 by 2050.

At 30 June 2020, just over half of all residential aged care residents with an Aged Care Funding Instrument (ACFI) assessment had a diagnosis of dementia.

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4 Australian Institute of Health and Welfare (AIHW) 2012. Dementia in Australia. Cat. no. AGE 70. Canberra: AIHW.

**Figure 2: Permanent residents by dementia status, at 30 June 2020**



### 1.3 Legislative framework

#### The Aged Care Act 1997

The Act and delegated legislation – Aged Care Principles and Determinations – provide the regulatory framework for Australian Government-funded aged care providers.

The legislative framework sets out the requirements for the allocation of aged care places, the approval and classification of care recipients, the responsibilities of approved providers, and the subsidies paid by the Australian Government. The framework also sets out the responsibilities of providers.

#### Aged Care Principles

Aged Care Principles are made under subsection 96–1 of the Act. The Act enables the Minister to make Principles that are required or permitted under the Act, or that the Minister considers necessary or convenient to carry out or give effect to a Part or section of the Act.

There are currently 16 sets of Principles made under the Act. In addition, the *Aged Care (Transitional Provisions) Principles 2014* were made under the *Aged Care (Transitional Provisions) Act 1997*. These Principles may be amended at any time.



### Aged Care Quality and Safety Commission Act 2018

This Act provides for the establishment of the Aged Care Quality and Safety Commission (the Commission). The Commission is responsible for assisting the Aged Care Quality and Safety Commissioner (Commissioner) with its functions. *The Aged Care Quality and Safety Commission Rules 2018* (the Rules) give operational effect to the processes of the Commission. The Rules replace a number of Principles including the *Quality Agency Principles 2013*.

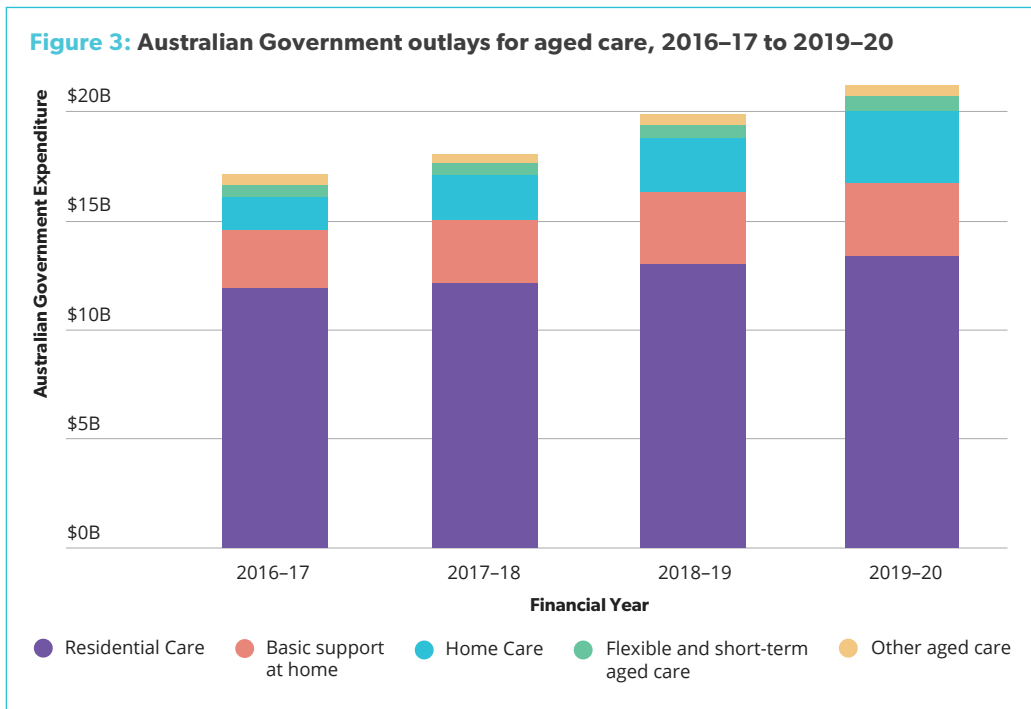
### Outside the Act

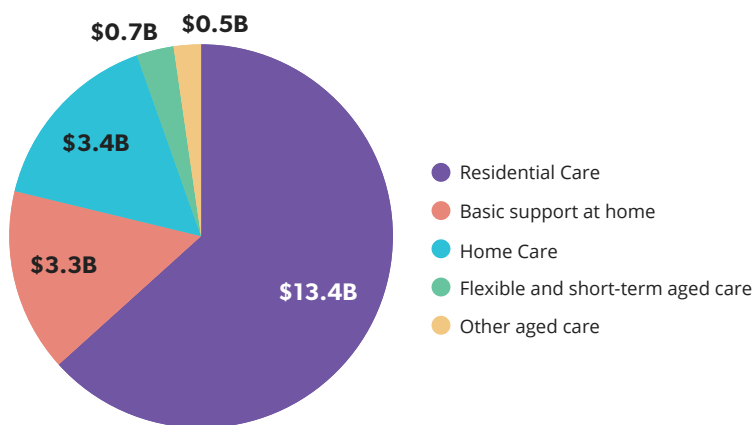
The operation of the CHSP is governed by the CHSP Program Manual 2020–22.

## 1.4 Funding

The Australian Government is the major funder of aged care, with aged care consumers contributing to the cost of their care where able to do so.

Australian Government expenditure for aged care throughout 2019–20 totalled \$21.2 billion, an increase of 6.7 per cent from the previous year.



**Figure 4: Australian Government aged care expenditure by type of care, 2019–20**

## Funding reform

Since 2016–17, the Australian Government has invested in research to develop a new approach to funding residential aged care. The Australian National Aged Care Classification (AN-ACC), derived from the University of Wollongong's Resource Utilisation and Classification Study, is the proposed new funding model for residential aged care, currently under consideration. The AN-ACC is based on real evidence on what drives relative care costs, has an evidence-based methodology for determining funding increases, and is less resource-intensive on provider staff than the ACFI.

A trial of the AN-ACC assessment framework started in November 2019, however, it was suspended in March 2020 due to the COVID-19 outbreak. The findings of the trial up to that point concluded that the model is fit for purpose, nationally scalable and able to be efficiently undertaken by an external assessment workforce. More information on residential aged care funding reform and the AN-ACC trial can be found here.<sup>5</sup>

<sup>5</sup> <https://www.health.gov.au/health-topics/aged-care/aged-care-reforms-and-reviews/residential-aged-care-funding-reform>

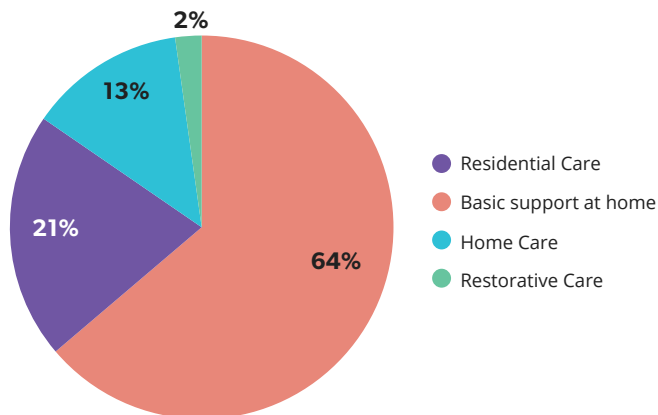
## 1.5 Aged care consumer

In 2019–20, over 1.3 million people received some form of aged care; the great majority received home-based care and support, while relatively few lived in residential care.

- 839,373 people received home support through the CHSP
- 173,743 people received care through a home care package
- 66,873 people received residential respite care, of whom 37,548 (approximately 56 per cent) were later admitted to permanent care
- 244,363 people received permanent residential aged care.

People also accessed care through flexible-care programs and other aged care services. Some people received care through more than one program.

**Figure 5: Consumers of aged care by service type, 2019–20**



### Average age on entry

The average age on admission to permanent residential aged care was 82.5 years for men and 84.8 years for women.

For entry to a home care package the average was 80.9 years for men and 81.1 years for women.

## People with special needs

Older Australians display the same diversity in race, religion, language, gender, health, economic status, and geographic location as the broader Australian population. While aged care consumers with special needs have access to mainstream services, there are also special provisions and funding mechanisms to ensure that they can access appropriate care.

For more information on provision of services for people with special needs, see Chapter 8.

## 1.6 Informed access for consumers

My Aged Care provides a clear entry point to the aged care system through:

- information about aged care for consumers, family members and carers
- information for service providers
- service finders that provide information about aged care service providers and assessors
- access for consumers to compliance information about providers
- fee estimators for pricing on home care packages and residential care
- assessment and referral systems.

For more information on how consumers can access information about aged care, see Chapter 2.

## 1.7 Support for consumers

### National Advocacy Scheme

The Australian Government funds the National Aged Care Advocacy Program (NACAP) which provides free, confidential and independent advice to consumers, their families and carers.

### Community Visitors Scheme

The Australian Government funds community-based organisations to recruit volunteers to make regular visits to aged care consumers of Australian Government-subsidised residential aged care services and home care packages.

For more information on services which support consumers, see Chapter 2.

## 1.8 Aged care workforce

The aged care workforce numbers over 366,000 and includes nurses, personal care workers, support staff and allied health professionals. Workforce training and education is a shared responsibility between government and industry, with providers having obligations under the Act to ensure that there are adequate numbers of appropriately skilled staff to meet the individual care needs of residents. Volunteer workers also make a significant contribution across the sector.

In 2016, the fourth National Aged Care Workforce Census and Survey (NACWCS)<sup>6</sup> was conducted by the National Institute of Labour Studies, on behalf of the department. The report contains information about the size and composition of the workforce, training and education, the characteristics of aged care workers and the organisations in which they work, experiences of working in the sector, and factors related to staff recruitment and retention.

For more information on the aged care workforce, see Chapter 9.

## 1.9 Regulatory, quality and prudential oversight

There are strict prudential requirements related to the accounting and handling of bonds and refundable accommodation deposits collected by approved providers. The department closely monitors how effectively providers are meeting these requirements and conducts an annual review of providers' prudential arrangements.

Providers of Australian Government-funded aged care services must comply with responsibilities specified in the Act and the Aged Care Principles. These responsibilities encompass quality of care, user rights, accountability and allocation of places. The Commission monitors the compliance of aged care services against their responsibilities under the Act and the Rules.

For more information about governance and quality, see Chapter 10.

## 1.10 Aged Care Pricing Commissioner

Throughout the year, the Aged Care Pricing Commissioner received applications from providers who wished to charge an accommodation price above the threshold determined by the Minister (currently \$550,000). Further information on the Aged Care Pricing Commissioner's operations for the year is available from the Aged Care Pricing Commissioner's Annual Report.<sup>7</sup>

6 <https://www.gen-agedcaredata.gov.au/Resources/Reports-and-publications/2017/March/The-aged-care-workforce,-2016>

7 <https://www.acpc.gov.au/resources/aged-care-pricing-commissioner-annual-report-2018-19>

## 1.11 More Choice for a Longer Life Package

In May 2018, as part of the 2018–19 Budget, the Australian Government announced the More Choices for a Longer Life Package (the Package). Through the Package, the Government will deliver a range of measures to improve access to aged care services, to ensure that care is safe and of high quality, and to support Australians to be better prepared for ageing.

## 1.12 Aged Care Quality and Safety Commission

On 1 January 2019, the government established an independent Aged Care Quality and Safety Commission. The Commission has combined the functions of the former Australian Aged Care Quality Agency, and the former Aged Care Complaints Commissioner. The aged care regulatory functions of the Department of Health joined the Commission from 1 January 2020.

## 1.13 Royal Commission into Aged Care Quality and Safety

The Royal Commission into Aged Care Quality and Safety (the Royal Commission) was announced by the Prime Minister, the Hon Scott Morrison MP, on 16 September 2018, and established on 8 October 2018. The Royal Commission released its Interim Report<sup>8</sup> on 31 October 2019, with the Final Report due by 26 February 2021.

On 25 November 2019, the government announced a funding package totalling \$537 million in response to the Royal Commission's Interim Report. The package included:

- \$496.3 million for an additional 10,000 home care packages
- \$25.5 million to improve medication management programs to reduce the use of medication as a chemical restraint on aged care residents and at home, and new restrictions and education for prescribers on the use of medication as a chemical restraint
- \$10 million for additional dementia training and support for aged care workers and providers, including to reduce the use of chemical restraint
- \$4.7 million to help meet new targets to remove younger people with disabilities from residential aged care.

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8 <https://agedcare.royalcommission.gov.au/publications/interim-report>

## 1.14 Aged care services and the COVID-19 pandemic

During 2019–20, Australia has been facing an extraordinary health challenge in the COVID-19 pandemic. COVID-19 has proven to be much more serious for those who are vulnerable, particularly older Australians. This has required a specific response for the aged care sector.

From early in the pandemic the Australian Government worked with the aged care sector and state and territory public health authorities to support arrangements to increase infection control measures, manage cases of COVID-19 and to minimise transmission, in order to ensure a safe environment within aged care services.

A key consideration and acknowledgement was, and continues to be, the significant contribution of aged care workers during the COVID-19 pandemic, and the care they continue to provide for the most vulnerable Australians every day.

During 2019–20, in response to the pandemic the Australian Government announced more than \$850 million COVID-19-specific support to the aged care sector. A number of these measures will continue into 2020–21, along with further supports for the sector.

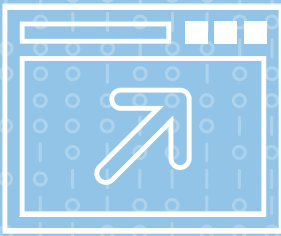
The supports announced in 2019–20 include:

- \$101.2 million (part of \$2.4 billion National Health Package) for an aged care COVID-19 preparedness measure. The measure includes funding to train the aged care workforce in infection prevention and control, support workforce surge requirements for impacted aged care providers, and implement a grant program to reimburse costs incurred managing an outbreak
- \$444.6 million package of specific mechanisms to support the aged care workforce, including:
  - \$234.9 million retention bonus to assist providers to retain direct care workers in the industry
  - \$78.3 million for residential care providers and \$22 million under the Home Care Packages Program, for a temporary 1.2 per cent subsidy increase from March to August 2020 to support workforce continuity, including contributing to the cost of replacement staff
  - \$26.9 million for a temporary 30 per cent increase to the Residential and Home Care Viability Supplements and the Homeless Supplement from March to August 2020 (subsequently extended to February 2021)

- \$59.3 million to ensure more prepared meals, food staples and essential daily items are delivered to older Australians. This includes \$50 million for organisations which deliver meal services through the CHSP and \$9.3 million for 36,000 emergency food supply boxes
- \$70.2 million to fund short-term support for organisations which deliver CHSP to better enable them to respond to the impact of COVID-19
- \$12.3 million to support My Aged Care to meet the surge in aged care specific COVID-19 enquiries, allowing for additional staff, to minimise call wait times
- A special one-off COVID-19 payment of \$205 million that was paid to all residential aged care providers to support the additional costs of caring for the health and wellbeing of residents during the pandemic
- An additional \$10 million for the Community Visitors Scheme (CVS) to provide more volunteer visitors and greater scheme outreach to further support older Australians who may be experiencing social isolation.







**Over 4.0 million  
website visits and  
1.4 million calls  
answered**



**Ongoing  
enhancements  
to My Aged Care  
homepage**



**17 RAS organisations  
and 80 ACATs delivered  
assessment services**



# 2

## **Informed Access to Aged Care**

## 2 Informed Access to Aged Care

The Australian Government provides support to older Australians, their families, representatives and carers to access reliable and trusted information about aged care services.

My Aged Care is the starting point to access Australian Government-subsidised aged care services. My Aged Care information and assessments can now be accessed from the dedicated contact centre and website, including a new self-service option to register for My Aged Care, and with the support of general practitioners. The My Aged Care contact centre (1800 200 422) operates nationally from 8am-8pm weekdays and 10am-2pm on Saturdays. A separate phone line is available to support My Aged Care assessors and service providers.

In 2019–20, the department continued to focus on building the capability of My Aged Care contact centre staff with the introduction of a targeted induction training program that has a strong focus on improving customer conversations, client outcomes and providing tailored support and access to aged care services.

### 2.1 Enabling people to make informed choices

On 24 June 2019, a new My Aged Care website was launched. Since then, ongoing enhancements have been made in response to consumer and stakeholder feedback. Key improvements include:

- greater transparency in relation to pricing for Home Care Packages services
- changes to the service finder ('Find a Provider' tool), to improve the ability to search and compare aged care providers
- the introduction of the Service Compliance Rating for residential services to improve transparency of compliance with the Aged Care Quality Standards (for more details, see chapter 10).

To ensure consumers continue to have choice in how they access My Aged Care information and services, the department has also implemented the following initiatives to complement the contact centre and website:

- new functionality to enable older Australians, (or someone acting on their behalf) to apply for an aged care assessment online
- technology to support general practitioners to submit referrals to My Aged Care directly from their clinical desktop systems
- improvements to the online portals so clients, assessors, providers and the contact centre can be better informed about where they are on their My Aged Care journey.

## Calls, correspondence and website data

In 2019–20, the My Aged Care contact centre, responded to over 1,486,043 calls, and provided practical support by connecting services and providing information and advice. The My Aged Care website had a total of 4,048,501 visits.

## Publications

The department continues to disseminate a range of printed aged care materials, including information booklets and brochures for older Australians, their families and carers.

In 2019–20, more than two million My Aged Care information products were distributed including:

- nearly 700,000 brochures explaining the range of Australian Government-funded aged care services available and how to access them
- nearly 600,000 detailed booklets about accessing specific Australian Government-funded aged care programs. This included a new booklet, the Charter of Aged Care Rights, which describes the rights of aged care consumers who receive Australian Government-funded aged care services.

In addition to printed resources, the department produces a fortnightly e-Newsletter and distributes regular email announcements to over 25,000 aged care sector subscribers, including service providers, assessors, peak bodies and health professionals.

These resources are regularly reviewed and updated to ensure the information remains accurate and is easy to understand. Translated versions of many of the resources, in 18 Culturally and Linguistically Diverse (CALD), and four Aboriginal and Torres Strait Islander languages, are also available to view and download.

## 2.2 Support for consumers

### National Aged Care Advocacy

The Australian Government funds the NACAP which provides free, confidential and independent advice to consumers, their families and carers. Since 1 July 2017, NACAP has been delivered by a single national provider, the Older Persons Advocacy Network (OPAN). In 2019–20, OPAN delivered 2,198 education sessions and 20,819 instances of advice or individual advocacy. OPAN also received an additional \$1.2 million to deliver information promoting aged care consumer rights to older people and undertake outreach/outbound activities to connect with older people in residential and home care in response to the COVID-19 pandemic.

## Community Visitors Scheme

The CVS provides friendship and companionship through one-on-one volunteer visits to consumers of residential aged care, home care packages and groups in residential aged care who are socially isolated or are at risk of social isolation or loneliness. In 2019–20, funding of \$23 million was provided including \$4.4 million in supplementary funding to support providers in responding to the challenges of COVID-19. During 2019–20, approximately 11,000 volunteers conducted an estimated 221,000 visits.

## National Dementia Support Program

In 2019–20, the National Dementia Support Program (NDSP) provided education, resources, counselling and support to people living with dementia, their families and carers, to help improve their lives and increase awareness and understanding about the disease. The NDSP offers a website and national helpline, where professional counselling or group and individual support sessions can be scheduled. These can help people living with dementia, and their families and carers, with support strategies to cope with dementia, and provide advice on what to expect once a diagnosis of dementia is received. The NDSP also offers education and training to family members and carers of people living with dementia to help the person with dementia remain in their own homes for longer, where appropriate, and help ensure they are aware of the requirements of people living with dementia.

The NDSP was recently redesigned to better meet the needs of people living with dementia, with additional focus given to awareness-raising, stigma reduction, and targeted outreach activities for vulnerable populations and communities. Following an open, competitive funding round held in 2019, Dementia Australia was selected as the main NDSP provider, with funding of \$36 million from 2019–20 to 2021–22.

In addition to Dementia Australia, two other organisations were selected to deliver innovative, technology-focused projects under Element 5 of the NDSP. A total of \$4 million from 2019–20 to 2020–21 was provided for these projects. Funding for Element 5 is from the 2018 Budget Measure Better care for people living with dementia.

The NDSP was delivered under a transitional approach during the second half of 2019–20, with Dementia Australia also undergoing an internal restructure during this time.

In 2019–20, the National Dementia Helpline and referral service received over 39,500 contacts. More than 520,500 dementia help-sheets were downloaded from the Dementia Australia national website, of which, over 9,500 were targeting people from special needs groups.

## 2.3 Access to subsidised care

### Regional Assessment Service

The RAS delivers regional-level assessments of people seeking entry-level support at home, provided under the CHSP.

In 2019–20, the Australian Government allocated funding of approximately \$114.4 million for 17 RAS providers to deliver assessment services in all states and territories. RAS providers completed 242,969 assessments in 2019–20.

### Aged Care Assessment Program

The Australian Government engages states and territories to manage and administer the Aged Care Assessment Program (ACAP), which includes 80 individual ACAT to deliver comprehensive assessment services across Australia. Approximately \$129 million was allocated for ACAT purposes in 2019–20. ACATs completed 186,891 assessments in 2019–20.

ACATs comprehensively assess the aged care needs of older Australians by building on the information collected in the My Aged Care contact centre screening and home support assessment (if applicable). This process includes approving the person as eligible for Australian Government-subsidised aged care services funded under the Act, such as residential care, a home care package and/or flexible care services. ACATs make referrals to aged care services or provide the client with a referral code for the client to self-manage their referral.

Assessments are conducted in accordance with the requirements for the approval of care-recipients outlined in Part 2.3 of the Act and in the *Approval of Care Recipients Principles 2014*.

**Table 2: ACAT assessments by state and territory: 2015–16 to 2019–20**

State/territory	2015–16	2016–17	2017–18	2018–19	2019–20
<b>NSW</b>	59,003	53,727	61,018	60,031	63,805
<b>Vic</b>	55,127	46,409	52,219	49,044	49,524
<b>Qld</b>	35,428	28,378	34,714	31,354	32,230
<b>WA</b>	18,687	14,794	15,885	15,026	16,945
<b>SA</b>	15,397	13,040	14,771	15,625	16,948
<b>Tas</b>	4,660	4,003	4,735	4,649	4,648
<b>ACT</b>	2,198	1,963	1,840	1,791	1,775
<b>NT</b>	852	893	946	843	1,016
<b>Australia</b>	<b>191,352</b>	<b>163,207</b>	<b>186,128</b>	<b>178,363</b>	<b>186,891</b>

The data includes reassessments.

Notes: Data was extracted from the Ageing and Aged Care Data Warehouse on 8 July 2020. Future extracts of this data may change and thus alter final numbers. The table includes total number of assessments. Expanded data regarding completed assessments and approvals are published on the GEN Aged Care Data website and in the Productivity Commission Report on Government Services.



**1,452**  
**funded CHSP**  
**organisations**



**839,373**  
**CHSP clients**  
**across 2019–20**



**\$2.6 billion**  
**for CHSP service**  
**delivery activities**





# 3

**Home  
Support**

## 3 Home Support

The Australian Government provides a range of entry-level home support services designed to help people aged 65 years and older (50 years and older for Aboriginal and Torres Strait Islander people) to continue living in their own homes for as long as they can.

Through the Better Ageing – Promoting Independent Living Budget measure, the Australian Government continued to focus on trialling and implementing supports for older Australians to continue living independently at home for longer, while still providing the support and services needed to remain active and engaged. A key feature of the measure was to trial a reablement-focussed assessment model to determine if reablement provides a measurably better outcome for clients. The trial was completed in June 2020.

To support trial outcomes, CHSP providers in trial-site regions received additional funds for aids, equipment and allied health services. The final supports to be rolled out include the national CHSP reablement training program, and consumer communications to increase awareness of the benefits of reablement through a ‘more good days’ approach to living independently at home.

A national review of assistive technology programs was also undertaken to assess the impact of targeting support for older Australians. The outcomes of the review and an independent evaluation of the Budget measure will contribute to future policy directions for care in the home.

### 3.1 What was provided?

The CHSP helps frail older people living in the community to maximise their independence through the delivery of timely, high quality entry-level support services taking into account each person’s goals. CHSP support is underpinned by a wellness approach, which is about building on each person’s strengths, capacity and goals to help them remain independent and to live safely at home.

**Table 3: CHSP services by sub-programme and service type**

<b>Sub-programme</b>				
	Community and home support	Care relationships and carer support	Assistance with care and housing	Service system development
<b>Objective</b>	To provide entry-level support services to assist frail, older Australians to live independently at home and in the community.	To support and maintain care relationships between carers and clients, through providing good quality respite care for frail older Australians so that regular carers can take a break.	To support those who are homeless or at risk of homelessness, to access appropriate and sustainable housing, as well as community care and other support services, specifically targeted at avoiding homelessness, or reducing the impact of homelessness.	To support the development of the home support service system and enable CHSP service providers to operate effectively in line with the objectives of the CHSP and within the context of the broader aged care system.
<b>Service types funded</b>	<ul style="list-style-type: none"> <li>• Allied health and therapy services</li> <li>• Domestic assistance</li> <li>• Goods, equipment and assistive technology</li> <li>• Home maintenance</li> <li>• Home modifications</li> <li>• Meals</li> <li>• Nursing</li> <li>• Other food services</li> <li>• Personal care</li> <li>• Social support-individual</li> <li>• Social support-group</li> <li>• Specialised support services</li> <li>• Transport</li> </ul>	<ul style="list-style-type: none"> <li>• Centre-based respite:               <ul style="list-style-type: none"> <li>- Centre based day respite</li> <li>- Residential day respite</li> <li>- Community access-group respite</li> </ul> </li> <li>• Flexible respite:               <ul style="list-style-type: none"> <li>- In-home day respite</li> <li>- In-home overnight respite</li> <li>- Community access - individual respite</li> <li>- Host family day respite</li> <li>- Host family overnight respite</li> <li>- Mobile respite</li> <li>- Other planned respite</li> </ul> </li> <li>• Cottage respite (overnight community)</li> </ul>	Assistance with care and housing (a person must be aged 50 years or over (45 years or over for Aboriginal and Torres Strait Islander people), or prematurely aged, on a low income, and be homeless or at risk of homelessness as a result of experiencing housing stress or not having secure accommodation).	Sector support and development activities.

## 3.2 Who provided care?

In 2019–20, a total of 1,452 aged care organisations were funded to deliver CHSP home support services to clients. CHSP providers include government, non-government and not-for-profit organisations.

## 3.3 Who received care?

The CHSP provided support to 839,373 clients. Access to CHSP services is coordinated through My Aged Care. For consumers this means entry and assessment through My Aged Care and referral to the RAS for a face-to-face assessment. In 2019–20, the average age of access to the CHSP was 80.1 years.

## 3.4 How were these services funded?

### What the Australian Government pays

The CHSP is a grant-funded program. During 2019–20, the Australian Government provided \$2.6 billion for the delivery of CHSP services to assist eligible clients to remain living independently in their homes, including emergency COVID-19 funding. The Australian Government also provided \$158.1 million to My Aged Care, RAS, and other initiatives in support of the CHSP. In total, Australian Government expenditure for the program in 2019–20 was \$2.8 billion.

**Table 4: Australian Government expenditure for CHSP services in 2019–20, by state and territory**

State/territory	2019–20 \$M
NSW	660.5
Vic	720.4
Qld	661.0
WA	249.7
SA	217.4
Tas	63.9
ACT	43.8
NT	25.2
<b>Australia</b>	<b>2,641.5</b>

## What the consumer pays

The *Client Contribution Framework* and the *National Guide to the CHSP Client Contribution Framework* were implemented in October 2015. The Framework outlines a number of principles that CHSP providers should adopt in setting and implementing their own client contribution policy. The principles are designed to introduce fairness and consistency, with a view to ensuring that those who can afford to contribute do so, while protecting the most vulnerable. Consumer contributions support the financial sustainability of the program and CHSP providers to grow and expand their business. It is expected that contributions towards the cost of care will move towards a nationally consistent approach over time.



**920**  
**operational home  
care providers**



**142,436**  
**home care  
consumers  
at 30 June**



**\$3.4 billion**  
**in home care subsidies  
and supplements**



4

**Home  
Care**

## 4 Home Care

The Australian Government recognises that people want to remain living independently in their own home for as long as possible. To support this, the government subsidises home care packages to provide comprehensive home-based care that can improve older Australians' quality of life and help them to remain active and connected to their communities.

To access a home care package, people are first assessed by an ACAT, which determines eligibility. Once assessed as eligible for home care, a person is placed on the National Prioritisation System and is offered a home care package when one becomes available.

### 4.1 What was provided?

The Home Care Packages Program provides four levels of packages:

- Home Care Level 1 – to support people with basic care needs
- Home Care Level 2 – to support people with low level care needs
- Home Care Level 3 – to support people with intermediate care needs
- Home Care Level 4 – to support people with high care needs.

Under a home care package, a range of personal care, support services, clinical services and other services are tailored to meet the assessed needs of the consumer. A summary list of the types of services available can be found on the My Aged Care website.<sup>9</sup>

### 4.2 Who provided care?

Home care packages are delivered by service providers who have been approved under the Act. This approval requires providers to comply with conditions relating to quality of care, consumer-rights and accountability.

Between 30 June 2019 and 30 June 2020, the number of operational approved providers of home care fell from 928 to 920 representing a 0.9 per cent decrease.

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<sup>9</sup> <https://www.myagedcare.gov.au/help-at-home>



At 30 June 2020, there were 142,436 people in a home care package (Table 5). Not-for-profit providers (religious, charitable and community) delivered the majority of care, providing assistance to 67.5 per cent of people, while for-profit providers delivered care to 26.0 per cent, and government providers delivered care to 6.5 per cent.

**Table 5: Number of people in a home care package, by provider type and state and territory, at 30 June 2020**

State/ territory	Religious	Charitable	Community based	For profit	State/ territory and local govt	Total
NSW	7,713	12,951	10,895	15,761	950	48,270
Vic	7,220	8,877	6,917	10,190	6,221	39,425
Qld	10,830	5,238	5,389	5,727	376	27,560
WA	2,018	4,996	1,024	2,658	353	11,049
SA	1,907	4,409	1,170	1,619	1,149	10,254
Tas	555	1,087	990	782	14	3,428
ACT	305	771	527	207	..	1,810
NT	139	12	245	99	145	640
<b>Australia</b>	<b>30,687</b>	<b>38,341</b>	<b>27,157</b>	<b>37,043</b>	<b>9,208</b>	<b>142,436</b>
<b>% of Total</b>	<b>21.5</b>	<b>26.9</b>	<b>19.1</b>	<b>26.0</b>	<b>6.5</b>	<b>100.0</b>

Note: Location of home care consumers is based on the physical address of the service delivering the care.  
.. Not applicable

### 4.3 Who received care?

The number of people in a home care package at 30 June 2020 was 142,436.

This was an increase of 35,729 (or 33.5 per cent) from 30 June 2019 (106,707).

The number of people in a Level 3 or 4 package grew from 50,457 at 30 June 2019 to 67,176 at 30 June 2020, an increase of 33.1 per cent.

In 2019–20, the average age of access to a package was 81.0 years.

**Table 6: Number of people in a home care package, by current care level and by state and territory, at 30 June 2020**

State/ territory	Level 1	Level 2	Level 3	Level 4	Total	% of total
NSW	7,351	19,930	10,135	10,854	48,270	33.9
Vic	4,210	18,318	7,237	9,660	39,425	27.7
Qld	2,858	10,864	6,183	7,655	27,560	19.3
WA	504	3,396	2,346	4,803	11,049	7.8
SA	1,010	3,842	2,235	3,167	10,254	7.2
Tas	373	1,452	764	839	3,428	2.4
ACT	107	734	319	650	1,810	1.3
NT	5	306	117	212	640	0.4
<b>Australia</b>	<b>16,418</b>	<b>58,842</b>	<b>29,336</b>	<b>37,840</b>	<b>142,436</b>	<b>100.0</b>
<b>% of Total</b>	<b>11.5</b>	<b>41.3</b>	<b>20.6</b>	<b>26.6</b>	<b>100.0</b>	

Note: Location of home care consumers is based on the physical address of the service delivering the care.

## 4.4 How were these services funded?

### What the Australian Government pays

The Australian Government is the main contributor to the cost of home care packages. Government assistance is predominantly provided in the form of a subsidy to providers with the amount increasing as the level of package rises (from Level 1 to Level 4).

The Minister determines the rates for subsidies and care-supplements to be paid from 1 July of each year. The current rates of payment are available on the department's website.<sup>10</sup>

As part of the Australian Government's response to the COVID-19 pandemic, the following time-limited additional funding was made available in the Home Care Packages Program:

- 1.2 per cent increase in the basic subsidy (March – August 2020)
- 30 per cent increase in the viability supplement for home care (March 2020 – February 2021).

<sup>10</sup> <https://www.health.gov.au/resources/publications/schedule-of-subsidies-and-supplements-for-aged-care>

**Table 7: Home Care supplements available in 2019–20**

<b>Supplement type</b>	<b>Description</b>
<b>Primary supplements</b>	
Oxygen supplement	A supplement paid on behalf of eligible care recipients to reimburse costs associated with provision of oxygen therapy.
Enteral feeding supplement	A supplement paid on behalf of eligible care recipients to reimburse costs associated with provision of enteral feeding.
Dementia and cognition supplement	A supplement paid on behalf of eligible care recipients assessed as having cognitive impairment due to dementia or other conditions.
Veterans' supplement in home care	A supplement paid on behalf of care recipients with a mental health condition related to their service. Eligibility for the supplement is determined by the Department of Veterans' Affairs.
Top-up supplement	A supplement paid on behalf of care recipients formerly in receipt of an Extended Aged Care at Home Dementia (EACHD) package prior to 1 August 2013, to ensure no disadvantage in funding as a result of the transition to the Home Care Packages Program.
<b>Other supplements</b>	
Hardship supplement	A supplement paid on behalf of post-1 July 2014 care recipients in financial hardship who are unable to pay their aged care costs.
Viability supplement	A supplement paid on behalf of eligible care recipients living in regional and remote areas to assist with the extra costs of providing services in those areas.

The Australian Government's expenditure on subsidies and supplements for home care packages increased from \$2.5 billion in 2018–19 to \$3.4 billion in 2019–20, an increase of 35.7 per cent.

**Table 8: Australian Government expenditure for home care packages 2015–16 to 2019–20, by state and territory**

State/ territory	2015–16 \$M	2016–17 \$M	2017–18 \$M	2018–19 \$M	2019–20 \$M
NSW	452.2	483.8	619.8	753.1	1,025.1
Vic	364.0	388.6	497.9	605.0	820.8
Qld	283.2	301.4	386.1	469.2	636.5
WA	187.0	198.3	254.0	308.7	418.8
SA	107.0	114.2	146.3	177.8	241.2
Tas	37.4	39.7	50.8	61.7	83.8
ACT	34.4	36.5	46.7	56.8	77.1
NT	21.4	22.2	28.4	34.6	46.9
<b>Australia</b>	<b>1,486.6</b>	<b>1,586.2</b>	<b>2,032.1</b>	<b>2,469.3</b>	<b>3,350.1</b>

Note: The totals may include expenditure that cannot be attributed to an individual state or territory.

On 25 November 2019, the Australian Government announced an additional \$496.3 million funding for 10,000 home care packages across 2019–20 and 2020–21. These packages started to become available from December 2019.

**Table 9: Number of additional home care packages, 2019–21**

Level	2019–20	2020–21	Total
Level 1	0	0	0
Level 2	0	2,000	2,000
Level 3	3,000	2,000	5,000
Level 4	2,500	500	3,000
<b>Total</b>	<b>5,500</b>	<b>4,500</b>	<b>10,000</b>

## What the consumer pays

Consumers who have taken up a home care package on or after 1 July 2014, can be asked to pay:

- a basic daily fee – depending on package level, the current maximum basic daily fee ranges between 15.68 per cent and 17.50 per cent of the single rate of the basic age pension
- an income-tested care fee – if they are assessed as having sufficient income to contribute to the cost of their care. The income-tested care fee reduces the amount of the subsidy paid by the Australian Government to the provider
- amounts for additional care and services that the home care package would not otherwise cover.

The basic daily fee is indexed on 20 March and 20 September each year, at the same time as changes to the age pension.

There are annual and lifetime limits to how much a person has to pay in income-tested care fees. Once these limits have been reached, the Australian Government will pay the person's share of income-tested care fees to the provider.

These fee arrangements do not apply to people who were receiving a home care package on or before 30 June 2014.

Further information on the fee arrangements for home care packages can be found on the department's website.<sup>11</sup>

### **Reduction in the maximum basic daily fee**

From 1 July 2019, the maximum basic daily fees for home care were reduced by:

- \$400 per annum for Level 1
- \$200 per annum for Level 2
- \$100 per annum for Level 3.

To maintain the value of a person's home care package, the Australian Government has increased the value of its contribution for each package level by the same amount.

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11 [www.health.gov.au/initiatives-and-programs/home-care-packages-program/charging-for-home-care-package-services](http://www.health.gov.au/initiatives-and-programs/home-care-packages-program/charging-for-home-care-package-services)

## Home Care Pricing Schedule

Since 1 July 2019, all home care providers are required to publish their pricing information in a new standardised home care pricing Schedule (the Schedule) on the My Aged Care website.

The Schedule provides information on the common services and costs under a home care package, to better support people to understand and compare home care pricing information.

The Schedule has been developed following extensive consultation with older Australians and their families, home care providers, consumer representatives and peak bodies.

Providers must also publish their full price list i.e. all pricing information in the schedule as well as information about all the services and costs the provider offers. Providers must do this via, either:

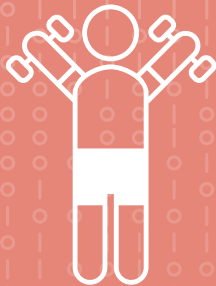
- uploading a document such as a PDF, or
- including a website URL link directly to their full price list.

Providers are required to keep all of their pricing information on My Aged Care up to date and review it at least once every 12 months.





**662 funded CHSP organisations and 2,605 residential aged care homes delivered respite care**



**50,999 CHSP respite clients and 66,873 residential respite clients across 2019–20**



**\$283.2 million in CHSP grants and \$421.8 million in residential subsidies and supplements**





5

**Respite  
Care**

## 5 Respite Care

The Australian Government recognises the vital role that carers play by providing care and support to family and friends who are frail-aged or impacted by dementia. Respite care is an important support service for frail people and their carers, and is provided in a number of settings to allow greater flexibility for carers and consumers.

### 5.1 What was provided?

#### Commonwealth Home Support Programme

The CHSP provides a range of in-home and centre-based respite services to support the carer relationship by giving them a break. The types of respite services include:

- flexible respite – in-home day or overnight respite
- cottage respite – overnight respite in a community setting
- centre-based respite – day based activities and supports in a centre or community club.

#### Residential respite care

Residential respite provides short-term care in Australian Government-subsidised aged care homes, with the primary purpose of giving a carer or the person being cared for a break from their usual care arrangements. Residential respite may be used on a planned or emergency basis. To access residential respite a person must be assessed as eligible by an ACAT. Eligible people may receive residential respite in aged care homes for up to 63 days in each financial year, with the possibility of extension, where approved by an ACAT.

An ACAT will determine whether a person is eligible for high-care or low-care residential respite. The determination of care levels does not affect the type of care provided, but can impact the applicable fees and government subsidies. People receiving residential respite are entitled to receive the same services as someone receiving permanent residential aged care, including assistance with meals, laundry, room cleaning, personal grooming, and nursing care.

### 5.2 Who provided care?

In 2019–20, 662 aged care organisations were funded to deliver CHSP respite services to clients. These providers range from small not-for-profit organisations to government and non-government organisations.

Residential respite is delivered through permanent residential aged care places. It is a matter for the provider as to what mix of respite and permanent residential care places to deliver within the financial year. In 2019–20, there were 2,605 residential aged care homes which provided residential respite services.

**Table 10: Residential respite service providers 2019–20, by state and territory**

State/territory	Residential respite providers
NSW	870
Vic	729
Qld	453
WA	207
SA	244
Tas	67
ACT	23
NT	12
<b>Australia</b>	<b>2,605</b>

### 5.3 Who received care?

In 2019–20, 50,999 clients received CHSP respite services and there were 82,685 admissions to residential respite care. Throughout 2019–20, a total of 66,873 people received residential respite care, and, on 30 June 2020, there were 5,965 people receiving residential respite care.

The number of residential respite days used in 2019–20 was 2.3 million, an increase of nearly 105,000 days since 2018–19. On average, each recipient received 1.2 episodes of residential respite care during 2019–20, and their average length of stay per episode was 27.3 days.

**Table 11: Residential respite days by level of care, during 2019–20, by state and territory**

State/territory	High care respite	Low care respite	Total
NSW	733,765	153,322	887,087
Vic	275,896	227,605	503,501
Qld	334,062	69,164	403,226
WA	94,275	23,295	117,570
SA	272,329	18,703	291,032
Tas	29,924	10,601	40,525
ACT	10,519	3,093	13,612
NT	9,718	2,452	12,170
<b>Australia</b>	<b>1,760,488</b>	<b>508,235</b>	<b>2,268,723</b>

## 5.4 How were these services funded?

### What the Australian Government pays

In 2019–20, the Australian Government provided grant funding of \$283.2 million to service providers who delivered respite services under the CHSP, and subsidies and supplements totalling \$421.8 million to service providers who delivered residential respite care.

As part of the government's response to the COVID-19 pandemic, additional funding for residential respite care was made available through a 1.2 per cent increase to the basic respite subsidy from 1 March to 31 August 2020 inclusive.

### What the consumer pays

The Australian Government sets the maximum level of the basic daily fee that providers can ask residential respite care recipients to pay, which equates to 85 per cent of the single rate of the basic age pension. The maximum basic daily fee is indexed on 20 March and 20 September each year, at the same time as changes to the age pension.

A booking fee may be charged to secure a period of respite care, which is deducted from the daily fees once the respite care recipient enters care. The booking fee cannot exceed whichever is lower of:

- one week's fee for respite care
- 25 per cent of the fee for the proposed period of respite care.





**845**  
**operational**  
**residential aged**  
**care providers**



**183,989**  
**permanent residents**  
**at 30 June**



**\$13.4 billion**  
**in residential care**  
**subsidies and**  
**supplements**



# 6

## **Residential Care**

## 6 Residential Care

Residential aged care services provide 24-hour care and accommodation for older people who are unable to continue living independently in their own homes, and need assistance with everyday tasks.

A person who has been assessed as eligible to receive residential aged care may be admitted to any residential aged care home of their choice, provided that the aged care home has an available place, agrees to admit them, and is able to meet the required care needs of that person.

### 6.1 What was provided?

Under the *Quality of Care Principles 2014*, approved providers of residential aged care are required to provide a range of care and services to residents, whenever they may need them. The type of care and services provided include:

- hotel-like services (e.g. bedding, furniture, toiletries, cleaning, meals)
- personal care (e.g. showering, dressing, assisting with toileting)
- clinical care (e.g. wound management, administering medication, nursing services)
- social care (e.g. recreational activities, emotional support).

All care and services are required to be delivered in accordance with the resident's care needs and clearly outlined in their resident agreement and care plan.

### 6.2 Who provided care?

Providers of Australian Government-subsidised residential aged care must be approved under the Act before providing care. Approved providers of residential aged care can be from a range of sectors, including religious, charitable, community, for-profit and government. All providers must adhere to the Aged Care Quality Standards when delivering care. At 30 June 2020, there were 2,722 residential aged care services, operated by 845 approved residential aged care providers.

In order to deliver care and services, an approved provider must have an allocation of residential aged care places, which are distributed through the competitive Aged Care Approvals Round. If a provider is not yet ready to deliver care to residents, places are allocated on a provisional basis until they can be made operational. At 30 June 2020, there were 31,234 provisionally allocated residential aged care places and 217,145 operational places, with an occupancy rate of 88.3 per cent through 2019–20. This does not include flexible aged care places.



**Table 12: Operational residential care places, other than flexible care places, by provider type, at 30 June 2020, by state and territory**

State/ territory	Religious	Charitable	Religious/ charitable	Community based	For profit	State/ territory govt	Local govt	Total
NSW	17,336	17,470	0	10,989	25,657	410	407	72,269
Vic	7,005	7,251	77	7,639	30,603	4,956	173	57,704
Qld	13,043	6,099	0	3,314	18,483	992	141	42,072
WA	5,331	3,377	0	2,258	7,229	56	258	18,509
SA	5,245	4,073	0	2,196	5,844	784	196	18,338
Tas	1,547	1,513	0	1,207	787	57	0	5,111
ACT	681	722	0	479	701	0	0	2,583
NT	85	0	0	339	135	0	0	559
<b>Australia</b>	<b>50,273</b>	<b>40,505</b>	<b>77</b>	<b>28,421</b>	<b>89,439</b>	<b>7,255</b>	<b>1,175</b>	<b>217,145</b>
<b>% of Total</b>	<b>23.2%</b>	<b>18.7%</b>	<b>0.0%</b>	<b>13.1%</b>	<b>41.2%</b>	<b>3.3%</b>	<b>0.5%</b>	<b>100.0%</b>

### 6.3 Who received care?

In 2019–20:

- 244,363 people received permanent residential aged care at some time during the year, an increase of 1,751 from 2018–19
- the average age (on entry) was 82.5 years for men, 84.8 years for women
- the average completed length of stay was 35.3 months.

On 30 June 2020, there were 183,989 people receiving permanent residential care.

**Table 13: Number of permanent residents on 30 June 2020, by state and territory**

State/territory	Permanent residents
NSW	60,631
Vic	48,824
Qld	35,294
WA	15,901
SA	16,143
Tas	4,455
ACT	2,252
NT	489
<b>Australia</b>	<b>183,989</b>

## 6.4 How were these services funded?

The cost of residential aged care is met by both public (Australian Government) and private (individual) funding. The arrangements for funding are set out in the Act or in the Transitional Provisions, with some of the arrangements differing depending on when a person entered care.

Typically, residential aged care homes fund their operational and capital expenses from pooled public and private funding received on behalf of all residents in the service.

### What the Australian Government pays

During 2019–20, the Australian Government paid \$13.4 billion for residential care subsidies and supplements, an increase of 3.2 per cent over the previous year.

**Table 14: Australian Government recurrent residential care funding, 2015–16 to 2019–20, by state and territory**

State/ territory	2015–16	2016–17	2017–18	2018–19	2019–20	% Change 2018–19 to 2019–20
NSW	3,836.3	3,992.5	4,053.9	4,270.3	4,376.7	2.5
Vic	2,976.2	3,144.8	3,247.6	3,465.5	3,573.2	3.1
Qld	2,061.9	2,189.1	2,274.2	2,465.8	2,592.3	5.1
WA	972.0	996.4	1,029.8	1,120.0	1,168.3	4.3
SA	1,084.3	1,116.6	1,126.9	1,194.0	1,208.6	1.2
Tas	278.5	290.9	295.0	312.0	318.4	2.0
ACT	126.0	134.2	137.9	144.3	146.5	1.5
NT	35.7	39.1	38.9	42.6	45.7	7.2
<b>Australia</b>	<b>11,371.4</b>	<b>11,903.8</b>	<b>12,204.2</b>	<b>13,014.5</b>	<b>13,429.7</b>	<b>3.2</b>

Note: Totals may not sum exactly, due to rounding. This table includes funding through the Department of Veterans' Affairs. This table presents recurrent funding to residential care providers using accrual based reporting. Due to accrual adjustments, for smaller jurisdictions in particular, this can lead to significant year-on-year variation. Based on claims data between 2018–19 and 2019–20, the growth in recurrent funding for each state and territory ranged from 1.3 per cent to 7.4 per cent.

### **Subsidies and supplements**

The Minister determines the rates for subsidies and care-linked supplements to be paid from 1 July each year, and the rates of accommodation-linked supplements on 20 March and 20 September each year. The current rates of payment are available on the Schedule of Subsidies and Supplements on the department's website, and from My Aged Care.

The majority of Australian Government funding is made up of the basic subsidy, which for permanent residential care, is determined through the appraised care-needs of a resident by applying the ACFI. The ACFI consists of 12 questions about assessed care needs, some of which are supported by specified assessment tools and two diagnostic sections. The questions are rated by the aged care home on a scale of A, B, C, or D then used to determine an individual's ACFI score. In addition to the subsidy determined by the ACFI, supplements may be payable.

### ***COVID-19 funding increases***

Due to the COVID-19 pandemic, ACFI funding was temporarily increased by a 1.2 per cent increase in subsidies for six months from 1 March 2020 to 31 August 2020. The residential care viability supplement and the residential care homeless supplement were also both temporarily increased from 1 March 2020 to 28 February 2021, by 30 per cent. This extra funding was in addition to the ongoing 30 per cent increase to the rates of these supplements that applied from 20 March 2019.

A new COVID-19 support supplement was introduced in 2019–20, providing additional funding, estimated at \$205 million. The COVID-19 support supplement was paid in respect of residential care recipients and residential respite care recipients who received care in February 2020. The amount of the COVID-19 support supplement was approximately \$900 per resident in metropolitan areas and \$1,350 per resident in non-metropolitan areas. The higher supplement amount in non-metropolitan areas is in recognition of the additional costs experienced by approved providers of residential and flexible aged care in regional, rural and remote areas of Australia. Multi-Purpose Service (MPS) and National Aboriginal and Torres Strait Islander Flexible Aged Care (NATSIFAC) program providers received an equivalent amount taking into account the number of residential care places allocated to MPS and NATSIFAC services during February 2020.

**Table 15: Supplements available for residential aged care 2019–20**

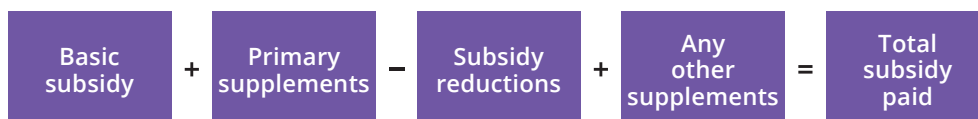
<b>Supplement type</b>	<b>Description</b>
<b>Primary supplements</b>	
Respite supplement	A supplement paid to residential care services for provision of residential respite care to eligible care recipients who normally live in the community.
Oxygen supplement	A supplement paid to residential care services on behalf of eligible care recipients to reimburse costs associated with providing oxygen therapy.
Enteral feeding supplement	A supplement paid to residential care services on behalf of eligible care recipients to reimburse costs associated with providing enteral feeding.
<b>Other supplements</b>	
Accommodation supplement	A means-tested supplement paid to residential care services on behalf of care recipients who entered care on or after 20 March 2008 who are eligible for assistance with their accommodation costs.
Hardship supplement	A supplement paid on behalf of care recipients in financial hardship who are unable to pay their aged care costs.
The Veterans' supplement in residential care	A supplement paid on behalf of residents with a mental health condition related to their service. Eligibility for the supplement is determined by the Department of Veterans' Affairs.
Viability supplement	A supplement paid to aged care services in rural and remote locations to assist with the extra cost of delivering services in those locations.
Homeless supplement	A supplement paid to aged care services that specialise in caring for people with a history of, or who are at risk of, homelessness.
Concessional supplement	A means-tested supplement paid on behalf of concessional and assisted residents who entered residential care between 1 October 1997 and 19 March 2008 who are eligible for assistance with their accommodation costs.
Transitional supplement	A supplement paid on behalf of pre-2008 reform care recipients who were residents in an aged care home on 30 September 1997 or who entered the service after 30 September 1997 but before it was certified, and who have remained in the same home.

Supplement type	Description
Charge exempt supplement	A supplement paid on behalf of residents who were in high care on 30 September 1997 and who have subsequently moved to another home where they would be eligible to pay an accommodation charge.
Transitional accommodation supplement	A supplement paid on behalf of residents who entered low level care between 20 March 2008 and 19 September 2011, to ensure no financial disadvantage from changes to the accommodation supplement which were introduced on 20 September 2011.
Accommodation charge top-up supplement	A supplement paid on behalf of high care residents who entered care from 20 March 2008 to 19 March 2010 and who were on income support.
Basic daily fee supplement	A supplement paid on behalf of certain care recipients in permanent care on 1 July 2012 to ensure no financial disadvantage resulting from the increase of the basic daily fee from that date.
Pensioner supplement	A supplement payable for pre-March 2008 reform residents who either have a dependent child or receive an income support payment but have not agreed to pay a large accommodation bond.
COVID-19 support supplement	A supplement payable for residential care and residential respite care recipients who received care since February 2020.

A detailed breakdown of the amount of payments for each of these subsidies and supplements in 2019–20 is shown in Table 24 in Appendix A.

The following information relates to residents who entered care on or after 1 July 2014 (new residents). For information on the payment arrangements for those who entered care prior to that date (continuing-care residents) please see section 7.4 of the 2014–15 Report on the Operation of the *Aged Care Act 1997*.

**Figure 6: Process for determining the payments for care recipients**



New residents are subject to the arrangements outlined in the Act. The Act sets out the following process for determining the payments for care recipients (as illustrated in Figure 6):

- a basic subsidy amount determined, for permanent residents, by the resident's classification under the ACFI or, for respite residents, by the resident's ACAT approval
- plus any primary supplements including respite, oxygen and enteral feeding
- less any reductions in subsidy resulting from adjusted subsidies for government-owned aged care homes or the receipt of a compensation payment
- less any reduction resulting from the income and asset testing of residents who entered residential care on or after 1 July 2014
- plus any other supplements, including the accommodation supplement, viability supplement, veterans' supplement, homeless supplement and the hardship supplement (the last of which reduces fees and accommodation payments for residents who would otherwise experience financial hardship).

## What residents pay

Depending on their income and assets, residents can be asked to make a contribution to their accommodation costs. The following information explains the arrangement for new residents.

### Fees

#### *Basic daily fee*

All residents in aged care homes can be asked to pay a basic daily fee, which equates to 85 per cent of the single rate of the basic age pension. The basic daily fee is indexed on 20 March and 20 September each year, at the same time as changes to the age pension.

The Australian Government sets the maximum levels for the basic daily fee that providers can ask residents to pay.

#### *Means-tested care fee*

Means-tested care fees are calculated based on a means assessment. Significant safeguards, including annual and lifetime caps on the means-tested care fees payable by residents, apply to the post 1 July 2014 fee arrangements to limit the amount a person can be asked to pay.

### *Extra service fees*

The extra service fee is the maximum amount a provider can charge a resident for receiving extra service in a residential care service which has been approved for extra service status.

Extra service status in residential aged care involves the provision of additional hotel-type services, including a higher standard of accommodation, food and services than the average provided by residential aged care services which do not have extra service status. A residential aged care service can have extra service status for the whole service or a distinct part, or parts, of the service.

### *Additional service fees*

An approved provider can also charge a resident for additional services (e.g. hairdressing), which the resident has requested from the provider. The amount of any charge for additional services must be agreed with the resident before services are delivered, with an itemised account given to the resident once the service has been provided. Fees for other care or services cannot be charged unless the resident receives direct benefit or has the capacity to take up or make use of the services.

## **Payments**

### *Accommodation payments*

Accommodation payments are a contribution to the cost of accommodation in an aged care home. Accommodation payments are means-tested. Residents with income below \$27,736.80 and assets below \$50,500.00 (single rate, at 30 June 2020) are not required to make an accommodation contribution. In these circumstances, the Australian Government pays the full accommodation cost for the resident.

Some residents pay an accommodation contribution, with the Australian Government paying the remainder. Those residents with higher levels of income/assets, are required to pay the full cost of their accommodation through an accommodation payment which is negotiated with the provider.

Residents have the option of paying for their accommodation as:

- a refundable accommodation deposit or
- a daily accommodation payment or
- a combination of both.

Australian Government contributions towards accommodation costs are by way of accommodation supplements. There is a range of accommodation supplement rates set by Ministerial determination. At 30 June 2020, the highest of these, the maximum accommodation supplement amount, was \$58.19 per day for new homes or those which have been significantly refurbished since 20 April 2012.

Providers determine the maximum prices they wish to charge for their accommodation (for residents who do not receive any government assistance with the cost of their accommodation) and publish these prices, along with information about the key features of the room, on My Aged Care, on their own website and in their printed materials.

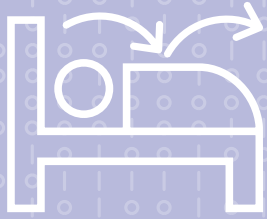
More information about accommodation prices and choice of payment is available from the Aged Care Financing Authority's (ACFA) Annual Report on the Funding and Financing of the Aged Care Sector – July 2020 available on the department's website.<sup>12</sup>

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12 <https://www.health.gov.au/resources/publications/seventh-report-on-the-funding-and-financing-of-the-aged-care-industry-july-2019>







**10,389**  
**operational flexible  
care places across  
five programs**



**24,775 people  
received transition  
care and 4,528  
received Short-Term  
Restorative Care**



**\$575.3 million  
in Australian  
Government funding**



# **Flexible Care**

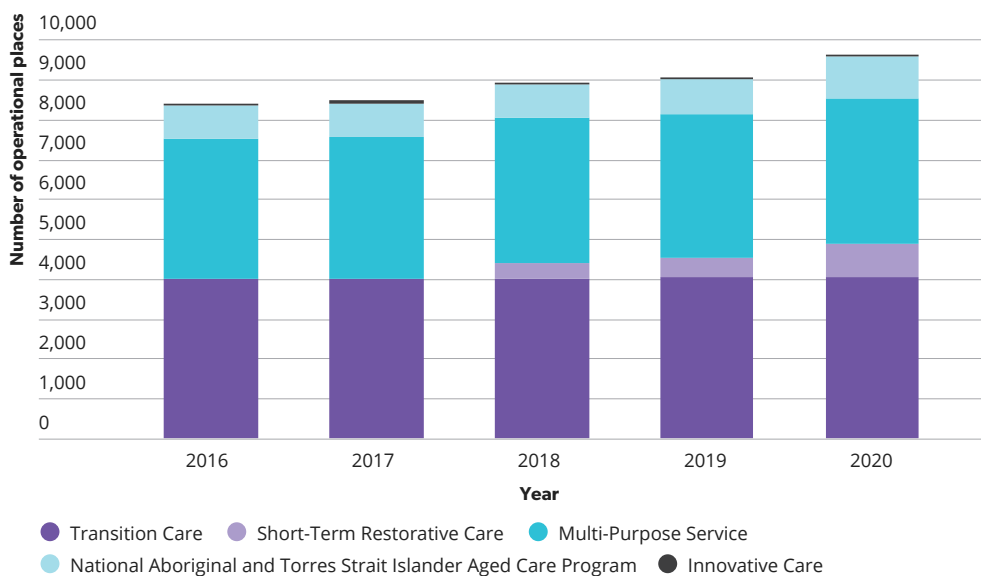
## 7 Flexible Care

The aged care needs of older Australians vary and will often require different care approaches to those provided through residential aged care or home care. To accommodate this range of needs, there are five different types of flexible care:

- Transition Care
- Short-Term Restorative Care
- Multi-Purpose Services
- National Aboriginal and Torres Strait Islander Flexible Aged Care<sup>13</sup>
- Innovative Care.

At 30 June 2020, there were 10,389 operational flexible care places. In 2019–20, Australian Government funding across these programs totalled \$575.3 million.

**Figure 7: Operational flexible care places at 30 June each year between 2016 and 2020**



<sup>13</sup> Services funded under this program are administered outside the *Aged Care Act 1997*.

## 7.1 Transition Care

The Transition Care Programme (TCP) provides short-term care that seeks to optimise the functioning and independence of older people after a hospital stay. Transition care is goal-oriented, time-limited and therapy-focused. The TCP seeks to enable older people to return home after a hospital stay rather than prematurely enter residential aged care.

### What was provided?

Older Australians may receive transition care for up to 12 weeks (with a possible extension of another six weeks) in either a community setting, such as their own homes, or a residential care setting, or, a combination of both. To be assessed for TCP support a person must be in hospital at the time of the assessment. Once a client enters the TCP, they receive a package of services that includes low-intensity therapy, such as physiotherapy and occupational therapy, as well as social-work, and nursing support, or personal care to maintain and improve physical and/or cognitive functioning.

### Who provided care?

Transition care service delivery is managed by state and territory governments, who are the approved providers of the programme.

At 30 June 2020, there were 4,180 transition care places nationally.

**Table 16: Number of operational transition care places at 30 June 2020, by state and territory**

State/territory	Operational transition care places
NSW	1,408
Vic	1,025
Qld	753
WA	406
SA	362
Tas	119
ACT	68
NT	39
<b>Australia</b>	<b>4,180</b>

## Who received care?

At 30 June 2020, 3,499 people were receiving transition care. During 2019–20, a total of 24,775 people received transition care.

**Table 17: Number of transition care recipients by state and territory, at 30 June 2020 and during 2019–20**

State/territory	Number of people receiving transition care at 30 June 2020	Number of people who received transition care during 2019–20
NSW	1,233	7,781
Vic	832	6,480
Qld	650	4,543
WA	304	2,586
SA	325	2,436
Tas	78	618
ACT	44	208
NT	33	142
<b>Australia</b>	<b>3,499</b>	<b>24,775</b>

## How were these services funded?

The TCP is jointly funded by the Australian Government and state and territory governments. Australian Government funding is provided in the form of a flexible care subsidy, payable on a per-client, per-day basis for each TCP place. The daily rate for the subsidy in 2019–20 was \$208.71. In 2019–20, the Australian Government provided \$271.8 million in funding for the TCP.

In addition, TCP service providers can charge clients a daily care fee, if the client is in a financial position to be able to contribute to their care. Client contributions are calculated as follows:

- 85 per cent of the aged pension for care delivered in a residential setting
- 17.5 per cent of the aged pension for care delivered in a home.

## 7.2 Short-Term Restorative Care

The STRC Programme provides early intervention care that aims to optimise the functioning and independence of older people and to reverse and/or slow their functional decline. STRC is delivered in the form of a tailored, multidisciplinary package of services which includes the provision of services and assistance such as physiotherapy, social work, nursing support, personal care and the provision of assistive technologies to enable older people to regain independence and autonomy rather than commencing long-term home or residential care prematurely.

### What was provided?

The STRC is a restorative care program, which provides a time-limited, goal oriented, multidisciplinary package of care and services, over a period of eight weeks. STRC can be delivered in either a community setting, such as the client's own home, a residential care setting, or a combination of both. Unlike TCP, STRC is targeted at people in the community, rather than people being discharged from hospital.

### Who provided care?

At 30 June 2020, there were 94 operational STRC services being delivered by 58 approved providers.

**Table 18: Number of operational STRC places by state and territory, at 30 June 2020**

State/territory	Number of operational STRC places
NSW	329
Vic	311
Qld	276
WA	158
SA	75
Tas	32
ACT	30
NT	30
<b>Australia</b>	<b>1,241</b>

### Who received care?

At 30 June 2020, 809 people were receiving STRC. During 2019–20, 4,528 people received care in the STRC program.

**Table 19: Number of STRC recipients by state and territory, at 30 June 2020, and during 2019–20**

State/territory	Number of people receiving STRC at 30 June 2020	Number of people who received STRC in 2019–20
NSW	173	919
Vic	199	1,325
Qld	216	984
WA	120	753
SA	50	283
Tas	16	84
ACT	20	97
NT	15	83
<b>Australia</b>	<b>809</b>	<b>4,528</b>

### How were these services funded?

The STRC program is funded through a flexible care subsidy payable to the provider on a per-client, per-day basis for each STRC place. The daily rate for the subsidy in 2019–20 was \$208.71. During 2019–20, the Australian Government contributed \$42.8 million for STRC services.

In addition, STRC service providers can charge clients a daily care fee, if the client is in a financial position to be able to contribute to their care. Client contributions are calculated as follows:

- 85 per cent of the aged pension for care delivered in a residential setting
- 17.5 per cent of the aged pension for care delivered in the home.

## 7.3 Multi-Purpose Services

The MPS Program is a long-standing, joint initiative between the Australian Government and state and territory governments. MPS provide integrated health and aged care services in small rural and remote communities in all states, the Northern Territory and Norfolk Island.



The MPS Program focuses on providing health and aged care services to older people in the rural and remote communities where they live. More than half of MPS clients using residential care are in outer regional areas, and approximately 29 per cent of clients are in remote or very remote areas, compared with only eight per cent in permanent mainstream residential care in remote and very remote locations.

**Table 20: Number of operational Multi-Purpose Services and places, at 30 June 2020, by state and territory**

State/ territory	Multi-purpose services with operational places	Operational high care residential care places	Operational low care residential care places	Operational home care places	Total operational places
NSW*	64	1,073	1	119	1,193
Vic	11	267	92	19	378
Qld	36	332	118	141	591
WA	38	347	282	157	786
SA	26	531	67	14	612
Tas	3	66	15	21	102
ACT	..	..	..	..	..
NT	1	4	0	2	6
<b>Australia</b>	<b>179</b>	<b>2,620</b>	<b>575</b>	<b>473</b>	<b>3,668</b>

\*Norfolk Island is included in NSW. Australian Government funding for multi-purpose services is provided as a flexible care subsidy under the Act and is based on the number of flexible care places allocated to each multi-purpose service.

.. Not applicable

The program is jointly funded by the Australian Government and state and territory governments. There was continued growth in Australian Government expenditure for the MPS, from \$177.3 million in 2018–19 to \$200.2 million in 2019–20. These funds included an additional \$9.6 million to support MPS providers to meet the additional workforce costs and challenges associated with delivering aged care services during the COVID-19 pandemic.

**Table 21: Australian Government expenditure for Multi-Purpose Services, 2015–16 to 2019–20, by state and territory**

State/ territory	2015–16 \$M	2016–17 \$M	2017–18 \$M	2018–19 \$M	2019–20 \$M	% Increase 2018–19 to 2019–20
NSW*	51.0	56.9	61.0	64.5	73.2	13.4
Vic	14.0	14.6	15.0	15.6	17.5	11.8
Qld	23.1	24.6	26.3	28.1	31.7	12.8
WA	27.8	29.0	29.7	30.5	34.5	13.2
SA	27.1	29.9	32.2	34.0	38.3	12.8
Tas	4.2	4.2	4.3	4.4	4.7	7.7
ACT	..	..	..	..	..	..
NT	0.3	0.3	0.3	0.4	0.4	12.1
<b>Australia</b>	<b>147.6</b>	<b>159.5</b>	<b>168.8</b>	<b>177.3</b>	<b>200.2</b>	<b>12.9</b>

\*Funding for services provided on Norfolk Island is included in the totals for NSW.

.. Not applicable

## 7.4 National Aboriginal and Torres Strait Islander Flexible Aged Care Program

The NATSIFAC Program also provides a type of flexible aged care. Services funded under this program are administered outside the Act. These services provide culturally safe aged care to older Aboriginal and Torres Strait Islander people to remain close to home and community, and are located mainly in remote areas.

In 2019–20, 42 aged care services received funding of \$59.6 million to deliver 1,264 aged care places. This is an increase of 192 operational places from the 2018–19 financial year. Under this program, services can be delivered in either a residential or home care setting.

**Table 22: Number of operational National Aboriginal and Torres Strait Islander Flexible Aged Care Program services and places at 30 June 2020, by state and territory**

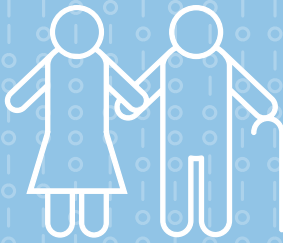
State/ territory	Number of services	Operational high care residential care places	Operational low care residential care places	Operational home care places	Total operational places
<b>NSW</b>	2	1	12	14	27
<b>Vic</b>	2	40	29	69	138
<b>Qld</b>	6	79	12	18	109
<b>WA</b>	5	71	0	73	144
<b>SA</b>	6	82	22	81	185
<b>Tas</b>	3	0	0	47	47
<b>ACT</b>	0	0	0	0	0
<b>NT</b>	18	91	55	468	614
<b>Australia</b>	<b>42</b>	<b>364</b>	<b>130</b>	<b>770</b>	<b>1,264</b>

## 7.5 Innovative care services

Innovative care was originally established in 2001–02 to pilot new approaches to providing aged care. The current innovative care program is an extension of pilots established in 2003 to support people with aged care needs who lived in state or territory-funded supported accommodation homes, who were at risk of entering residential aged care.

At 30 June 2020, there were eight projects, delivered through three services in New South Wales, two in South Australia, and one each in Tasmania, Victoria and Western Australia. No new clients have been accepted into the program since 2006, so their number is gradually decreasing as people leave. At 30 June 2020, there were 36 operational innovative care places, compared to 41 at 30 June 2019.

Throughout 2019–20, the Australian Government provided \$1.0 million for these services, in the form of a flexible care subsidy specific to each service.



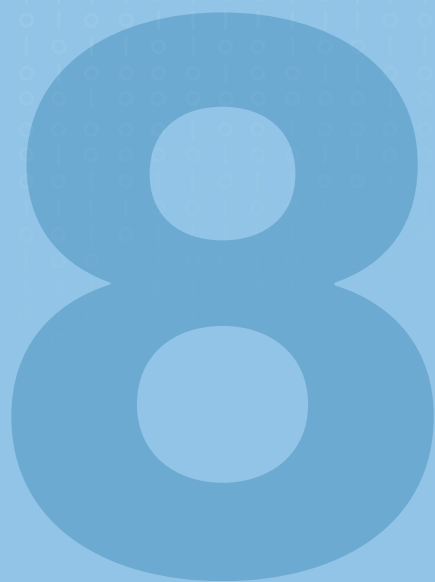
**Specialist advice,  
assistance and  
funding to eligible  
aged care providers  
to support Indigenous  
aged care services**



**An improved scheme  
for the viability  
supplement in  
residential care and  
home care**



**\$8.5 million  
in hardship  
supplements**

A large, bold, blue number 8 is positioned on the left side of the page. The background of the entire page is a light blue color with a pattern of small, white, vertical lines and small circles, resembling a barcode or a digital grid.

**Support for  
People with  
Special Needs**

## 8 Support for People with Special Needs

One of the objectives of the Act is to facilitate access to aged care services by those who need them, regardless of race, culture, language, gender, economic circumstance or geographic location. To give effect to this objective, and to ensure services are appropriate to the needs of all consumers, the Act designates certain people as ‘people with special needs’.

The special needs groups included in section 11–3 of the Act are:

- people from Aboriginal and Torres Strait Islander communities
- people from culturally and linguistically diverse backgrounds
- people who live in rural or remote areas
- people who are financially or socially disadvantaged
- veterans
- people who are homeless or at risk of becoming homeless
- care-leavers
- parents separated from their children by forced adoption or removal
- lesbian, gay, bisexual, transgender and intersex (LGBTI) people.

On 6 December 2017, the Minister launched the Aged Care Diversity Framework (the Framework). The Framework seeks to embed diversity in the design and delivery of aged care, and support action to address perceived or actual barriers to consumers accessing safe, equitable and quality aged care. The Framework builds on the previous National LGBTI Ageing and Aged Care Strategy, and the National Ageing and Aged Care Strategy for People from CALD Backgrounds.

The Aged Care Sector Committee’s Diversity Sub-group, established by the Australian Government in 2017, developed the Framework and related action plans.

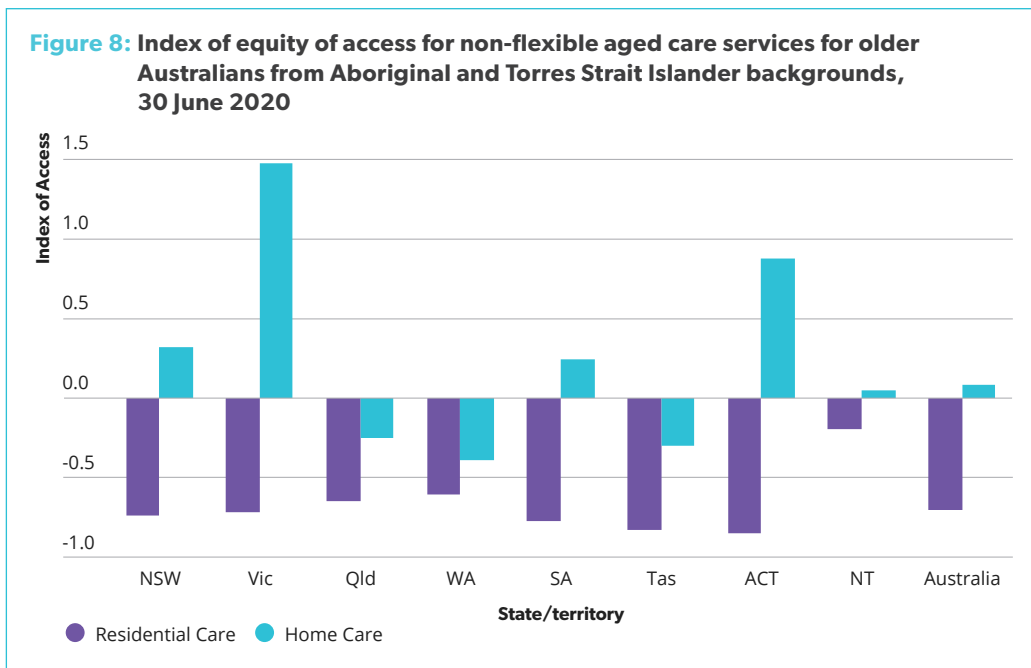
In February 2019, four action plans designed to address the specific needs and challenges faced by diverse groups in the community were launched for:

- Aboriginal and Torres Strait Islander elders (First Nations people)
- culturally and linguistically diverse older people
- older people who identify as Lesbian, Gay, Bisexual, Transgender or Intersex
- actions common to all diverse older people.

The Australian Government Diversity Action Plan was also released which outlines the government’s commitment to supporting diversity in the aged care sector.

## 8.1 People from Aboriginal and Torres Strait Islander communities

Broadly speaking, older Aboriginal and Torres Strait Islander people have proportionally higher representation in non-flexible home care services and proportionally lower representation in non-flexible residential care services, relative to the total aged care target population.



In 2019, an action plan to support older Aboriginal and Torres Strait Islander people was developed under the Framework to address their specific needs. The Provider Guide sets out what aged care providers can do to deliver inclusive care that is appropriate and sensitive to the needs of older Aboriginal and Torres Strait Islander people. The Consumer Guide helps older Aboriginal and Torres Strait Islander people to express their needs when speaking with aged care providers. It can also help people working in aged care to better understand the needs of Aboriginal and Torres Strait Islander people.

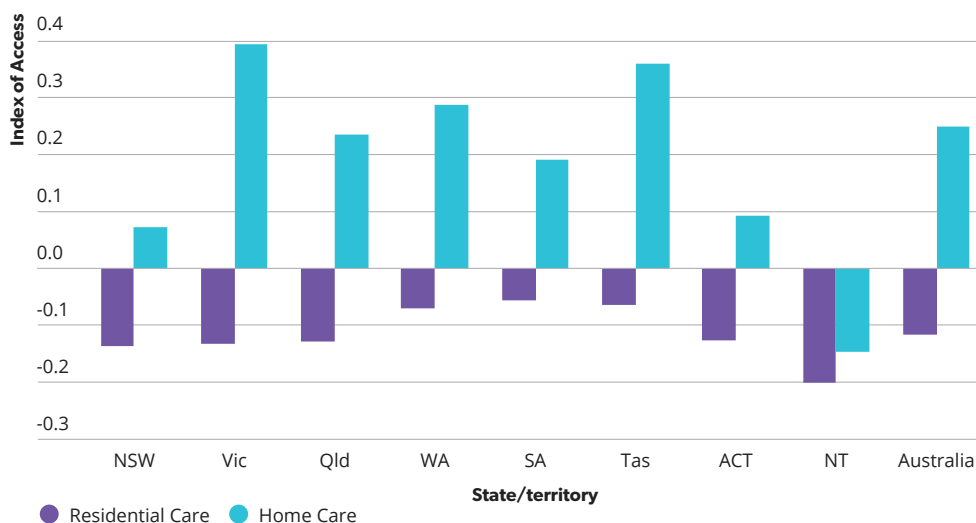
The National Advisory Group for Aboriginal and Torres Strait Islander Aged Care (NAGATSIAC) was established in early 2019 and is an Australian Government commitment under the Australian Government Diversity Action Plan. NAGATSIAC is an expert advisory group comprising academics and aged care providers funded to advise the Australian Government on the multiple social and cultural challenges faced by older Aboriginal and Torres Strait Islander people in attempting to access and navigate aged care services.

## 8.2 People from culturally and linguistically diverse backgrounds

Australia is one of the most culturally diverse nations in the world with an estimated one in five people<sup>14</sup> aged 65 and over born in a non-English speaking country.

Broadly speaking, people from CALD backgrounds have proportionally higher representation in home care services and proportionally lower representation in residential care services.

**Figure 9: Index of equity of access for non-flexible aged care services for older Australians from CALD backgrounds, 30 June 2020**



14 Australian Institute of Health and Welfare (AIHW) 2018. Older Australia at a glance. Cat. no. AGE 87. Canberra: AIHW.



In 2019, action plans to support older CALD people were developed under the Framework to address their specific needs and challenges. The Provider Guide sets out what aged care providers can do to deliver inclusive care that is appropriate and sensitive to the needs of older CALD people. The Consumer Guide, available in 26 different languages, helps older people from CALD backgrounds to express their needs when speaking with aged care providers. It can also help people working in aged care to better understand the needs of this group. The government also provides funding to the Federation of Ethnic Communities' Council of Australia to provide a national voice for older Australians from CALD backgrounds in aged care.

The Australian Government funds the longstanding Partners in Culturally Appropriate Care (PICAC) program to support the sector in its care of people from CALD backgrounds. The PICAC Program has been refocussed as a sector support program which provides guidance, resources and training to assist aged care providers respond to the needs of older CALD Australians. The department will further review the PICAC Program in 2021, pending findings from the Royal Commission into Aged Care Quality and Safety (Royal Commission).

Additionally the Australian Government offers interpreting support to people from CALD backgrounds via free access to the Department of Home Affairs' Translating and Interpreting Service (TIS National). TIS National's interpreting services are available 24 hours a day, seven days a week, and can be accessed for free by telephone or in face-to-face sessions. TIS National services can be used to contact My Aged Care and for aged care assessments. The service otherwise exists primarily as a support mechanism for specific circumstances, for example to assist consumers to understand the services they are receiving, their care agreement, or their individualised budget and monthly statements.

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

Providers of aged care services located in remote areas face particular challenges in service provision. These challenges can include issues related to the operation of small services which may be remote from professional assistance and support. There may also be higher infrastructure and supply costs and difficulties in attracting and retaining staff.

The Australian Government continues to support consumers in rural and remote areas to access aged care services and strengthen the viability of locally-based services in several ways.

These include:

- the viability supplement scheme for small, remote and very remote residential care services as well as for eligible home care recipients. The residential care viability supplement was increased by 30 per cent ongoing from 20 March 2019
- a further, temporary increase to the viability supplement of 30 per cent from 1 March 2020 to 18 February 2021
- a new COVID-19 support supplement was introduced in 2019–20. This supplement was 50 per cent higher in non-metropolitan areas in recognition of the additional costs experienced by approved providers of residential and flexible aged care in regional, rural and remote areas of Australia
- flexible aged care programs such as the Multi-Purpose Services Program and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program (see Chapter 7)
- providing funds through the Dementia and Aged Care Services (DACs) Fund, including the Remote and Aboriginal and Torres Strait Islander Aged Care Service Development Assistance Panel program (see Chapter 9).

## 8.4 People who are financially or socially disadvantaged

Arrangements established under the Act mean that older Australians can access residential care, irrespective of their capacity to make accommodation payments. Assistance is provided to low-means, supported, concessional and assisted residents, and certain residents approved under the hardship provisions. An accommodation supplement is payable for people who are unable to pay all or part of their accommodation costs. To receive the maximum amount of accommodation supplement payable for a supported resident, a service must have a supported-resident ratio (counting all residents defined as relevant residents as per the *Subsidy Principles 2014*, but excluding extra-service places) of more than 40 per cent of total residents. If a service does not meet this ratio, then the amount of accommodation supplement paid is reduced by 25 per cent.

Financial hardship assistance provisions under the Act cater for the minority of people who have difficulty paying care fees and/or accommodation costs. Applicants for financial hardship assistance may seek assistance with their contribution to their aged care costs. Hardship assistance is payable if the person can demonstrate to Services Australia that they are in financial hardship as a result of paying their aged care fees and essential expenses. The Australian Government provided \$8.5 million in hardship supplements for residential care and home care during 2019–20.

## 8.5 Veterans

The Department of Veterans' Affairs issues gold and white treatment cards to veterans, their war widows and widowers and dependents, and offers programs to ensure that veterans have access to health and other care services that promote and maintain self-sufficiency, well-being and quality of life.

There were 11,005 gold or white treatment card holders in residential care at 30 June 2020, a decrease of 2,387 from 30 June 2019.

## 8.6 People who are homeless or at risk of becoming homeless

For older Australians who are homeless, or at risk of becoming homeless, there are aged care services that can provide support and help deal with housing problems. These services were funded through the Commonwealth Home Support Programme (see Chapter 3) and residential aged care (see Chapter 6).

In 2019, the Housing for the Aged Action Group was engaged, on behalf of the Aged Care Sector Committee Diversity Sub-group, to consult with the sector to inform a homelessness action plan under the Aged Care Diversity Framework. The Homelessness Action Plan has been endorsed by the Aged Care Sector Committee and is being considered by the Australian Government.

As part of the viability supplement, support is available for eligible residential services specialising in care for people at risk of homelessness, low-care in rural and remote areas, and care for Aboriginal and Torres Strait Islander Australians. In addition, the homeless supplement is paid to support eligible aged care homes that specialise in caring for people with a history of, or who are at risk of, homelessness. From 20 March 2019, the rate of homeless supplement paid to eligible residential services was increased by 30 per cent. In addition, a temporary 30 per cent increase in the homeless supplement applied from 1 March 2020 to 28 February 2021 as part of the Australian Government's COVID-19-specific support to the aged care sector.

## 8.7 Care Leavers

A Care Leaver is a person who spent time in care as a child (under the age of 18). This care could have been foster care, residential care (mainly children's homes) or another arrangement outside their immediate or extended family. More than half a million children were placed in institutional and out-of-home care under various arrangements. Care Leavers may also be known as 'Forgotten Australians', 'Former Child Migrants' or 'Stolen Generations'. Aged care has been identified as an area of particular anxiety for Care Leavers given their previous experiences in institutional care.

Forgotten Australians are now reaching an age where they may require aged care services and many find traumatic childhood memories and fears return when they think about their aged care. The Australian Government has funded Helping Hand Aged Care for a project to help Forgotten Australians understand and engage with aged care services, and help aged care providers respond appropriately to their needs. The project builds on an information package launched by the Australian Government in 2016 for aged care providers to help them understand and support Care Leavers.

## 8.8 Parents separated from their children by forced adoption or removal

Since 1 August 2013, parents separated from their children by forced adoption or removal have been included in the Act as a special needs group. This is in recognition of the traumatic experiences, health issues and socio-economic disadvantage that these parents are likely to face. The Australian Government provides funding to improve access to specialist support services.

## 8.9 Lesbian, gay, bisexual, transgender and intersex people

It is recognised that people who identify as LGBTI have specific needs, particularly as they age, stemming from decades of inequitable treatment and isolation as a result of stigma, prejudice, discrimination and social exclusion.

In 2019, action plans to support LGBTI older people were developed under the Framework to address the specific needs and challenges faced by LGBTI people. The Provider Guide sets out what aged care providers can do to deliver inclusive care that is appropriate and sensitive to the needs of older LGBTI people. The Consumer Guide helps older LGBTI people to express their needs when speaking with aged care providers. It can also help people working in aged care to better understand the needs of LGBTI people.

Funding is provided to the LGBTI Health Alliance to undertake national co-ordination and support activities to promote the well-being of older LGBTI people, and deliver national LGBTI aged care awareness training. Funding to better support services targeting older LGBTI people is also provided through the DACS fund (see Chapter 9).

The Australian Government has also funded Celebrate Ageing to produce resources to improve the care of transgender people living in residential aged care.



**Over 366,000**  
**in the aged care**  
**workforce**



**\$326.6 million**  
**allocated over**  
**2019–2023 for the**  
**DACS fund**



**SBRTs provided**  
**long-term case**  
**management for**  
**1,347 cases**



# **Aged Care Workforce and Dementia Support**

## 9 Aged Care Workforce and Dementia Support

Aged care providers have obligations under the Act to ensure there are adequate numbers of appropriately skilled staff to meet individual care needs of residents. Volunteer workers also make a significant contribution across the sector.

The Aged Care Workforce Industry Council (ACWIC) was formally established in May 2019 as the industry body responsible for stewarding implementation of the strategic actions identified in *A Matter of Care: Australia's Aged Care Workforce Strategy* (the Strategy). This includes increasing the capacity of the aged care sector to respond to the transformational reform agenda identified in the Strategy.

Implementation of the Strategy requires system-wide leadership, governance and collaboration across both government and industry, through the ACWIC.

The *Boosting the Local Care Workforce Program* was extended until 30 June 2021. The Department of Social Services manages the program, which provides a network of regional coordinators to address growing pressures in aged care and disability workforces by building capability and linking job-seekers to sector employers.

### 9.1 Aged care workforce and health workforce activities funded in 2019–20

In 2019–20, \$1.4 million was provided to the ACWIC for activities to support implementation of the Strategy, including two discrete projects. These include an industry workforce study and capability lift, and, development of an online training platform.

A number of the Strategy's strategic actions were progressed by the Australian Government in 2019–20. Almost \$2 million over three years (from 2019–20) was committed to support an Industry Accord on the Remote Aged Care Workforce, which is providing a unified voice on remote aged care issues to develop solutions in this complex area. In February 2020, the department commissioned a scoping study to consider the benefits of establishing a centralised worker-screening and/or registration scheme for aged care workers. An options paper will guide the next steps.



The Aged Care Centre for Growth and Translational Research, recommended in the Strategy, is in the process of being established. In addition, within the Vocational Education and Training portfolio, the Aged Services Industry Reference Committee was established to provide advice to the Australian Industry and Skills Committee on reforms necessary to ensure the national education and training system is able to deliver an appropriately skilled aged care workforce.

## 9.2 Dementia and Aged Care Services Fund

The Australian Government has allocated \$326.6 million over the 2019–23 financial years for the DACS fund. The DACS fund provides support for existing and emerging priorities in dementia care, special measures to support Aboriginal and Torres Strait Islander people, and initiatives to ensure people from diverse backgrounds receive the same quality of aged care as other older Australians.

Two key initiatives funded through DACS are the Dementia Training Program (DTP) and the Dementia Behaviour Management Advisory Service (DBMAS).

### The Dementia Training Program

In 2019–20, the DTP provided more than 25,700 occasions of targeted dementia training for staff in residential and in-home care, as well as in the acute and primary care health sectors.

### The Dementia Behaviour Management Advisory Service

The role of DBMAS is to improve the quality of life for people living with dementia and their carers. They work to understand the causes and/or triggers of changed behaviour and develop strategies to optimise function, reduce pain or other unmet need and improve engagement. In 2019–20, DBMAS provided support for 22,174 cases (a 16.8 per cent increase on the previous year).

## DACS Grants

In 2019–20, DACS funded:

- Grants totalling approximately \$86 million were allocated to improve the quality of aged care services through a range of projects including development of new technologies, pilot training programs and guidance for the aged care sector on best practice care, and a range of projects targeted to Aboriginal and Torres Strait Islander people. This allocation included \$10 million in Regional, Rural and Remote Infrastructure Grants, via a one-off grant, to aged care providers to invest in building improvements, maintenance and infrastructure expansion.
- A total of \$4.3 million was provided through the Remote and Aboriginal and Torres Strait Islander Aged Care Service Development Assistance Panel to support to 37 aged care service providers to improve culturally safe and quality aged care services, and facilitate 15 workshops targeted to aged care providers in rural and remote aged care across all states and territories.

## 9.3 Severe Behaviour Response Teams

Complementing the DBMAS mentioned above, the Severe Behaviour Response Teams (SBRT) support residential aged care providers with residents experiencing more severe behavioural and psychological symptoms of dementia (BPSD).

The Australian Government is providing \$32.5 million over two years from 2019–20 to 2020–21 for this service. In 2019–20, SBRT provided long-term case management including detailed clinical assessment, recommendations for intervention and multiple on-site visits for 1,347 cases (a 69.4 per cent increase on the previous year).

Both DBMAS and the SBRT are delivered by Dementia Support Australia, which ensures close coordination between the programs. Feedback via surveys found that 97 per cent of clients were satisfied with DBMAS and SBRT services. Approximately 71.1 per cent of referrals were from major cities and 28.9 per cent from regional and remote areas.

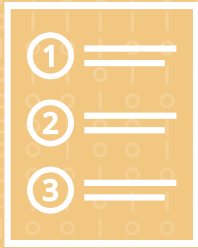
## 9.4 Specialist Dementia Care Program

The Specialist Dementia Care Program is a new Australian Government program that funds specialist dementia care units in residential aged care homes. The units provide specialised care to people with very severe BPSD, with the aim of reducing or stabilising symptoms so that people can move into less intensive care settings. Clinical in-reach to the units is facilitated through agreements with the state and territory governments.

Ten providers have been engaged, with units opening between September 2019 and August 2020. The SBRT provide needs-based assessment of referrals to the program. In 2019–20, 138 referrals were made.



**127** applications to provide aged care were received



**16** Notices of Decision to Impose Sanctions were issued



**5,718** notifications of reportable assaults in residential care were received



10

**Quality and  
Regulation**

## 10 Quality and Regulation

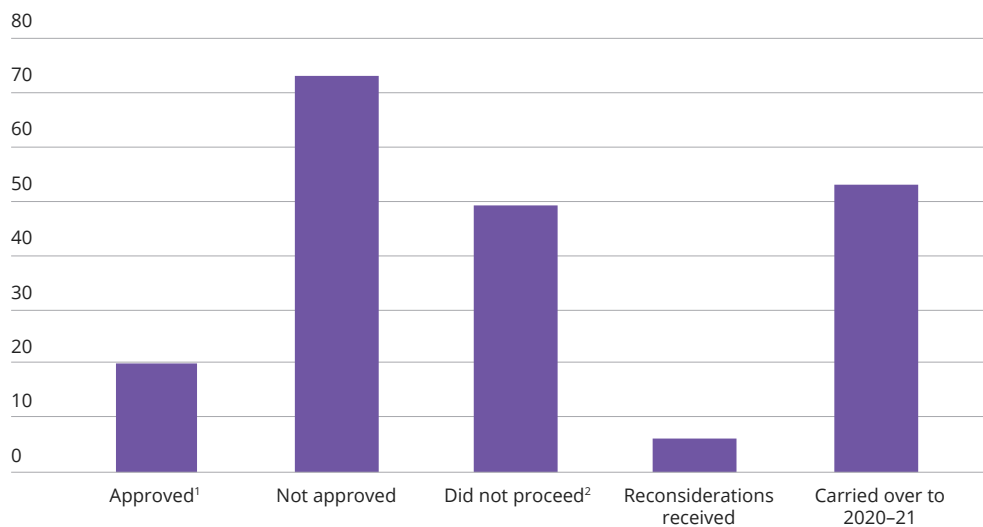
### 10.1 Approved provider regulation

Organisations must be approved to provide Australian Government-funded aged care. Residential and flexible aged care services must hold an allocation of places.

On 1 January 2020, legislative authority for the approval of approved providers of aged care transferred from the Secretary of the Department of Health to the Commissioner of the Aged Care Quality and Safety Commission (the Commission).

During 2019–20, the department and the Commission received 127 applications to provide aged care. Combined with 79 applications carried-over from 2018–19, a total of 206 applications were processed. The results are shown below.

**Figure 10: Results of applications from organisations seeking approval to provide Australian Government-subsidised aged care, 2019–20**



<sup>1</sup> includes approvals and deemed approvals.

<sup>2</sup> an application may not proceed because it is either incomplete, withdrawn by the applicant, or the applicant failed to provide the requested information within legislated timeframes.

## 10.2 The Aged Care Quality and Safety Commission

The Commission operates independently and objectively in performing its functions and exercising its powers as set out in the *Aged Care Quality and Safety Commission Act 2018* (ACQSC Act) and *the Aged Care Quality and Safety Commission Rules 2018* (the Rules).

### The Commission's roles

As the national regulator of aged care services subsidised by the Australian Government, the Commission's role is to approve providers' entry to the aged care system, to accredit, assess and monitor aged care services against requirements, and to hold services to account for meeting their obligations. They seek to resolve complaints about aged care services and to provide education and information about our functions. They also engage with consumers to understand their experiences and to provide advice to providers about working with consumers in designing and delivering best practice care.

### The Commission's functions

The Commission's functions are set out in the ACQSC Act and the Rules, and drives their priorities under this Corporate Plan. They are:

- protecting and enhancing the safety, health, well-being and quality of life of aged care consumers
- approving providers of aged care
- imposing sanctions on approved providers and lifting sanctions
- ensuring compliance with the aged care responsibilities of approved providers
- promoting the provision of quality care and services by:
  - approved providers of aged care services; and
  - service providers of Australian Government-funded aged care services
- developing, in consultation with aged care consumers and their representatives, best practice models for the engagement of providers with their aged care consumers and promoting those models to providers
- dealing with complaints made, or information given to the Commissioner in accordance with the Rules about an approved provider's responsibilities under the Act or funding agreement
- regulating aged care services according to the Rules by accrediting, conducting quality reviews, monitoring the quality of care and services and registering quality assessors

- providing education and information about matters relating to one or more of the Commissioner's functions to consumers and their representatives, providers of aged care services and the public.

### 10.3 National Aged Care Quality Indicator Program

From 1 July 2019, the *Aged Care Legislation Amendment (Quality Indicator Program) Principles 2019* took effect, and the National Aged Care Mandatory Quality Indicator Program (QI Program) began. All government-subsidised residential aged care services must collect, and submit to the department, data against three quality indicators (from the previous voluntary program since 2016):

- pressure injuries
- use of physical restraint
- unplanned weight loss.

Quality indicators measure aspects of service provision which contribute to the quality of care and services given by the provider, and care recipients' quality of life and experiences. They relate to care events where improvement in the quality of care can be made and measured. The objectives of the QI Program are for providers to have robust, valid data to measure and monitor their performance and support continuous quality improvement; and over time, to give consumers transparent, comparable information about quality in aged care to aid decision making. The QI Program de-identified data is published quarterly by provider, at a national, state and territory level on the GEN Aged Care Data website by the Australian Institute of Health and Welfare (AIHW).

As part of the implementation of the 2019–20 Budget measures, More Choices for a Longer Life – reducing the misuse of medicines in residential aged care, and, More Choices for a Longer Life – mandatory national quality indicators, the department worked in close consultation with a range of sector and technical experts to develop two new quality indicators – falls and fracture, and medication management. These new quality indicators are expected to be launched from 1 July 2021.

### 10.4 Compliance

Approved providers of Australian Government-funded aged care services must comply with responsibilities specified in the Act, the associated Aged Care Principles, and the Aged Care Quality and Safety Commission Rules. These responsibilities encompass quality of care, user rights, accountability and allocation of places.



When non-compliance is identified, appropriate regulatory action is taken to bring providers back into compliance as quickly as possible. This action may include imposing sanctions or issuing various formal notices.

On 1 January 2020, legislative authority for the approval of providers, and compliance arrangements, transferred from the Secretary of the Department of Health to the Commissioner of the Aged Care Quality and Safety Commission. The following compliance actions include both those actions taken by the department prior to 1 January 2020, and those taken by the Commission since then.

### **Notices of sanctions, requirement to agree and non-compliance**

In 2019–20, 16 Notices of Decision to Impose Sanctions were issued to 14 aged care providers due to failure to meet quality standards. Details of sanctions imposed are included in Table 29, Appendix A.

In 2019–20, Notices to Agree were issued to five aged care providers due to failure to meet quality standards.

In 2019–20, 110 Notices of Non-Compliance were issued against aged care providers as follows:

- failure to meet quality standards - 102
- prudential matters - 1
- failure to meet Home Care responsibilities - 7

### **Access to compliance information**

Information is available on the My Aged Care website in relation to compliance action taken against aged care providers of residential and home care services. This information is published so that consumers can make informed choices about their care needs and having these needs met.

### **Service compliance ratings**

During 2019–20, the department also undertook extensive consultation with consumers and residential aged care provider peak bodies to develop Service Compliance Ratings as part of the 2018–19 Budget measure Better Quality of Care – greater transparency of quality in aged care. This feature is intended to support consumers to make informed choices based on the quality and compliance status of each service. The feature includes a rating reflecting the current compliance status of each service, provides information on the most recent assessments against the Quality Standards, and, allows consumers to compare services on a regional basis. The Service Compliance Rating for residential aged care was released on the My Aged Care website on 1 July 2020.

## 10.5 Protecting residents' safety

### Reportable assaults

Approved providers of residential services must report suspicions or allegations of assaults to local police and the Commission within 24 hours of becoming aware or suspecting a reportable assault. This requirement ensures that those affected receive timely help and support. The police are responsible for substantiating the allegation. Providers are responsible for ensuring they have systems in place to help maintain a safe and secure environment for residents.

A reportable assault is an allegation, a witnessed incident, or suspicion of:

- unreasonable use of force on a resident, ranging from deliberate and violent physical attacks on residents to the use of unwarranted physical force
- unlawful sexual contact, meaning any sexual contact with residents where there has been no consent.

In 2019–20, 5,718 notifications in relation to assaults were reported under the Act. Of those 4,867 were recorded as alleged or suspected unreasonable use of force, 816 as alleged or suspected unlawful sexual contact, and 35 as both. With 244,363 people receiving permanent residential care in 2019–20, the incidence of reports of suspected or alleged assaults was 2.3 per cent.

From 1 July 2021, the current compulsory reporting requirements will be replaced by a Serious Incident Response Scheme (SIRS). The SIRS will require providers to identify, record, manage, resolve and report a broader range of serious incidents.

### Missing residents

A resident is considered missing when they are absent and the service is unaware of any reason for the absence. The Commission must be informed within 24 hours by providers about missing residents in circumstances where:

- a resident is absent from a residential aged care service
- the absence is unexplained, and
- the absence has been reported to police.

In 2019–20, there were 1,301 notifications of unexplained absences of residents.

## 10.6 Prudential

Refundable Accommodation Deposits (RADs)<sup>15</sup>, (which include accommodation bonds and/or entry contributions) must comply with the prudential requirements stated in the Act and set out in the *Fees and Payments Principles 2014 (No.2)*.

The prudential requirements aim to protect RADs paid to providers by residents of aged care services.

The four Prudential Standards (Liquidity, Records, Disclosure, and Governance) seek to reduce the risk of providers defaulting on their RAD balance refund obligations to residents, by requiring providers to:

- systematically assess their future obligations with RADs and the associated funding implications to ensure that they are able to meet their refund obligations as they fall due
- establish and maintain a register that records information about RADs and the residents who pay them
- establish and document governance arrangements for the management and expenditure of RADs (only to be used for permitted uses)
- promote transparency of their financial management by disclosing information to residents, prospective care residents and the department about their financial information and prudential compliance, and how they manage their RADs.

Providers who have charged RADs are required to complete and submit an Annual Prudential Compliance Statement (APCS) within four months of the end of their financial year (31 October for most providers), disclosing RAD holdings and compliance with charging, managing and refunding RADs against the prudential requirements. In 2018–19, 881 providers were asked to complete and lodge an APCS by 31 October 2019. The APCS outcomes for the periods 2015–16, 2016–17, 2017–18 and 2018–19 are in Table 26, Appendix A.

### Business Improvement Fund

The new Business Improvement Fund (BIF) has been established to provide almost \$50 million to support residential aged care providers in financial difficulty, including prioritisation for small to medium sized providers in regional, rural and remote areas. The targeted support will help each eligible residential aged care provider manage costs without compromising the care of residents. Grants are currently available through the BIF Residential Aged Care Grant Opportunity until the end of April 2021.

<sup>15</sup> The term RADs includes Refundable Accommodation Deposits, Residential Accommodation Contributions, historical Accommodation Bonds and Residential Entry Contributions.

## Accommodation Payment Guarantee Scheme

The Accommodation Payment Guarantee Scheme (Guarantee Scheme) was established under the *Aged Care (Accommodation Payment Security) Act 2006*. If a provider becomes insolvent and defaults on its obligation to refund a RAD, the Guarantee Scheme enables the Australian Government to pay residents an amount equal to each RAD balance. The Guarantee Scheme is triggered if the provider has been placed into bankruptcy or liquidation and there is at least one outstanding RAD. The Secretary of the Department of Health must then make and publish a default event declaration in order to enable payments to be made under the scheme. On receipt of their payment, the rights of each resident to recover the amount from their provider are transferred to the Australian Government so it can pursue recovery of the funds.

The Guarantee Scheme was triggered twice in 2019–20, after the insolvency of Murchison Community Care Inc and the Berrington Care Group, and as a result, at 30 June 2020, the department had paid \$57.2 million to 71 residents.

## Validation of providers' appraisals under the Aged Care Funding Instrument

Approved providers receive Australian Government funding for aged care service provision based on ACFI appraisals of their care recipients' level of care need. To protect public expenditure, the department conducted 4,517 reviews of ACFI claims in 2019–20. Of these reviews 1,698 (37.6 per cent) resulted in reductions in funding and 20 (0.4 per cent) resulted in increased funding.

If a provider is dissatisfied with the outcome of a review decision, they can request a reconsideration. In 2019–20, providers requested reconsiderations of 247 reviews decisions. Of these, 242 requests were finalised in the financial year. The outcomes of these finalised reconsiderations were: 141 (58 per cent) confirmed the department's review decision; 61 (25 per cent) reinstated the provider's original classification; 40 (17 per cent) resulted in a new decision which reduced the original classification.

# Appendix A

## Appendix A: Report against s63-2 of the Aged Care Act 1997

The Act specifies the following annual reporting requirement:

63-2 Annual report on the operation of the Act

- (1) *The Minister must, as soon as practicable after 30 June but before 30 November in each year, cause to be laid before each House of the Parliament a report on the operation of this Act during the year ending on 30 June of that year.*
- (2) *A report under subsection (1) must include information about the following matters:*
  - (a) *the extent of unmet demand for places; and*
  - (b) *the adequacy of the Commonwealth subsidies provided to meet the care needs of residents; and*
  - (c) *the extent to which providers are complying with their responsibilities under this Act and the Aged Care (Transitional Provisions) Act 1997; and*
    - (ca) *the amounts of accommodation payments and accommodation contributions paid; and*
    - (cb) *the amounts of those accommodation payments and accommodation contributions paid as refundable deposits and daily payments; and*
  - (d) *the amounts of accommodation bonds and accommodation charges charged; and*
  - (e) *the duration of waiting periods for entry to residential care; and*
  - (f) *the extent of building, upgrading and refurbishment of aged care facilities; and*
  - (g) *the imposition of any sanctions for noncompliance under Part 4.4, including details of the nature of the non-compliance and the sanctions imposed;*

*but is not limited to information about those matters.*

### **63-2 (2) (a) the extent of unmet demand for places**

Data is not available which provides an accurate measure of any unmet demand for residential aged care places.

The Australian Government's needs-based planning framework is designed to increase the supply of residential and home care places in line with the growth in the aged population. In calculating this growth, the Australian Government takes into account population data from the Australian Bureau of Statistics and

demographic data on previous years' utilisation. This produces a national provision target. For residential care, the places are allocated through an open, competitive round where aged care providers apply for the available places. This allocation process aims to ensure a sufficient supply of residential aged care places, and achieve equitable access to services between metropolitan, regional, rural and remote areas. There is strong demand among providers to supply these places.

To adjust for any market failures in this process, the Australian Government provides a range of subsidies to ensure that people living in regional/remote areas and those with special needs are adequately catered for.

This process is subject to review and is responsive to adjustment when required. While this does not guarantee that every individual will be able to immediately access the particular service of their choice, at a population level, it has been shown to be a robust and effective method for identifying and managing demand.

From June 2011 to June 2020, residential aged care occupancy in Australia has fallen from 93.1 per cent to 88.3 per cent.

Since 27 February 2017, there has been a consistent national approach to prioritising access to home care packages through the national prioritisation system. This allows for a more equitable and flexible distribution of home care packages based on the individual needs and circumstances of consumers, and the time they have been waiting for care, regardless of where they live. For the first time, the queue system allows the government to track demand for home care and adjust supply where required.

### **63-2 (2) (b) the adequacy of the Commonwealth subsidies provided to meet the care needs of residents**

The average level of Australian Government payments for permanent residents in aged care was \$69,055 per resident, a decrease of 0.1 per cent per resident from 2018–19.

**Table 23: Average Australian Government payments (subsidies plus supplements) for each permanent aged care resident 2015–16 to 2019–20**

2015–16	2016–17	2017–18	2018–19	2019–20	Decrease 2018–19 to 2019–20
\$63,400	\$65,500	\$65,600	\$69,100	\$69,055	-0.1%

Note: The arrangements for the calculation of the subsidy differ for continuing care recipients (pre-1 July 2014) and new residents (post-1 July 2014).

**Table 24: Summary of Australian Government payments by subsidies and supplements for residential aged care, 2015–16 to 2019–20**

Type of payment		2015–16 \$M	2016–17 \$M	2017–18 \$M	2018–19 \$M	2019–20 \$M
Basic Subsidy	Permanent	10,507.7	11,024.2	11,163.5	11,947.4	12,012.7
	Respite	264.4	280.6	312.3	348.8	371.3
Primary Care	Oxygen	16.5	17.5	18.3	18.3	16.8
Supplements	Enteral Feeding	6.3	5.9	5.9	5.2	5.0
	Respite Incentive	29.0	30.1	34.6	40.6	46.8
Other Supplements	Viability	35.6	43.2	55.8	62.0	82.3
	Veterans'	1.8	1.1	1.6	1.7	1.5
	Homeless	7.6	8.3	8.6	9.8	13.3
Hardship	Hardship	5.2	4.9	4.0	3.9	6.5
	Hardship Accommodation	3.6	2.9	2.6	2.5	1.9
Accommodation Supplements	Accommodation Supplement	845.7	907.5	1,029.6	1,134.2	1,225.1
Supplements subject to Grandfathering	Concessional	64.0	64.0	55.6	51.3	40.2
	Transitional	6.0	6.0	4.8	3.8	2.6
	Accommodation Charge Top-up	2.1	2.1	1.4	1.0	0.4
	Charge Exempt	3.8	3.8	2.0	1.8	1.4
	Pension	36.3	36.3	27.2	20.7	12.8
	Basic Daily Fee	0.6	0.6	0.4	0.3	0.1
	Transitional Accommodation Supplement	22.3	15.5	10.7	7.6	5.4
Reductions	Means Testing Reduction	-455.7	-560.8	-564.0	-627.2	-648.2
	Other	-31.5	31.5	42.0	-9.1	231.7
<b>Total (\$million)</b>		<b>11,371.4</b>	<b>11,903.8</b>	<b>12,204.2</b>	<b>13,014.5</b>	<b>13,429.7</b>



**Table 25: Summary of Australian Government payments by subsidies and supplements for home care, 2016–17 to 2019–20**

Type of payment		2016–17 \$M	2017–18 \$M	2018–19 \$M	2019–20 \$M
Subsidy	Home Care Subsidy	1,627.9	2,074.8	2,586.0	3,498.4
Supplements	Oxygen	2.4	3.1	3.7	4.5
	Enteral Feeding	0.7	0.9	0.9	0.8
	Dementia and Cognition	24.7	29.3	36.2	49.5
	Veterans'	0.2	0.3	0.4	0.5
	Hardship	0.2	0.3	0.2	0.1
	Viability	11.4	16.0	18.1	25.1
Reductions	Income testing reduction	-21.3	-36.2	-48.8	-65.9
	Other	-60.0	-56.2	-127.4	-163.1
<b>Total (\$million)</b>		<b>1,586.2</b>	<b>2,032.1</b>	<b>2,469.3</b>	<b>3,350.1</b>

### **63-2 (2) (c) the extent to which providers are complying with their responsibilities under this Act and the *Aged Care (Transitional Provisions) Act 1997***

Providers funded by the Australian Government to deliver aged care services must continue to meet legislative and funding agreements or contract responsibilities. If a provider is not meeting its obligations, the Commission may take regulatory action.

Providers who have charged RADs are required to complete and submit an Annual Prudential Compliance Statement (APCS) within four months from the end of their financial year. In 2018–19, 881 providers were asked to complete and lodge an APCS by 31 October 2019. The APCS outcomes for 2015–16 to 2018–19 are shown below.

**Table 26: Annual Prudential Compliance Statement outcomes, 2015–16 to 2018–19\***

<b>Annual Prudential Compliance Statement Reported Non-Compliance</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Reported instances of non-compliance with the Records Standard	11	7	11	8
Reported instances of non-compliance with the Disclosure Standard	11	44	84	55
Reported instances of non-compliance with the Liquidity Standard	3	16	16	12
Reported instances of non-compliance with the Governance Standard	8	12	13	9
Reported instances of non-compliance with refunding responsibilities**	111	109	106	98

\* 2019–20 data are unavailable at the time of publication.

\*\* Figures include reported instances of non-compliance with late refunds and applicable interest.

### **63-2 (2) (ca) the amounts of accommodation payments and accommodation contributions paid**

The closing balance of RADS held by providers at 30 June 2019 was \$30.2 billion. There was a \$2.7 billion (9.7 per cent) increase in RADS held by aged care homes across the 2018–19 financial year.

### **63-2 (2) (cb) the amounts of those accommodation payments and accommodation contributions paid as refundable deposits and daily payments<sup>16</sup>**

In 2018–19, a total of \$3.5 billion was paid to providers in accommodation payments and accommodation contributions.

A total of \$829 million was received in Daily Accommodation Payments (DAPs)/ Daily Accommodation Contributions, and approximately \$2.7 billion was received in net RADS. The 848 providers who held RADS at 30 June 2019 reported through their APCS that they held a total of 94,870 RADS with a total value of approximately \$30.2 billion. These figures include the RADS held by five providers who reported on an alternate financial year. This is an increase of almost 3,700 RADS. The average RAD holding per provider was 112 RADS valued at \$36 million.

<sup>16</sup> When available, 2019–20 data will be published on GEN, in ACFA's reports, and in the 2020–21 ROACA.

### 63-2 (2) (d) the amounts of accommodation bonds and accommodation charges charged

The average accommodation price agreed with a new non-supported resident in 2018–19 was a RAD of \$434,000, equivalent to a DAP of \$70.74 at 30 June 2019. Forty three per cent of non-supported residents chose to pay by RAD, 30 per cent by DAP, and 27 per cent by combination of both.

### 63-2 (2) (e) the duration of waiting periods for entry to residential care

Table 27 shows the proportion of residents placed in permanent residential care within a specified time period after assessment (and recommendation for residential care) by an ACAT.

This entry period measure is not a proxy for waiting time for admission to a residential aged care service. The ACAT recommendation is simply an option for that person. Many people who receive a recommendation for residential care may also receive and take up a recommendation for a home care package, or they may simply choose not to take up residential care at that time. The increased availability of home care, restorative care and respite care has a significant effect in delaying entry to residential care.

**Table 27: Proportion of new entrants to permanent residential care entering within a specified period after an ACAT assessment during 2019–20**

2 days or less	7 days or less	Less than 1 month	Less than 3 months	Less than 9 months
1.9%	6.6%	20.9%	42.2%	58.7%

### 63-2 (2) (f) the extent of building, upgrading and refurbishment of aged care facilities

Estimated building works completed during 2018–19, or in progress at June 2019, exceeded \$5.3 billion, up from \$4.9 billion in 2017–18. When available, 2019–20 data will be published on GEN, in ACFA's reports and in the 2020–21 ROACA.

**Table 28: Consolidated building activity report 2014–15 to 2018–19**

		2014–15	2015–16	2016–17	2017–18	2018–19
Building work	Estimated building works completed during the year or in progress at June (\$m)	\$3,820.0	\$4,535.9	\$4,715.4	\$4,912.0	\$5,334.0
	Proportion of homes that completed any building work during the year	19.6%	24.3%	20.8%	19.2%	19.4%
	Proportion of homes with any building work in progress at the end of the year	17.3%	17.8%	13.1%	13.9%	14.5%
New building work	Proportion of homes that completed new building work during the year	2.7%	2.0%	2.2%	2.6%	1.7%
	Proportion of homes with new building work in progress at the end of the year	1.8%	2.6%	2.2%	2.3%	1.7%
	Estimated new building work completed during the year (\$m)	\$945.0	\$820.6	\$1,198.5	\$1,243.0	\$1,721.2
	Estimated new building work in progress at the end of the year (\$m)	\$565.0	\$1,075.5	\$1,042.0	\$1,086.0	\$1,005.8
	Proportion of homes that were planning new building work	3.6%	4.9%	2.2%	2.7%	2.7%

		2014-15	2015-16	2016-17	2017-18	2018-19
Rebuilding work	Proportion of homes that completed rebuilding work during the year	0.9%	1.1%	1.0%	0.9%	0.7%
	Proportion of homes with rebuilding work in progress at the end of the year	1.1%	1.6%	1.5%	1.2%	1.6%
	Estimated rebuilding work completed during the year	\$314.0	\$250.4	\$403.9	\$497.0	\$353.0
	Estimated rebuilding work in progress at the end of the year (\$m)	\$736.0	\$1,042.0	\$650.0	\$649.0	\$932.2
	Proportion of homes that were planning rebuilding work	3.1%	4.5%	2.0%	1.8%	1.2%
Upgrading work	Proportion of homes that completed upgrading work during the year	16.4%	20.7%	17.8%	16.2%	11.5%
	Proportion of homes with upgrading work in progress at the end of the year	14.7%	13.9%	10.0%	10.8%	5.3%
	Estimated upgrading work completed during the year (\$m)	\$479.0	\$483.3	\$539.7	\$666.0	\$638.9
	Estimated upgrading work in progress at the end of the year (\$m)	\$781.0	\$864.2	\$881.4	\$770.0	\$691.9
	Proportion of homes that were planning upgrading work	14.5%	14.0%	8.8%	5.4%	5.3%

### 63-2 (2) (g) the imposition of any sanctions for non-compliance under Part 4.4, including details of the nature of the non-compliance and the sanctions imposed

In 2019–20, the Commission issued 16 Notices of Decision to Impose Sanctions to 14 providers due to failure to meet quality standards. Details of sanctions imposed are included in Table 29.

**Table 29: Sanctions imposed under the Aged Care Act 1997 – 1 July 2019 to 30 June 2020**

Approved provider	Service	Date and number of sanctions imposed	Outcomes
Allity Pty Ltd	Beechwood Aged Care	28/11/2019 2 sanctions imposed	Sanctions expired 28/08/2020
Amaroo Care Services Inc	Amaroo Village McMahon Caring Centre	19/03/2020 1 sanction imposed	Sanction expired 19/06/2020
Apex Software Pty Limited	Lark Ellen Aged Care	18/02/2020 1 sanction imposed	Reconsideration to extend Sanctions Notice issued 14/08/2020  Sanction expected to expire 16/01/2021
Bupa Aged Care Australia Pty Ltd	Bupa Tamworth	18/11/2019 5 sanctions imposed	Sanctions expired 14/05/2020
Bupa Aged Care Australia Pty Ltd	Bupa Tumut	15/10/2019 5 sanctions imposed	Sanctions expired 15/04/2020
Cadorna House	Cadorna House	24/07/2019 2 sanctions imposed	Sanctions expired 24/01/2020
Columbia Nursing Homes Pty Ltd	Columbia Aged Care Services - Oberon Village	01/11/2019 2 sanctions imposed	Sanctions expired 01/05/2020
Halls Creek Peoples Church Incorporated	Halls Creek Peoples Church Frail Aged Hostel	12/11/2019 1 sanction imposed	Sanction expired 12/05/2020

Approved provider	Service	Date and number of sanctions imposed	Outcomes
Japara Aged Care Services Pty Ltd	Japara Wyong	13/03/2020 1 sanction imposed	Sanction expected to expire 12/09/2020
Lithgow Aged Care Limited	Lithgow Aged Care Limited	20/08/2019 2 sanctions imposed	Sanctions expired 20/05/2020
People Care Pty Ltd	People Care	09/08/2019 2 sanctions imposed	Sanctions expired 23/10/2019  The Provider has been revoked as an Approved Provider effective from 23/10/2019
People Care Pty Ltd	People Care Pty Ltd	13/07/2019 4 sanctions imposed	Sanctions expired 23/10/2019  The Provider has been revoked as an Approved Provider effective from 23/10/2019
RSL LifeCare Limited	Arthur Blackburn VC Gardens	20/02/2020 1 sanction imposed	Sanction expired 20/05/2020
Siva Kolunthu Pty Limited	Ainsley Nursing Home	17/12/2019 2 sanctions imposed	Sanctions expired 17/06/2020
Southern Cross Care (NSW & ACT) Limited	Southern Cross Care Tenison Swansea Residential Aged Care	03/01/2020 1 sanction imposed	Sanction expired 03/04/2020
Uniting Church Homes	Juniper Riverslea	10/12/2019 2 sanctions imposed	Sanctions expired 10/06/2020

# Glossary



# Glossary

Term	Definition
ACAP	Aged Care Assessment Program
ACAR	Aged Care Approvals Round
ACAT	Aged Care Assessment Team
ACFA	Aged Care Financing Authority
ACFI	Aged Care Funding Instrument
ACFR	Aged Care Financial Report
ACQSC Act	<i>Aged Care Quality and Safety Commission Act 2018</i>
Act, the	The <i>Aged Care Act 1997</i> , the primary legislation governing the provision of aged care services
ACWIC	Aged Care Workforce Industry Council
Aged Care Principles	Subordinate legislation made by the Minister under subsection 96 1 (1) of the Act
AIHW	Australian Institute of Health and Welfare
AN-ACC	Australian National Aged Care Classification
APCS	Annual Prudential Compliance Statement
BIF	Business Improvement Fund
BPSD	Behavioural and Psychological Symptoms of Dementia
CALD	Culturally and Linguistically Diverse
CHSP	Commonwealth Home Support Programme
CVS	Community Visitors Scheme
DAPs	Daily Accommodation Payments
DACS	Dementia and Aged Care Services
DBMAS	Dementia Behaviour Management Advisory Services
department, the	Department of Health
DTP	Dementia Training Program
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex

<b>Term</b>	<b>Definition</b>
Minister, the	The Minister for Aged Care and Senior Australians
MPS	Multi-Purpose Services
NACAP	National Aged Care Advocacy Program
NACWCS	National Aged Care Workforce Census and Survey
NAGATSIAC	National Advisory Group for Aboriginal and Torres Strait Islander Aged Care
NATSIFAC	National Aboriginal and Torres Strait Islander Flexible Aged Care
NDSP	National Dementia Support Program
OPAN	Older Persons Advocacy Network
PICAC	Partners in Culturally Appropriate Care
RAD	Refundable Accommodation Deposit
RAS	Regional Assessment Service
ROACA	Report on the Operation of the <i>Aged Care Act 1997</i>
SBRTs	Severe Behaviour Response Teams
SIRS	Serious Incident Response Scheme
STRC	Short-Term Restorative Care
TCP	Transition Care Programme
TIS	Translating and Interpreting Service



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