SUBMISSION TO THE SENATE COMMUNITY AFFAIRS REFERENCES COMMITTEE

Inquiry into Aged Care

DEPARTMENT OF HEALTH AND AGEING

10 August 2004

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Overview of Australian Government Funded Aged Care Programs

Roles of the Australian Government

The main roles of the Australian Government in the provision of care for older people, include:

- financing and regulating residential aged care;
- directly funding community care, through initiatives such as Community Aged Care Packages (CACPs) and Extended Aged Care at Home (EACH) ; and
- jointly funding and administering community care with the states and territories under the Home and Communty Care Program (HACC).

The Australian Government also provides leadership in broader social policy issues concerning an ageing population, including promoting the health, independence and wellbeing of older Australians, through activities such as the National Strategy for an Ageing Australia.

Recognising the links between the hospital sector and aged care in community and residential settings, the Australian Government has taken a leading role in establishing a cost-shared Transition Care Program with the states and territories. In addition, under the Australian Health Care Agreements, the Australian Government has funded the Pathways Home Program to assist states and territories to expand their provision of step down and rehabilitation care.

The overall increases in Australian Government expenditure on aged care since 1995-96 are shown in Figure 1. Budget details for the major aged and community care programs are provided in Table 1.

Eligibility Assessment: Aged Care Assessment Teams (ACATs)

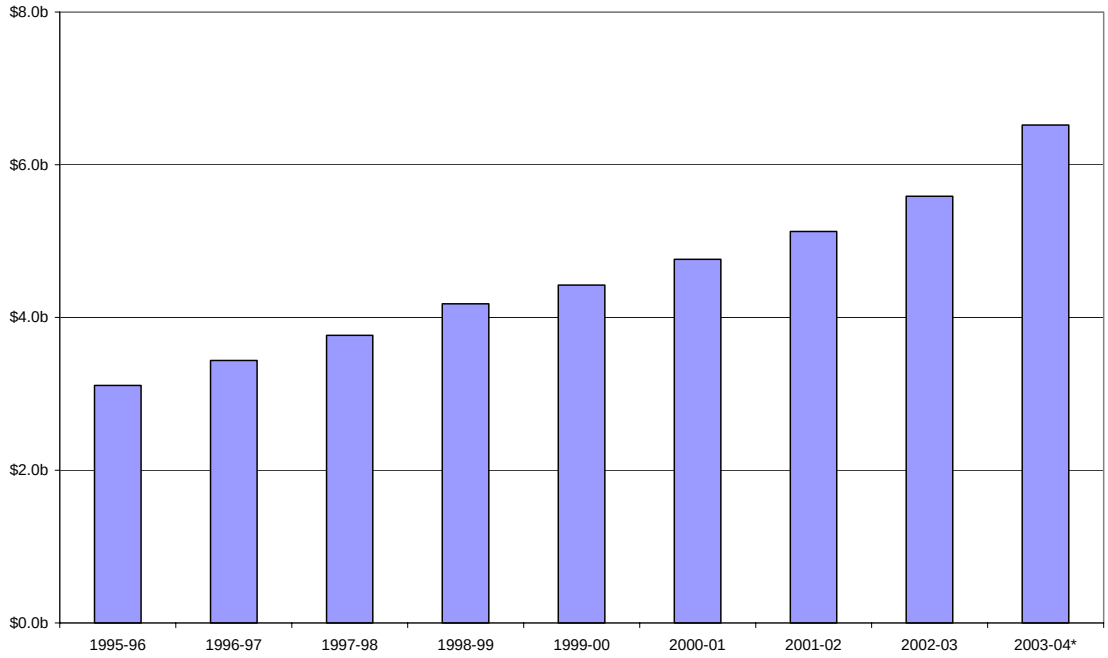
ACATs across Australia comprehensively assess the needs of frail older people to facilitate access to available Australian Government-funded care services appropriate to their needs. In meeting this objective, ACATs:

i) determine eligibility for:

- residential care (either low or high care);
- a Community Aged Care Package (CACP – the equivalent of low level residential care delivered in a client's own home); or
- Extended Aged Care at Home (EACH - the equivalent of high level care provided in a client's own home); and

ii) and make referals to other forms of community-based services, such as Home and Community Care (HACC).

Figure 1: Australian Government expenditure on aged care, 1995-96 to 2003-2004



* Estimated value for 2003-04

Nationally, ACATs assess approximately 185,000 people a year, with more people being recommended for community based care than for residential care.

Community Care

Whenever possible, people needing care are assisted to stay in their own homes where they generally want to be. There are two main programs which provide community care to people in their own homes: Community Aged Care Packages (CACPs) and the Home and Community Care (HACC) Program.

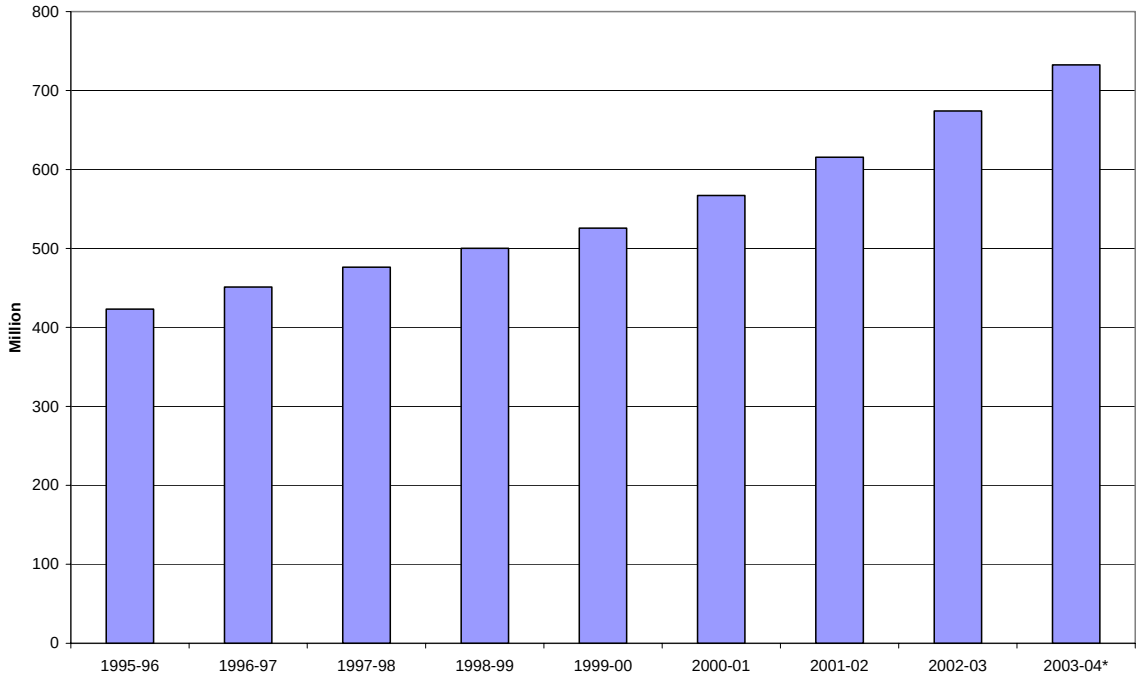
- CACPs provide care in a person's own home as an alternative for those whose dependency and complex care needs qualify them for entry to an aged care home for low level care. The CACP Program is funded by the Australian Government and involves over 900 service outlets providing around 28,000 packages. As shown in Table 1 (Administered Item 2; Community Care Subsidies), approximately $327 million is budgeted for CACPs in 2004-05.

- The HACC Program is a joint Australian Government, State and Territory initiative that provides services for frail aged and younger people with disabilities and their carers. HACC services include community nursing, personal care, meals, domestic assistance, home modification and maintenance, transport and community based respite care. The Australian Government contributes around 60 per cent of funds and maintains a broad strategic role. States and Territories provide the remaining 40 per cent of the funds and are are responsible for the day-to-day management of the Program. During 2002-03, approximately 3,500 agencies provided services to an estimated 700,000 people. Total Australian Government expenditure for HACC services from 1995-96 to 2003-04 is shown in Figure 2.

A third program, the Extended Aged Care at Home (EACH) Program, is developing the delivery of the equivalent of high level care in a person's own home.

Other programs designed to assist people to stay in their own homes include Respite Care and the Continence Management Strategy (see further information below).

Figure 2: Australian Government funding for Home and Community Care services, 1995-96 to 2003-04



* Estimated value for 2003-04

Residential Care

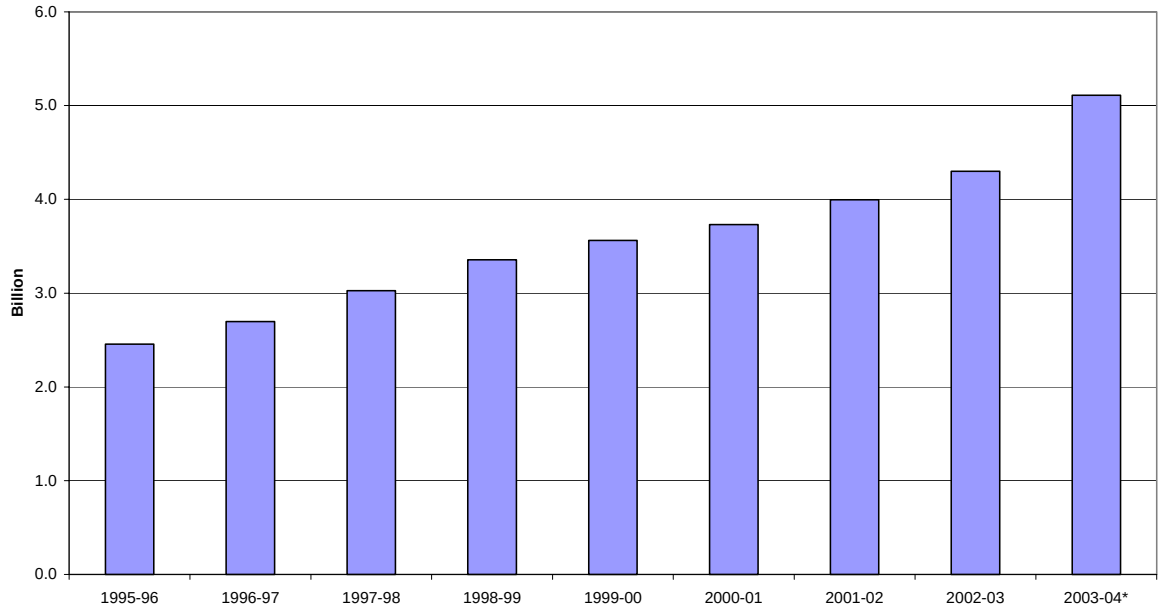
When frail, older people can no longer be assisted to stay in their homes, care is available in residential care services. As at December 2003, there were about 3,000 residential services in Australia providing high level and low level care. At that time there were 169,500 residential places allocated amongst these services, with 153,669 of these places operational. Of the remaining allocated places, 13,235 were provisional allocations and 2,596 were offline.

- High level care combines nursing care with accommodation, support services (cleaning, laundry and meals), personal care services (help with dressing, eating, toileting, bathing and moving around) and allied health services (physiotherapy, occupational therapy, recreational therapy and podiatry).

- Low level care involves personal care services (help with dressing, eating, toileting, bathing and mobility), accommodation, support services (cleaning, laundry and meals) and some allied health services (physiotherapy, occupational therapy, recreational therapy and podiatry).

Total Australian Government expenditure for residential aged care from 1995-96 to 2003-04 is shown in Figure 3. A budgeted $5.16 billion is available in 2004-05.

Figure 3: Australian Government support for residential aged care, 1995-96 to 2003-04



* Estimated value for 2003-04

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

Multipurpose services

Multipurpose Services (MPS) are a joint Australian Government and State and Territory initiative to deliver residential and/or community aged care and health and community

services in rural and remote communities, many of which cannot sustain separate services. By bringing together health, aged and community services, economies of scale are achieved to support the viability of services in small communities, which would not otherwise be viable if provided separately. Each MPS is financed by a flexible funding pool to which the State or Territory and the Australian Government contribute. This is reviewed every three years. The service can use the money to provide a mix of services, including aged care, best suited to the community's needs.

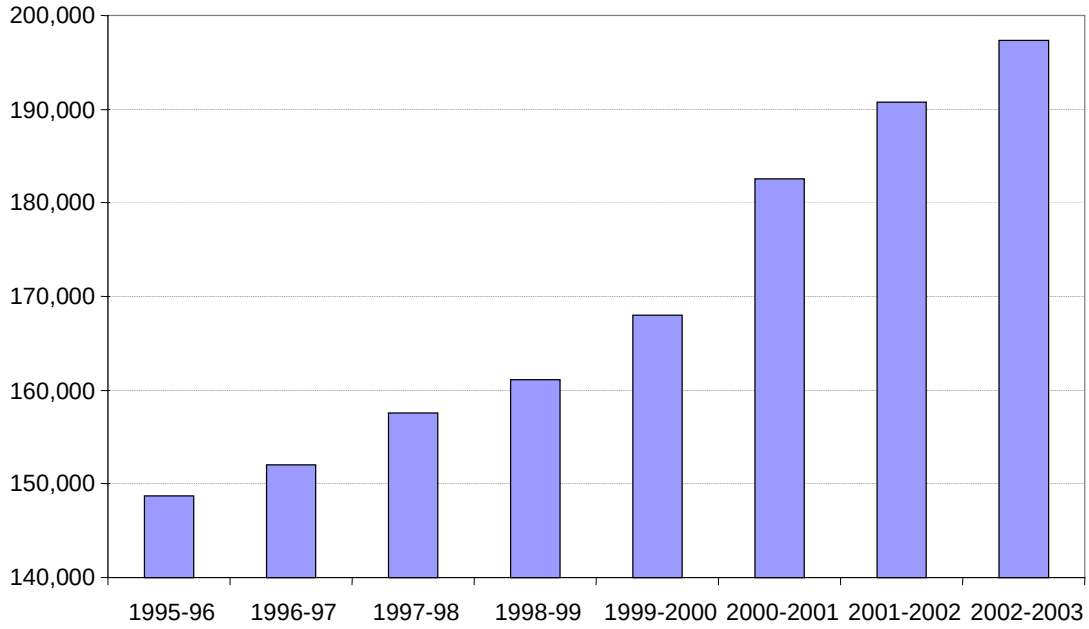
At 30 June 2003, there were 83 operational MPSs, with a total of 1,810 flexible aged care places.

Planning framework for residential care and CACPs

Traditionally, Australian Governments have sought to achieve and maintain a national provision level of 100 residential places and Community Aged Care Packages (CACPs) per 1,000 of the population aged 70 years and over. The target ratios were 40 high care places, 50 low care places and 10 CACPs per 1,000 of the population aged 70 years and over. In the 2004-05 Budget, the national provision level was increased to 108 places, comprising 40 high care places, 48 low care places and 20 CACPs per 1,000 people aged 70 or over.

The Australian Government ensures that the growth in the number of aged care places is in line with growth in the aged population. It also ensures balance in the provision of services between metropolitan, regional, rural and remote areas, as well as between people needing differing levels of care. The overall growth in the number of aged care places since 1995-96 is shown in Figure 4.

Figure 4: Total allocated aged care places, 1995-96 to 2002-03



Support for Carers

In Australia, there are about 2.3 million carers, of whom around 460,000 people act as primary informal carers for the frail aged and people with disabilities at home. The Australian Government funds a number of services to assist carers in their caring role.

Respite

Respite services help carers take a break from their caring role. Respite is provided in residential aged homes and in a variety of community settings.

Residential respite
The Australian Government subsidises the cost of about one million bed days of respite care annually in residential aged care homes, at a cost of around $81 million in 2002-03.

Community based respite
Community based respite services include a range of day care centres and 'in home' respite services. The National Respite for Carers Program (NRCP) funds:

- *432 respite services*, including more than 160 respite services for carers of people with dementia. These assisted approximately 28,000 carers in 2003-04;

- *Over 60 Commonwealth Carer Respite Centres (CCRCs) and around 30 additional outlets* to assist carers obtain short-term and emergency respite. CCRCs use brokerage funds to purchase or subsidise respite services. CCRCs operate with a flexible approach and can link carers to respite in residential aged care homes. Around 77,200 carers were assisted by CCRCs in 2002-03;

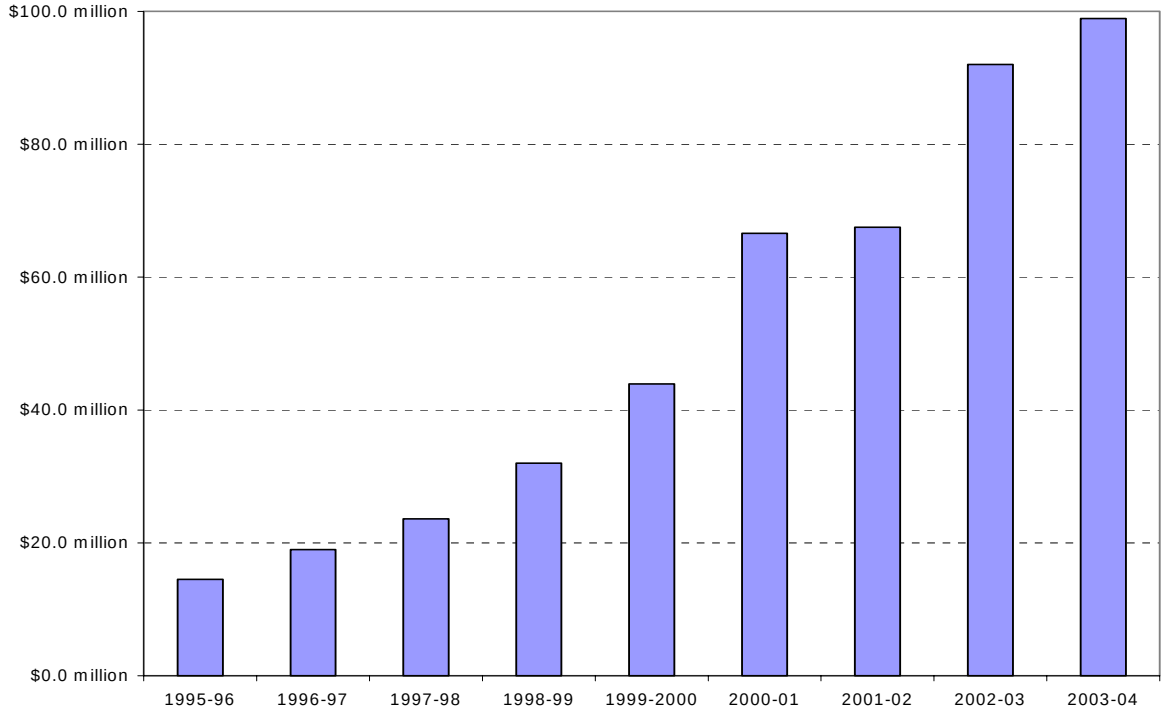
- *A National Commonwealth Carer Resource Centre* as well as a *Commonwealth Carer Resource Centre* in each State and Territory capital city. These act as a single point of contact for carers seeking information and advice about the full range of services and other assistance available. These centres are auspiced by the respective Carers Associations in each state. Commonwealth Carer Resource Centres assisted around 41,200 carers in 2003-04.

The total Australian Government funding for the NRCP from 1995-96 to 2003-04, is shown in Figure 5.

National Carer Counselling Program (NCCP)

Carers have access to emotional and psychological support from trained counsellors through Commonwealth Carer Resource Centres. Funding for the NCCP was announced in the 2002 Budget. Carers Australia has undertaken management for the NCCP. Approximately 2,000 carers received counselling in 2003-04.

Figure 5: Australian Government support for the National Respite for Carers Program, 1995-96 to 2003-04



* Estimated value for 2003-04

Carer Information and Support Program (CISP)

CISP funding is used to provide a range of carer information products. Funding is provided to Commonwealth Carer Resource Centres, and used for national product development. Around 343,500 information products were distributed to carers in 2003-04.

Other financial assistance

Financial assistance is provided direct to carers through Carer Payment (a means tested pension), and/or Carer Allowance (a supplementary payment) for those looking after people with high level needs - whether children or adults with disabilities, or the frail aged. Carer Payment and Carer Allowance are administered by the Department of Family and Community services, and delivered by Centrelink. Around $1.5 billion was expended under these payments in 2002-03.

The Australian Government announced in the 2004-05 Budget that the eligibility criteria for the Carers Allowance would be expanded. From 1 April 2005, carers who provide substantial levels of personal care on a daily basis but do not live with the person to whom they provide care, will be able to access the Allowance provided they meet the remaining eligibility criteria.

Dementia support programs

Australian Government programs that support people with dementia and their carers, funded through the Department of Health and Ageing, currently attract funding of over $2.6 billion annually. These programs include:

- Access for people affected by dementia to residential aged care, Home and Community Care Services and Community Aged Care Packages;

- A range of targeted dementia services that include:
  - the **Dementia Education and Support Program** — a 24 hour National Dementia Helpline that is a gateway to other support and to support groups and counselling;
  - the **National Dementia Behaviour Advisory Ser**vice — a clinical telephone support service for carers and for respite and other care workers;
  - the **Early Stage Dementia Support and Respite Project** — coordinated support, training and planning for people in the early stages of dementia and their carers;
  - **Carer Education and Workforce Training**;
  - **Psychogeriatric Care Units**, that give specialist support to staff of residential services and carers of people with dementia exhibiting significant behaviours of concern. The 2002-03 Budget provided additional funds to increase the availability of PGUs; and

- Access for people affected by dementia to Schedule of Pharmaceutical Benefits anti-dementia medications.

Additional funding is also provided for programs for carers, innovative care, assessment, hospitals, workforce, palliative care and GP initiatives that directly benefit people with dementia and their families.

In addition, the Government's $2.2 billion *Investing in Australia's Aged Care: More Places Better Care* package, announced in the Budget, included the creation of a funding supplement to be introduced in 2006, which will support high quality care for people with dementia who live in aged care homes and exhibit challenging behaviours.

Other Programs and Services

For completeness, the following additional Australian Government programs are listed for information.

- **Commonwealth Carelink Centres** — 65 Commonwealth Carelink Centre shopfronts across Australia provide comprehensive information on the range of aged and community care services in the enquirer's local area. The Australian Government has budgeted $14.7 million for Commonwealth Carelink Centres in 2004-05.

- **A National Continence Management Strategy** — funds projects including public awareness strategies and health promotion, pursuit of best practice in continence

management, information, education and training for health professionals. Australian Government funding for 2004-05 is budgeted at $4.26 million.

- **Assistance with Care and Housing for the Aged (ACHA)** — links housing and community care for low income frail older people in insecure housing. Australian Government funding for 2004-05 is budgeted at $2.7 million.

- **Day Therapy Centres** — assist the frail aged to remain as independent as possible by providing services such as physiotherapy, occupational therapy and podiatry. Australian Government funding for 2004-05 is budgeted at $32.8 million.

- **National Aged Care Advocacy Program (NACAP)** — provides advocacy support and information services to care recipients and representatives of Government funded aged care services. Australian Government funding for 2004-05 is budgeted at $2.3 million.

- **Community Visitors Scheme** — supports lonely and isolated residents of aged care homes who can benefit from contact with a volunteer and helps residents to maintain contacts with the community. Australian Government funding for 2004-05 is budgeted at $6.3 million.

- **National Aboriginal and Torres Strait Islander Aged Care Strategy** — recognises the exceptional needs and access issues facing Aboriginal and Torres Strait Islander people. At 30 June 2003, there were 28 operational services, with 508 places providing residential and/or community care under the Strategy. Services have been established in remote areas where no aged care services were previously available. Australian Government funding for 2004-05 is budgeted at $15.2 million.

- **Aged Care Support Services for People from Culturally and Linguistically Diverse Communities** — helps to ensure that the special needs of older people from non English speaking backgrounds are identified and addressed in residential aged care. Australian Government funding for 2004-05 is budgeted at $2.7 million.

Quality - The Standards Framework

To ensure that older Australians receive quality residential care, the Australian Government has instituted a quality framework. It is based on the accreditation and certification programs.

Accreditation – Residential Care

To achieve accreditation, aged care homes are assessed against the 44 expected outcomes of the Accreditation Standards which cover:

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

Aged care homes must be accredited in order to receive Australian Government funding.

The Aged Care Standards and Accreditation Agency manages the accreditation process and supervises homes' ongoing compliance with the Accreditation Standards by conducting spot checks, review audits and support contacts, and liaison with the Department of Health and Ageing about homes that do not meet the Standards.

Where the Agency identifies that an approved provider is not meeting the Accreditation Standards, it reports this to the Department. Under the *Aged Care Act 1997*, the Department can impose sanctions when approved providers are not meeting their obligations under the Act.

Certification – Residential Care

The certification process aims to improve the physical standards of aged care homes. Only homes that are certified can ask residents to contribute accommodation payments.

To achieve certification, an aged care home is inspected to determine if it meets certain minimum building standards relating to fire safety, security, access, hazards, lighting, heating, cooling and ventilation. A program of inspections commenced in 1997 and all Australian Government funded homes (around 3,000) have been assessed and subsequently certified.

The Australian Government is committed to continuous improvement in the quality and safety of residential aged care homes. This is achieved through the certification program and the annual fire safety declaration process introduced in December 2003. Continuous improvement targets were introduced in 1999 for residential aged care buildings, as part of a ten-year forward plan agreed between the Department, the aged care sector and consumers. Under these arrangements, fire safety targets were required to be achieved by the end of 2003, and improved safety and building standards are required by 2008.

Though the *Investing in Australia's Aged Care, More Places, Better Care* package, the Government also provided $513.3 million for one off capital payments to providers of residential aged care ($3,500 per recipient of aged care services) in 2003-04 in recognition of the forward plan for improved safety and building standards, in particular for improved fire safety.

Aged Care Complaints Resolution Scheme

The Aged Care Complaints Resolution Scheme was established on 1 October 1997 as part of a package of measures designed to improve the quality of care and services in Australia's aged care services and is overseen by a Commissioner for Complaints. The Scheme represents a new approach to the management of problems and complaints within aged care services, which embraces the role of residents in the quality improvement process.

The aim of the Complaints Resolution Scheme is to:

- provide information to assist people in understanding their rights and responsibilities as well as those of the service provider;
- provide advice on other agencies that may be able to investigate problems or concerns, such as state government bodies or professional registration boards;

- offer a free, accessible method of making a complaint, independent from a residential facility;
- work with all parties to resolve issues; and
- approach complaints in a positive way, encouraging the use of the Scheme as a quality assurance mechanism.

Complaints can be made verbally or in writing and can be dealt with in an open, confidential or anonymous basis. A national toll free telephone number is available to ensure people throughout Australia have access to the Scheme. It is proposed that in the latter part of 2004 complaints will also be able to be lodged on-line.

All aged care services are required to have an internal complaints system and in many cases this is an effective way of dealing with concerns. If, however, people are uncomfortable discussing a problem directly with the service provider they can contact the Complaints Resolution Scheme in their State or Territory.

Under the Scheme, an assessment is made to decide whether a complaint should be accepted and/or whether it should be referred to another agency. On 1 July 2004, the *Committee Amendment Principles, 2004* were made which streamlined the complaints handling process. The effect of the amendments now means that when a complaint is accepted it can be dealt with immediately by the most effective means. Depending on the nature of the complaint, a variety of approaches can be implemented immediately meaning complaints can be dealt with more effectively and efficiently for all parties.

In 2003-04, the Scheme received 967 new complaints. Of these, 73 percent were open complaints, 16 percent were confidential and 11 percent were anonymous. Ninety-seven percent of all complaints related to residential aged care homes. The average time taken by the Scheme to resolve complaints in 2003-04 was 40.5 days, which is down from 40.8 in 2002-03.

Community Care Standards Framework

HACC National Service Standards provide agencies with a common reference point for internal quality control and outline expected outcomes for consumers. The Standards framework for HACC comprises three main elements:

- The National Service Standards Instrument (NSSI) provides a nationally consistent and reliable means of measuring and monitoring agency compliance with the Standards;
- A Consumer Appraisal Instrument (CSI) ensures that the views of those people who receive HACC services are taken into account in the appraisal of service quality; and
- The Standards Comparison Guide/Protocol provides a nationally consistent means for assessors to take the agency's accreditation against other recognised and comparable standards into account, thereby streamlining the requirements for agencies without compromising on service standards.

As part of its policy of enabling people to remain in their own homes, the Australian Government also announced, in the recent Budget, new funding of $13.7 million over four years for a quality reporting system to operate across the Community Aged Care Packages (CACPs), the Extended Aged Care at Home (EACH) program and the National Respite for Carers Program (NRCP). The funding is providing for the establishment of a quality

assurance and monitoring system that will ensure that older Australians receiving care in their own homes will receive a quality service that meets their needs.

National Strategy for an Ageing Australia

As noted earlier, in recognition of the significant implications of population ageing across a number of public policy areas, the Government has developed the National Strategy for an Ageing Australia (NSAA). The Strategy highlights that the ageing of the population is an issue for all Australians and all Governments.

It was used to engage other levels of government, business, professional and community groups as well as researchers, to encourage discussion and cooperative action on population ageing.

Healthy ageing

Healthy ageing is a major component of the NSAA. At the Australian Government level, work focuses on healthy ageing policy and promotion to help ensure the health system meets the needs of older people and the ageing population. At a national level (Commonwealth, States and Territories), the Division's Office for an Ageing Australia works through a sub-committee of the Community Services Ministers' Advisory Council: the Positive Ageing Task Force.

Through this initiative, the Australian Government is encouraging older people to maintain their physical, social and emotional health and well-being as they age. This has included:

- $4.3 million over three years n the 2003-04 Budget to enhance the health promotion role of primary care professionals;
- in the same Budget, $16.4 million over four years for the management of chronic diseases; and
- a number of specific initiatives to improve the health of older people as they age, including:
  - the development and implementation of a *Public Health Action Plan for an Ageing Australia*;
  - commissioning of the Australian Institute of Health and Welfare to produce a series of Bulletins of statistical analysis related to healthy ageing;
  - focusing on physical activity among older people through a significant section of the health sector agenda for action on Physical Activity from 2004 to 2008, *Be Active Australia, a draft National Physical Activity for Health Action Plan*; and
  - an update of *Adding Life to Your Years*, a cookbook for older people.

Information for older Australians

Information on the full range of Australian Government programs and services for older people can be obtained from The *Australian Government Directory of Services for Older People* and the *Seniors Portal (www.seniors.gov.au).*

The Directory was developed by the Department of Health and Ageing in 2003 to assist older people to understand the programs and services offered to them by the Australian Government. As the first comprehensive guide to services for older people, the Directory has

been adopted enthusiastically by the community, with over 50,000 copies distributed to date. Work on the 2004 edition of the Directory is well advanced, with an expected release date of mid-August.

The *Seniors Portal* is one of eighteen customer-focused portal websites that were mandated by the Australian Government's Online Policy in 2000. It aims to bring together all Australian Government on-line information that is of interest to Australians aged over 50. The second release of the portal was launched by the Minister for Ageing, the Hon Julie Bishop MP, in October 2003. An important component of the expanded second release of the portal was the inclusion on the site of all the information contained in the Directory.

Funding for Aged Care Programs

Australian Government funding for aged care has grown by 123 per cent since 1995-96. Table 1 includes administered program funding for 2004-05.

Table 1: Outcome 3 - Enhanced Quality of Life for Older Australians
Financial Resources Summary 2000-01 to 2004-05

Administered Expenses	*Actual Expenses 2000-01*	*Actual Expenses 2001-02*	*Actual Expenses 2002-03*	*Actual Expenses 2003-04 **	*Budget 2004-05*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Administered Item 1: Residential Care					
Residential Care Subisidies	3,314,450	3,526,644	3,669,475	3,919,029	4,325,157
DVA Contribution	417,768	470,496	629,768	673,054	763,263
Residential Care - Fire Safety Standards	0	0	0	518,747	0
Special Appropriations - sub total	3,732,218	3,997,139	4,299,242	5,110,830	5,088,420
Appropriation Bill 1	51,806	39,614	48,626	46,156	69,688
Total Administered Item 1	3,784,023	4,036,753	4,347,868	5,156,986	5,158,108
Administered Item 2: Community Care & Support for Carers					
Community Care Subsidies	194,620	246,282	288,359	307,912	327,411
Special Appropriations - sub total	194,620	246,282	288,359	307,912	327,411
Appropriation Bill 1	119,346	116,493	143,581	152,566	162,970
Appropriation Bill 2	567,127	615,582	674,086	732,388	791,858
Total Administered Item 2	881,093	978,357	1,106,025	1,192,866	1,282,239
Administered Item 3: Ageing Support & Strategies					
Flexible Care Subsidies	30,678	37,320	51,783	79,378	142,711
Special Appropriations - sub total	30,678	37,320	51,783	79,378	142,711
Appropriation Bill 1	24,854	34,145	39,053	41,679	68,981
Appropriation Bill 2	39,172	40,985	42,896	48,301	52,930
Total Administered Item 3	94,704	112,450	133,731	169,358	264,622
Total Administered Expenses	**4,759,820**	**5,127,560**	**5,587,625**	**6,519,210**	**6,704,969**

* The 2003-04 values are estimates

Term of Reference (a) - The adequacy of current proposals, including those in the 2004 Budget, in overcoming aged care workforce shortages and training

Introduction

The *Aged Care Act 1997* and subordinate Principles require approved providers to ensure an adequate number of appropriately skilled and qualified staff to meet the needs of residents. While certain procedures may be carried out only by a registered nurse or other suitably qualified professional (eg complex wound management), the legislation gives providers the flexibility to design and evolve their own staffing and management plans in a way that best meets their local circumstances. However, they must also ensure that they continue to meet the required outcomes for residents and other obligations under the Act.

Approved providers are also required to comply with applicable State and Territory legislation and this may impact on staffing arrangements, for example, in relation to the administration of medication.

The primary workforce relationship, however, is between the employer (approved provider) and employee. Industrial awards or enterprise agreements are matters between providers and staff at the enterprise level or as determined by the relevant industrial regulation framework. The Australian Government does not set wages for nursing or other staff in aged care homes. Therefore, the aged care sector itself must play a lead role in ensuring that aged care is an attractive and viable career through, for example, appropriate human resource and occupational health practices.

Nurses across all health sectors are providing clinical care for older people and this will increase as the population ages. Therefore, the increasing demand for care of older Australians is not confined to 'aged care' settings but more broadly, including in hospital and community settings. It follows then, that strategies to address current or future workforce issues are a shared responsibility of all levels of government and health and aged care providers.

The Australian Government has acknowledged the importance of aged care workforce issues. In 1996, the then Minister for Aged Care established the Aged Care Workforce Committee. The Committee includes representatives of peak aged care organisations, aged care employees, approved providers, higher education and vocational education providers, professional groups and consumers. The Committee has assisted in identifying workforce issues and is developing a framework to respond to current and future issues. Some of the specific initiatives that have been undertaken on the advice of or with the assistance of the Committee, which are described below, include the National Aged Care Workforce Census and Survey, the La Trobe University research into issues affecting the recruitment of nurses in residential aged care, the Quality of Working Life for Nurses: Report on Qualitative Research and the development of a National Aged Care Workforce Strategy.

As outlined below, the Australian Government is taking a strategic approach to assisting the industry in ensuring that a sufficient and well-trained workforce is available. This approach includes:

- gaining a better understanding of the aged care workforce;

- establishing the factors that affect the recruitment and retention of aged care workers;
- rewarding best practice;
- ensuring that training curricula are appropriate;
- providing direct support for training;
- providing adequate funding to aged care providers;
- ensuring a viable and sustainable aged care workforce into the future.

Understanding the Aged Care Workforce

National Aged Care Workforce Census and Survey

In order to obtain a more accurate picture of the current residential aged care workforce and to provide a better basis to assist industry with workforce planning, the Australian Government, in partnership with the Aged Care Workforce Committee, commissioned a national census and survey of the residential aged care workforce. The results of the study, which was undertaken by the National Institute of Labour Studies at the Flinders University of South Australia, are contained in the report *The Care of Older Australians: A Picture of the Residential Aged Care Workforce*.

The report found that aged care nurses and personal carers are well qualified, motivated and committed to providing quality care to aged care residents. Some of its specific major findings were as follows:

- In 2003, there were 116,000 direct-care employees in residential aged care: 25,000 registered nurses; 15,000 enrolled nurses; 67,000 personal carers; 9,000 allied health workers (eg diversional therapists, physiotherapists).
- The overall vacancy rate (proportion of positions unfilled) and the vacancy rate for each major occupation was not high, but that there was some difficulty in recruiting nurses. There is an acknowledged shortage of nurses worldwide. Registered nurses were also found to be significantly older than other aged care workers.
- Only a small fraction of shifts are worked by commercial agency staff suggesting temporary staff are used to cover the usual fluctuations in the workplace, rather than to cover for an inability to recruit regular staff.
- The training required to become a personal carer is concise and readily available. The researchers believed it was therefore likely that the supply of workers for these jobs would be quite responsive to modest changes in the relative attractiveness of pay and conditions.
- Most staff reported being content with their jobs and strongly motivated by the intrinsic satisfaction of providing good care to the elderly. Nurses were less content with their jobs in aged care than were personal carers and allied health workers.
- Where staff were not content with the hours they worked, they were likely to want more rather than fewer hours.
- Three quarters of the workforce expect to remain employed in aged care for at least the next three years.
- The workforce is well qualified. Only 12 per cent have no post-school qualification and 29 per cent have more than one such qualification. They have a high level of confidence in their skills and believe they use these skills effectively in doing their job.

The Census and Survey confirms that the overall shortage of registered nurses is affecting the aged care workforce. The report noted that about 12 per cent of personal carers who left their aged care jobs did so to undertake nursing training. This group may be important in replacing older registered nurses in the future. Furthermore, the workforce as a whole would like to work more hours than they actually do, indicating greater capacity within the existing workforce.

Factors Affecting Recruitment and Retention

Research

In September 2000, on the advice of the Aged Care Workforce Committee, the Australian Government commissioned La Trobe University to research the issues relating to the recruitment and retention of nurses in residential aged care:

- the key reasons for nursing attrition in the residential aged care sector;
- factors that would encourage qualified nurses to return to aged care;
- strategies the aged care sector could implement to attract nurses to aged care; and
- the provision of re-entry courses specific to residential aged care nursing.

The report of this research, *The Recruitment and Retention of Nurses in Residential Aged Care*, was published in 2002. It identified several solutions to improve the recruitment and retention of nurses in the aged care sector. Several of the recommendations from the report require action by the aged care sector and other stakeholders. For example, the negative image of aged care and of older people is consistently identified as a barrier to recruitment and retention of aged care staff – this is an issue for the whole community. Some recommendations, such as employer groups and industrial organisations developing strategies to move towards pay parity, are not within the jurisdiction of the Australian Government and are matters for the sector to pursue.

The Australian Government responded to the recommendations in a companion report, *The Recruitment and Retention of Nurses in Residential Aged Care – Commonwealth Response*. A number of the workforce initiatives referred to below, especially those concerning training and re-entry programs, reflect the Government's response to the La Trobe University recommendations.

Also on the advice of the Aged Care Workforce Committee, the Department commissioned Price Waterhouse Coopers to research the factors that influence the level of job satisfaction for nurses in aged care. The report of this research, *Quality of Working Life for Nurses – Report on Qualitative Research*, included practical, workplace-based interventions to improve the quality of working life for aged care nurses, such as leadership development programs, more flexible working arrangements, mentoring programs and formal protocols for measuring performance and feedback.

Status in the community was shown to be a contributing factor to job dissatisfaction. This was similar to a finding of the La Trobe University study, and underscores the importance of the community working together to improve the image of ageing and aged care.

Nurse Practitioners in Aged Care

Recognising the importance of professional development and career paths for registered nurses in aged care, the Australian Government with the Aged Care Workforce Committee is investigating opportunities to support trials for nurse practitioners within the aged care sector.

A funding agreement for the commencement of an *Aged Care Nurse Practitioner Trial* has recently been signed with ACT Health. The trial will be conducted over a 12-month period and cover residential, community and acute care settings.

Nurse Re-entry Programs

The Australian Government is funding several aged care specific nurse re-entry program pilots. The aim of the programs is to prepare former nurses for employment in the aged care sector, by offering them aged care nursing courses to encourage them to return to practice in rural and regional aged care services.

Pilot programs are being conducted by the College of Nursing (incorporating the College of Nursing New South Wales), La Trobe University, Central Queensland University and Southern Cross Care (Tasmania). The pilot programs will provide opportunities for up to 340 former nurses in rural and regional areas to re-enter nursing, in aged care.

Rewarding Best Practice

Aged care homes can do much to improve their recruitment and their retention of skilled staff, through attention to their human resource and occupational health practices. Good practice in these areas has been encouraged and rewarded through the Minister's Awards for Excellence in the Aged Care Industry and the Better Health and Safety Awards. Organisations that have been recipients of these awards over the last few years provide examples of good practice to the industry, and have reported benefits such as lower workers' compensation rates, very little staff turnover and improved resident satisfaction. Some examples of such initiatives include:

- a facility that offers two days paid pre-employment orientation in aged care for prospective personal care staff and ongoing paid education and professional opportunities for all staff employed in the facility. Training is offered at different places and times, to suit shifts within 24 hour periods seven days a week. New and existing workers are encouraged to embark on a career pathway which will give them nationally recognised qualifications as well as career opportunities;

- a system that has integrated occupational health and safety and quality into a Quality and Risk Management Program that has five key result areas: leadership and management, continuum of care, human resource management, information management and safe practice and environment. Each key result identifies both clinical and non-clinical risk as well as legislative requirements. Best Practice Teams have been established for each area and these teams are responsible for developing and monitoring the action plan for their key result area; and

- the sponsorship of an honours scholarship in nursing by a home to encourage gerontological nursing research which brings fresh ideas and innovation back into the home.

The appropriateness of training curricula

Most Australian undergraduate nursing curricula concentrate on primary health care and acute hospital services, with insufficient emphasis on care of the aged. The Australian Government funded the Aged Care Undergraduate Nursing Principles Project, which was conducted by the School of Nursing at the Queensland University of Technology.

The resulting *Aged Care Core Component in Undergraduate Nursing Principles Paper* outlines the:

- core values underpinning the learning and teaching of aged care;
- desirable learning outcomes;
- principles for the learning and teaching of aged care;
- benchmarks for inclusion of aged care content;
- appropriate materials/resources to support the Principles; and
- strategies to facilitate the implementation of the Principles.

Among other things, the project found that one of the impediments to the promotion of gerontological nursing was the difficulty in obtaining quality clinical placements in aged care with positive learning environments.

Some of the new nursing places, referred to in the following section, are conditional on schools of nursing adopting the aged care core component.

Direct training support

New undergraduate places

On 9 July 2004, the Minister for Education, Science and Training, The Hon Dr Brendan Nelson MP, announced up to 25,000 new higher education places to 2008. This includes a commitment for new nursing places that will grow to more than 4,500 new places by 2008. This announcement built on the higher education reforms contained in *Our Universities: Backing Australia's Future*, where nursing was identified as a priority area.

Australian Government Aged Care Nursing Scholarship and Support Schemes

In the 2002-03 Budget, the Australian Government provided $26.3 million over four years to support and encourage more people to enter and re-enter aged care nursing, particularly in rural and regional areas, of which approximately $7 million is for the More Aged Care Nurses Scholarship Scheme. Under the latter initiative, up to 1,000 aged care nursing scholarships, valued at up to $10,000 a year, are being provided. More than 900 have already been awarded for undergraduate study, continuing professional development, honours courses and re-entry programs.

Recognising the findings of the *Aged Care Core Component in Undergraduate Nursing Principles Paper* referred to above and other studies, funding has been provided to the University of Tasmania (School of Nursing) and the Royal College of Nursing Australia to provide a trial of support projects for the Australian Government's aged care nursing scholarship scheme. These will assist recipients' access to quality clinical placements in the aged care sector during their training.

The University of Tasmania pilot project, 'Building Connections in Aged Care', is being conducted over three stages, until May 2005, and involves six industry partner residential aged care homes in three regions of Tasmania.

The first two stages involve 40 second-year nursing students participating in a three-week clinical practicum across two academic semesters, and 30 registered and enrolled nurses, employed in the residential aged care homes, working as preceptors with the students.

The industry partners and the Tasmanian School of Nursing will fund the third stage of the project. In the third stage, the registered and enrolled nurses involved in the first two stages will continue to meet in groups in the three regions of the state, and focus on progressing professional development and research opportunities in residential aged care homes – exploring the possibilities to develop the homes as key sites for teaching and research in aged care.

The project has found there are clear benefits for the students and for the preceptors also. A comment by a student illustrates again the significant role of image in aged care: "before working in aged care, I expected the aged care environment to be depressive and negative. By the third week of my placement, I looked upon aged care as more positive" (p63 *Building Connections in Aged Care, Report of Stage One*).

Aged Care Workers Training Initiatives

In the 2002-03 Budget the Government announced that it would provide $21.2 million over four years to ensure that care staff employed in smaller and less viable aged care homes were provided with appropriate training opportunities. This program is already benefiting more than 400 homes and 4,400 care workers through 38 education and training programs, including Certificate III and IV in Aged Care; Certificate IV in Workplace Training and Assessment; Diploma of Enrolled Nursing; and Dementia Care competency.

In the 2004-05 Budget, a further $101.4 million was allocated over four years to assist the aged care sector workforce. Initiatives included in this package, *Better Skills for Better Care*, will:

- assist up to 15,750 aged care workers to access recognised education and training opportunities such as Certificate Level III or IV in aged care, or Enrolled Nurse qualifications;
- assist up to 5,250 enrolled nurses to access recognised and approved medication administration education and training programs;
- assist up to 8,000 aged care workers to access the Workplace English Language and Literacy program (WELL); and
- allow more than 1,700 students to commence nursing studies over the next four years.

Providing Adequate Funding to Aged Care Providers

In the 2002-03 Budget, the Australian Government increased residential aged care subsidies by $211 million over four years, pending the outcome of the *Review of Pricing Arrangements in Residential Aged Care*. An important aim of this funding was to assist employers of aged care workers with the recruitment and retention of quality staff by offering increases in wages and improved working conditions.

In the 2004-05 Budget and in response to the Review, the Australian Government has made available additional funding of $877.8 million over four years for a conditional adjustment payment. This will assist aged care providers to continue to provide high quality care for older people, including assisting in paying more competitive wages to nurses and other staff. In order to qualify for the conditional adjustment payment, aged care providers will be required to encourage staff to undertake training, publish audited financial statements and participate in periodic workforce surveys.

National Aged Care Workforce Strategy

A *National Aged Care Workforce Strategy* is currently under development. It aims to identify the profile of the aged care workforce and identify the sector's needs till 2010, thereby assisting the industry and training providers with workforce planning.

The *Review of Pricing Arrangements in Residential Aged Care* conducted by Professor Warren Hogan examined in detail many aspects of the aged care workforce, including labour costs, on-costs and efficiencies. The report found that labour costs and associated on-costs on average comprise approximately two-thirds of the total expenses of approved providers. There were variations between providers by type and location, but expenditure on staff was always the single greatest expense in aged care.

It is therefore essential that the investment in aged care staff is well-managed and sustainable. The Workforce Strategy will design a framework for a sustainable and viable aged care sector, with the Census and Survey information setting a baseline from which future plans can be developed. As detailed on page 20 of this submission, the Census and Survey suggested that the aged care labour market was not currently under serious stress.

Extensive consultation with the aged care sector has been conducted in the drafting of the Workforce Strategy, to ensure its relevance and practicality. The Strategy, under the sponsorship of the Aged Care Workforce Committee, is to be finalised and released later this year and will provide direction for the aged care sector in planning and implementing future workforce programs.

Conclusion

The Australian Government has recognised the workforce issues in aged care and has implemented strategic approach in meeting the challenges.

The role of government is not confined to the federal sphere: state and territory governments, and local governments, all have critical roles, in policy and service delivery. A nationally consistent scope of practice for enrolled nurses, for example, depends on state and territory legislation.

Our whole community also has an important role to play, particularly in valuing older people and the people who care for them: the image of aged care continues to represent a major obstacle to recruitment and retention in the aged care workforce.

The Australian Government has demonstrated its commitment to the aged care workforce through significant budget investments in training and education for aged care workers, policy and research initiatives and trialing innovative programs in partnership with the aged care sector. The National Aged Care Workforce Census and Survey provided, for the first time, a baseline against which the numbers and composition of the aged care workforce can be monitored, and the National Aged Care Workforce Strategy, to be released later this year, will provide a comprehensive framework to guide the aged care sector and governments in ensuring a viable and sustainable aged care workforce for the future.

Term of Reference (b) - The performance and effectiveness of the Aged Care Standards and Accreditation Agency in:

i) assessing and monitoring care, health and safety;

ii) identifying best practice and providing information, education and training to aged care facilities; and

iii) implementing and monitoring accreditation in a manner which reduces the administrative and paperwork demands on staff.

Introduction

Prior to 1997, the Department monitored residential aged care services for compliance against a number of outcome standards. A series of objective indicators were employed. The Department adopted a targeted visit approach to the selection of services for outcome standards monitoring, giving services 24 hours notice of a visit. National targets for outcome standards monitoring visits were set at one visit every 18 months for nursing homes and one visit every two years for hostels.

Accreditation as a quality assurance process and measure for Australian Government-funded aged care homes was introduced with the *Aged Care Act 1997*, following extensive industry and consumer consultation.

The Accreditation Standards, made under the *Quality of Care Principles 1997*, specify the 'expected outcomes' to be met by residential aged care services, and were written with input from aged care industry and consumer representatives. The Standards specify the results that are to be achieved for residents but they do not prescribe the inputs. This enables each aged care home to provide care and services in a manner appropriate to their unique circumstances, in a way that meets the changing needs and preferences of their residents.

The Aged Care Standards and Accreditation Agency Ltd ('the Agency') was appointed the 'accreditation body' by the Secretary to the Department of Health and Ageing, under Part 5.4 of the Aged Care Act, in 1997. Under the Aged Care Act, the Minister may make Principles in accordance with subsection 96-1(1). The *Accreditation Grant Principles 1999* (AGPs) specify the functions of the Agency and the procedures it is to follow in carrying out those functions. The structure and board membership of the Agency is included at Appendix A.

The legislated framework and corporate structure under which the Agency operates ensure its accountability to stakeholders, the Parliament, the Minister, the Department of Health and Ageing, and the public in general.

In the recent (April 2004) *Review of Pricing Arrangements in Residential Aged Care*, Professor Warren Hogan reported that: "submissions and evidence presented at consultations indicate broad support for accreditation. There is general acknowledgement that standards of care and accommodation across the industry have been improved substantially by accreditation".

The following outlines the provisions put in place by the Australian Government to ensure the Agency performs its functions effectively and in accordance with aged care legislation.

Corporate Structure and Governance

The Agency is an independent company, which is limited by guarantee and wholly-owned by the Australian Government. It was established under Corporations Law and the C*ommonwealth Authorities and Companies Act 1997*. The sole member of the Company is the Australian Government, represented by the Minister for Ageing. It is the 'accreditation body' for the purposes of the *Aged Care Act 1997*. *Aged Care Act 1997*

A Board of Directors, appointed by the Minister for Ageing, sets the strategic direction for the Company and oversees its operations. A Chief Executive Officer, accountable to the Board, is responsible for the day-to-day management of the Company in accordance with the Company's legal obligations and Board's direction.

The Board of the Agency currently comprises 10 directors, with a breadth of legal, financial, management and aged care expertise.

The functions of the Agency under its Company Constitution are the same as those specified in the aged care legislation (see below).

As a Corporations Law company, the Agency has legal and reporting obligations to the Australian Securities and Investments Commission. As a Commonwealth Authorities and Companies Act company, it has legal and reporting obligations to the Australian Government, Ministers and Parliament. As the accreditation body under the *Aged Care Act 1997*, it is subject to aged care legislation, and a Deed of Funding Agreement (contract) with the Department of Health and Ageing.

The terms of the Funding Agreement require the Agency to report against specified performance indicators. The Agency publicly reports its performance against these indicators in its annual report. The performance indicators are:

- Percentage of homes with compliance in all 44 expected outcomes
  - assessment for accreditation
  - monitoring levels
  - timeliness
  - adequate Agency staffing.

- Promotion of high quality care
  - provision of sector and consumer education through seminars, publications, development of accredited training courses, inclusion of an education component in support visits, and provision of relevant education and training identified by the Agency or the Department through analysis of trends in compliance against specific accreditation outcomes.

- Effective decision-making and reporting
  - timeliness and appropriateness
  - consistency
  - quality
  - Approved Provider and public access to reports.

- Assessing and strategically managing services working towards accreditation
  - timeliness and quality of support, information and education to Approved Providers and aged care homes.

- Liaison with the Department
  - timeliness of response to referrals
  - notifying significant non-compliance including serious risk
  - timeliness and quality of reports to the Australian Government including regular data exchange with the Department.

- Meeting corporate requirements
  - meet all legislative and corporate publishing and information provision requirements.

- Effective complaints handling process
  - professional code of conduct
  - effective formal process to manage complaints
  - timeliness and appropriateness of response to complaints.

In addition, the Funding Agreement requires the Agency to undergo an independent quality audit, and to report to the Department annually on progress against the recommendations made by the Australian National Audit Office in its report *Managing Residential Aged Care* (Audit Report No. 42, 2002-2003).

The Agency is also currently undergoing the certification of its quality management systems against the International Organization of Standardization's ISO 9001:2000 standard.

Aged Care Legislation

The main functions of the Agency are specified in the *Accreditation Grant Principles 1999* (AGPs). These are:

1. managing the accreditation process using the Accreditation Standards;
2. promoting high quality care, and helping industry to improve service quality, by identifying best practices and providing information, education and training to industry;
3. assessing and strategically managing homes working towards accreditation; and
4. liaising with the Department about homes that do not comply with the Accreditation Standards.

The AGPs set out the procedures to be followed and the matters to be taken into account by the Agency for accreditation, the Agency's responsibilities for homes that have been accredited, and the conditions to which the accreditation grant is subject.

There are maximum timeframes specified in the AGPs in which the Agency must complete certain processes, for example, providing a home with a written statement of major findings at the conclusion of a site audit. Importantly, decisions that affect a home's accreditation status are subject to legislated reconsideration and review processes. For example, a decision about a period of accreditation may be appealed to the Agency and, if the approved provider is not satisfied with the result, they may appeal the reconsidered decision to the Administrative Appeals Tribunal.

Provisions in the AGPs ensure transparency of process and accountability. For example:

- Only registered quality assessors may carry out accreditation audits. Part 8 requires the Agency to appoint a registrar to register quality assessors (the Agency has appointed the Quality Society of Australasia) and specifies the requirements for a person to become a registered quality assessor. All assessors are required to successfully complete an audit methodology training seminar prior to carrying out accreditation site audits. Training courses are aligned with the National Quality Training Framework.
- Approved providers may nominate a quality assessor to be a member of the audit team for their accreditation audit.
- Assessment teams must give the approved provider/aged care home a 'statement of major findings' at the conclusion of a site audit, and the provider has the opportunity to provide comments on this *before* the Agency makes its accreditation decision.
- Opportunities for reconsideration (internal review of a decision by the Agency) and review (external review by the Administrative Appeals Tribunal) are available for all major decisions, for example, period of accreditation.
- Decisions are published and reports are made publicly available.

In its report *Managing Residential Aged Care Accreditation* the Australian National Audit Office found that the Agency had adequately identified its legislative responsibilities for accreditation and had implemented a process to meet them.

Public Accountability

Annual report

The Agency is required to prepare an annual report for tabling in the Parliament, and to submit an annual report to the Australian Securities and Investments Commission. It prepares a single document that meets the criteria of both bodies, and publishes this report on its website. The annual report includes audited financial statements, information about directors, details on monitoring and accreditation activities, staff numbers, customer feedback data and performance against the performance indicators referred to earlier.

Australian National Audit Office

Under its powers under the *Auditor-General Act 1997*, the Australian National Audit Office may undertake performance audits of the Agency, which it did during 2002-2003. The report, *Managing Residential Aged Care Accreditation*, found that the Agency played a vital role in aged care, had successfully assessed all aged care homes by 1 January 2001 as required by the Aged Care Act, and had implemented processes to accredit and support services. The Audit Office concluded that the Agency had adequately identified its legislative responsibilities and had implemented an adequate process to meet them. It made six recommendations in its report, all of which the Agency agreed to, and has either completed or made significant progress towards completing. The Agency will report on progress on these recommendations in its annual report.

Parliament

As an Australian Government owned company, the Agency is required to attend and answer questions at the Senate Community Affairs Estimates hearings, and questions about the Agency's performance may be asked of the relevant Minister in Parliament.

In August 2003, the Joint Committee of Public Accounts and Audit (JCPAA) held a public hearing to examine the Audit Report on accreditation. In its report 398, the JCPAA noted that 'many of the earlier problems associated with maintaining accreditation standards deriving from the peaking of the Agency's workload… are now being resolved… The Committee is satisfied that an acceptable level of consistency was achieved during the second cycle of accreditation which is now complete'. The JCPAA made one recommendation, that the Agency broaden the focus of quality assessment data to include quality of life information.

Recommendation 5 from the ANAO Report was that the Agency and the Department of Health and Ageing 'plan an evaluation of the impact of accreditation on the quality of care in the residential care industry'.

In March 2004, a tender was nationally advertised for the evaluation of the impact of accreditation on the delivery of quality of care *and* quality of life to residents in aged care. The evaluation will also seek to identify performance measures and suitable benchmarks, including quality of life measures. The tender closed on 17 May 2004, and an evaluation team is being assembled to examine the proposals and recommend a preferred tender. The project should be completed during 2005-2006, and will meet the requirements of both recommendation 5 of the Audit Report and the JCPAA's recommendation in report 398.

Published decisions

Decisions about accreditation and reports on compliance with the Accreditation Standards are published by the Agency on its website www.accreditation.aust.com. The Department of Health and Ageing publishes information about aged care homes that have had sanctions imposed. With the information easily and publicly available, the decisions of both the Agency and Department are subject to public scrutiny, evidenced by the high level of media interest in aged care issues.

Other measures

The Agency's corporate plan and service charter (both published on the Agency's website) include commitments and measures against which the Agency will report. Measures in the corporate plan include feedback from aged care service providers, residents and families; achievement of accreditation by the Agency; and financial performance.

Since it commenced operations, the Agency has collected feedback data from aged care homes to analyse its performance and inform the development of improvements. The Agency seeks feedback on all major activities, from accreditation to education. The Agency has also established regular national and state consultation with the aged care sector, via its Agency Liaison Groups.

At the conclusion of the first round of accreditation, an extensive consultation program was initiated by the then Minister for Aged Care. This resulted in the *Report on the Lessons Learned from Accreditation* of the Working Group of the National Aged Care Forum. A review of the second round has been commissioned by the Agency. Feedback reports indicate consistently high levels of satisfaction with Agency activities.

Department and Agency Relationship

The Australian Government is the principal source of funding and the primary regulator of residential aged care in Australia. The regulation of the aged care sector encompasses most aspects of a home's operation, from its management (approval of approved providers), to provision of care and services (meeting the accreditation requirement and other obligations under the Aged Care Act), to approval of aged care recipients and residential care subsidy.

The Department of Health and Ageing is responsible for the administration of the Aged Care Act and funds aged care programs, including providing accreditation grants to the Agency to subsidise the accreditation, monitoring and education activities provided under the AGPs.

The monitoring of aged care homes for compliance with their obligations under the Aged Care Act is a responsibility of both the Department and the Agency. The Department's regulatory role is concerned with approved providers' compliance with their responsibilities under Parts 4.1, 4.2 and 4.3 of the Aged Care Act, and is governed by the Aged Care Act and Aged Care Principles.

The Agency's regulatory role is focused on homes' compliance with the Accreditation Standards, and its functions are governed mainly by the AGPs and *Accountability Principles 1998*. Many of the functions under the AGPs have a link with functions of the Department, particularly in relation to dealing with non-compliance.

The Agency informs the Department about the accreditation status of homes to enable the Department to determine whether or not a home is entitled to residential care subsidy. The Agency also provides data about the performance of aged care homes to assist the Department in the development of policy and preparation of reports.

The roles of the Agency and Department are clearly defined so that there is no duplication of effort and protocols between the Department and Agency further refine compliance monitoring processes to minimise the impact on aged care homes.

Demands of Accreditation on Aged Care Homes

Accreditation is not a complex or expensive process, and is not intended to be an administrative burden for service providers. Quality homes that are already accredited and continue to meet the needs of their residents will have documented procedures in place to meet accreditation requirements.

Residents' care needs are recorded in a comprehensive care plan that represents the day to day basis for individualised care. Appropriate documentation ensures that aged care homes are able to meet their professional and quality of care requirements and comply with

legislative provisions and common law in any State or Territory. This documentation need not be excessive.

The Australian Government subsidises the accreditation process to ensure that no undue burden is placed on the industry. All aged care homes benefit from Australian Government subsidies, and no home pays the full cost of accreditation. The fee structure for accreditation was carefully developed to take into account the diversity of the industry, including the very different operating constraints that impact on smaller, and rural and remote aged care homes. The resultant fees compare favourably with commercial accreditation arrangements in similar industries.

The Australian Government provides a 100% accreditation fee subsidy for services with fewer than 20 places. This means that services with between 1 and 19 places are not required to pay any fees for accreditation. Additionally, services with between 20 and 25 places receive a tapered subsidy. These measures are particularly beneficial to homes in regional and rural Australia. In addition, no service pays an accreditation fee greater than $12,801, regardless of the size of the home.

Agency Activity

Complexity of Residential Aged Care

Residential aged care is an evolving industry that has grown increasingly complex over time. As a result, since the introduction of accreditation of residential aged care, the volume and complexity of accreditation and monitoring of homes has also steadily grown.

The average time it takes to accredit each home has increased. There has been a 23 per cent increase in the number of homes with 80 beds or more, while the number of homes with less than 20 beds had decreased by over 12 per cent. At the same time, the number of residential aged care places has increased by 5 per cent.

In addition, the time taken to review and evaluate residents' care plans and other documentation has increased due to the steady growth across all homes in the number of residents with high care needs. Since June 1999 the numbers of high care residents has grown from 77,511 to 88,917 reflecting an increase of about 15 per cent. Over the same period, the numbers of low care residents has decreased from 54,564 to 52,868 indicating a decrease of about 3 per cent.

Further, the dependence and complexity of needs is exacerbated by a growing proportion of residents with challenging behavioural characteristics, where this may pose a risk to themselves or others. The number of residents who may present a danger to themselves or others has increased from about 43,000 in June 2000 to about 51,000 in June 2003, representing an increase of about 18 per cent in three years.

Accreditation and Monitoring

The effectiveness of the Agency in dealing with the increasingly complex aged care industry may be measured by the fact that over 90 per cent of homes are accredited for three years.

To ensure that the Agency continues to be effective in its role, it must maintain a comprehensive regime of monitoring and assessment. For example, in 2002-03 it undertook the following visits to aged care homes:

- 1965 site audits;
- 68 review audits;
- 1519 support contacts; and
- 242 spot checks.

Education and Information

An important element of the Agency's role is the promotion of high quality care and assistance to industry to improve service quality by identifying best practice, and providing information, education and training. The aged care industry is diverse, with a wide geographic spread and hence not all aged care homes have the same level of access to education and learning opportunities. The Agency is uniquely placed to provide education and information services to the aged care sector.

The Agency provides education services to the aged care sector through a range of strategies including its website (which features three self-directed learning packages, on self-assessment; continuous improvement; and data and measurement, among other things), publications (including a quarterly newsletter), support contacts, seminars and events.

Agency Website

The Agency website has a range of information that homes can access to increase their understanding of the accreditation process, for example, Accreditation Guide, Review Audits, Support Contacts, Frequently Asked Questions, Application for Accreditation etc.

Consumer and Industry Seminars

The Agency has conducted seminars for residents and their relative about how they can participate in the accreditation process.

The Agency is also holding a series of six Better Practice Seminars focused on the aged care sector's ability to participate, innovate and celebrate its successes and abilities.

Seminar participants are invited to hear of the experiences of award-winning homes, how homes have overcome adversities and learn ways to develop strategies to achieve better practices within their own workplaces.

The seminars allow the Agency to focus the sector on ways of working towards achieving continuous improvement, one of the foundations of the Accreditation system

Conclusion

The corporate structure and aged care legislation that govern the Agency's operations ensure high levels of public accountability against the Agency's legislative requirements, and the reporting requirements under the Funding Agreement with the Department provides for the assessment of Agency activities against a broad range of performance indicators. In addition,

measures adopted by the Agency itself improve its responsive to the feedback of stakeholders.

The success of these measures in ensuring that the Agency is performing successfully in the assessment and monitoring of care, health and safety, is demonstrated through a number of independent reports. These include the ANAO's *Manageing Residential Aged Care*, the *Final Report of the Review of Pricing Arrangements in Residential Aged Care*, and the *Audit Report* of the JCPAA.

The above summary has provided examples of how the Agency is assisting the industry by providing information and training to aged care homes. It has also noted that the accreditation process should not be onerous, and the documentation not excessive, for homes that have previously been accredited and that have in place the documentation required to continue to meet the needs of their residents.

It has also noted that a process is underway, as recommended by the ANAO, to formally evaluate the impact of accreditation on the delivery of quality care and quality of life to residents of aged care homes.

Term of Reference (c) - The appropriateness of young people with disabilities being accommodated in residential aged care facilities and the extent to which residents with special needs, such as dementia, mental illness or specific conditions are met under current funding arrangements

Younger people with disabilities

Under the Commonwealth State/Territory Disability Agreement (CSTDA) the States and Territories have responsibility for the planning, policy setting and management of specialist disability services except for employment services which are the responsibility of the Australian Government. Specialist disability services for which the States and Territories have responsibility include accommodation support.

The Australian Government's Department of Family and Community Services (FaCS) manages the CSTDA for the Australian Government. The Australian Government (through FaCS) has allocated nearly $5 billion for the third CSTDA (2002-07). Of the $5 billion allocated under the third CSTDA, $2.8 billion will go to the States and Territories to assist them with their responsibilities.

However, the provision of accommodation support by States and Territories for younger people with disabilities appears to fall short of demand for these services. In such situations, residential aged care sometimes becomes an "option of last resort" on compassionate grounds. The guidelines for Aged Care Assessment Teams indicate that younger people with disabilities may be assessed and approved as eligible for residential aged care if they need the intensity, type and model of care provided in such facilities and no other more appropriate services are available.

The Department of Health and Ageing holds the view that it is inappropriate for younger people with a disability to be placed into residential aged care, and that they should be supported for as long as possible in the community until they need support in specialist disability accommodation.

As at May 2004, there were 6,233 people under the age of 65 in residential aged care. Of these, 1,017 were under the age of 50. The Department of Health and Ageing does not collect data on the disability types of younger people with disabilities in residential aged care. As such, it cannot be assumed that all people under 65 in residential aged care are younger people with disabilities, however it is more likely that people of younger age groups in residential aged care are there because of a disability. The planning guidelines recognise the particular needs of Indigenous older people and refer to the age of 50 and over.

The overall picture of residents under the age of 65 years in aged care homes is complex. The number of residents under 65 years of age has increased over the last 5 years, from 5,921 in 1999 to 6,233 in 2004. However, when expressed as a percentage of the total resident population, there has been a slight decrease for this group across this period from 4.48 to 4.31 percent. The number of residents in the under 50 years of age has decreased slightly

over the same period, from 1,193 to 1,017, and has also decreased as a percentage of the under 65 year age group (from 20.15 to 16.32 percent) and as a percentage of the total resident population (from 0.9 to 0.7 percent).

The Australian Government has developed a number of initiatives to address the issue of younger people in residential aged care. Under the CSTDA, the Australian Government has entered into bilateral agreements with each State and Territory Government to address areas of mutual concern in relation to people with a disability. Jurisdictions have agreed to work cooperatively to address the issue of younger people in residential aged care. Work plans developed under these agreements aim to address both accommodation options and access to services for younger people in residential aged care.

In 2002-03 under the Aged Care Innovative Pool, the Australian Government, through the Health and Ageing portfolio, offered flexible aged care places to the States and Territories and other aged care providers, for time limited pilots to trial new models of service delivery at the disability services/aged care interface. Two specific categories for people with a disability were targeted, the first being for people with disabilities who are ageing and the second for younger people with disabilities in residential aged care who would be more appropriately placed in disability-funded accommodation.

Six projects have been approved in the first category for 2002-03 and a further three for 2003-04. These projects are all providing additional aged care services for people with disabilities who are ageing in disability supported accommodation settings.

No applications were received from the States and Territories in 2002-03 in relation to the second category, that is for younger people with disabilities in residential aged care who would be more appropriately placed in disability funded accommodation. The then Minister for Ageing, the Hon Kevin Andrews, again encouraged State and Territory Governments to consider proposals to address the needs of younger people with disabilities in residential aged care in 2003-04. One pilot has since been approved (to be run by the MS Society in Victoria in Carnegie and involving three places). Early discussions have also taken place around proposals in the ACT, SA and Victoria.

The MS Society in Victoria (MSV) has received Ministerial approval for an Innovative Pool proposal with two elements, one to provide additional services for people with disabilities living in disability-supported accommodation who have increasing age-related need (MSV Changing Needs Pilot – 16 places funded over two years at a total cost to the Australian Government of $704,538), and one to assist in the transition of younger people with disabilities from aged care homes to more appropriate accommodation (MSV Carnegie – three places funded over two years at a total cost to the Australian Government of $124,632.90). The Minister for Ageing, the Hon Julie Bishop, announced the approval of these pilots at the site of the MSV Carnegie pilot on 28 May 2004.

While the Department of Health and Ageing is seeking to address the issue of younger people with disabilities inappropriately placed in residential aged care in a limited way through the Aged Care Innovative Pool, the main structural vehicle for change is the CSTDA. Since the CSTDA is managed by the Department of Family and Community Services, officers from the Department of Health and Ageing are working with their colleagues in the Department of Family Services via the Aged Care – Disability Joint Policy Forum, which aims to improve

the co-ordination of policy issues around the aged care – disability interface, on this important issue.

People with dementia

Australian Government programs that support people with dementia and their carers, funded through the Department of Health and Ageing, currently attract funding of over $2.6 billion annually. These include:

- almost $2.3 billion in 2004-05 for residential aged care for people affected by dementia out of a total budget for residential aged care of $5.1 billion;

- over $158 million annually in 2004-05 for Home and Community Care Services for people affected by dementia out of a total Australian Government contribution of $791.9 million;

- around $56.7 million in 2003-04 for Community Aged Care Packages for people affected by dementia out of a total allocation of $307.9 million;

- almost $43 million in 2003-04 for a range of targeted dementia services;

- almost $10 million in 2003-04 for Extended Aged Care at Home packages for people affected by dementia out of a total allocation of $31.8 million;

- an allocation of over $6.4 million through the National Health and Medical Research Council (NHMRC) in 2004 for dementia specific research; and

- additional NHMRC funding for other neurological research projects, which may have the potential to benefit those suffering from a range of conditions including dementia. (In 2003, NHMRC provided approximately $28 million for such funding, of which $6.1 million was for dementia specific research projects.)

The Resident Classification Scale (RCS) is used to determine the level of Australian Government subsidy that applies to each resident of a Government funded aged care home. A significant component of the current Resident Classification Scale focuses on the additional effort needed to assist people who have problems of cognition or who need additional care around the management of problem behaviours. This is highlighted by an increase in the amount of funding provided for people with dementia in residential care, from an estimated $1.1 billion in 1995-96 to an estimated $2.3 billion in 2004-05.

In addition, the Government's $2.2 billion *Investing in Australia's Aged Care: More Places Better Care* package announced in the Budget will create special supplements in 2006 to support high quality care for aged care residents with dementia exhibiting challenging behaviours and residents requiring complex palliative nursing care.

Additional funding is also provided for programs for carers, innovative care, assessment, hospitals, workforce, palliative care and GP initiatives that directly benefit people with dementia and their families.

Older people with a mental illness

The National Mental Health Plan was endorsed by the Australian Minister's Advisory Council on 29 May 2003 and by all Australian Health Ministers on 31 July 2003. The Plan represents the consensus position of the Australian and State and Territory Governments and is reflective of the issues and concerns raised by stakeholders.

In addition, the Plan responds to concerns raised by a wide range of stakeholders through the national consultation processes underpinning the evaluation of the Second National Mental Health Plan.

Four priority areas identified in the Plan are:

- Promoting mental health and preventing mental health problems and mental illness;
- Improving service responsiveness;
- Strengthening quality;
- Fostering research, innovation and sustainability.

The Plan also calls for improved cooperation between the mental health and aged care sectors to ensure that Australians experiencing a mental disorder receive the best possible care. The delivery of mental health services, however, is constitutionally the responsibility of individual State and Territory Governments.

The Australian Health Care Agreements for 2003-2008, agreed by all State Premiers and Territory Chief Ministers, includes 17% real increase in funding over the life of the Agreements. Mental health funds are a component of this funding.

More than $330 million of the funds provided to States and Territories is to facilitate mental health reform activities.

In addition, the Australian Government has made a very significant investment in primary mental health care committing additional funding of $120.4 million over 4 years (2001-2005) under the Better Outcomes in Mental Health Care Initiative to support general practitioners so they can give greater time and focus to helping people with mental health needs.

Between 1995-96 and 2001-02, the Australian Government’s own expenditure on mental health care increased by 47% in real terms, from $774 million to $1,142 million.

Conclusion

The Department does not consider that it is appropriate for younger people with a disability to be placed in residential aged care. This is essentially an option of last resort, which becomes necessary where insufficient State and Territory supported accommodation is available. However, the Australian Government has responded to the needs of this group through a range of initiatives, including the bilateral agreements under the CSTDA and a number of Aged Care Innovative Pool Pilots.

With regards to other groups with special needs, the submission has noted that the Australian Government has committed considerable funding in support of people with dementia and their carers, amounting to over $2.6 billion annually.

Other specific efforts that are being made to ensure that the aged care system responds to the needs of people with special needs, are described within specific program information under the other terms of reference or in the Overview of Australian Government Funded Aged Care Programs.

Term of Reference (d) - The adequacy of Home and Community Care programs in meeting the current and projected needs of the elderly

Community Care Review

In 2002 the Australian Government initiated a review of community care programs to identify strategies that would simplify and streamline current arrangements for the administration and delivery of community care services. The focus of the review is to ensure a community care system in which it is easier for people to access the care they need and within which community care programs are well aligned and interlinked, offering an appropriate continuum of care that is of high quality, affordable and accessible.

The release of a consultation paper, *A New Strategy for Community Care*, in March 2003, marked the beginning of the Australian Government's consultation process to improve the community care system. Discussions with State and Territory governments and consumer and industry groups indicated overall support for the proposed broad directions. A National Reference Group for the Review of Community Care also endorsed the proposed approach.

Following a review and consultation process, the Australian Government released *A New Strategy for Community Care – The Way Forward*[1] in August 2004, which outlines the next steps for reshaping and improving community care. Four broad areas of action have been identified:

- addressing gaps and overlaps in service delivery;
- easier access to services;
- enhanced service management; and
- streamlining of Australian Government programs.

The Way Forward is based on the adoption of a common approach across all community care programs in key areas such as access, eligibility, common assessment, accountability and quality assurance.

The Way Forward also involves the development of a new Home and Community Care (HACC) Agreement with the State and Territory Governments, which will be underpinned by the principle of common arrangements. Because HACC is a jointly-funded program based on Agreements between the Australian and State and Territory Governments, the Australian Government works closely with the States and Territories with respect to all reform activities concerning this program.

A more consistent system will see users benefit from a simpler entry into the system, and a consistent approach to determining eligibility. Users will also receive more comprehensive and timely assessment of their care needs.

Service providers will also benefit significantly from an integrated system, with reduced paperwork and administrative burden, and more effective planning.

1. [1] *The Way Forward* will be provided as an attachment to the hardcopy version of this submission.

Funding has been allocated in the 2004-05 Federal Budget to provide for more services and to support developmental activities that are needed to implement the reform agenda.

The Australian Government will now work with the community care sector and the State and Territory Governments to develop and implement the reform initiatives, to create a stronger system capable of responding to the challenges that lie ahead.

Home and Community Care

The Australian Government established the Home and Community Care (HACC) Program through the *Home and Community Care Act 1985*, with the Program being jointly funded by the Australian and State/Territory Governments. State and Territory Governments are responsible for the day to day management of the Program.

HACC was established in response to the review of aged care strategies by the House of Representatives Standing Committee on Expenditure (1982), which criticised the balance between residential and community care and called for a major overhaul of community care programs.

The HACC Program provides a range of basic maintenance and support services for frail older people, younger people with disabilities and their carers. These services are provided to people to help prevent premature or inappropriate admission to an aged care home or institutional care and to improve quality of life at a cost considerably less than the cost of residential care. The reduction of pressure on entry to residential care is a key outcome of the HACC Program.

Community care programs are aimed at enabling frail older people and people with a disability to remain in their own homes for as long as possible and thereby maintain their independence. Of the total number of Australians aged 70 and over, 7.8 percent are in residential care, 1.5 percent receive CACPs and 15.1 percent use HACC services[2].

Following on from the 1994 and 1996 Reports from the House of Representatives Standing Committee on Community Affairs and the 1995 Efficiency and Effectiveness Review of the HACC Program, a number of reforms were introduced in the administration of the HACC Program. Revised arrangements for the delivery of the HACC Program were negotiated and encapsulated in the HACC Amending Agreements which were signed with each State and Territory Government around 1999-2000. These Amending Agreements clarified the relative roles and accountability responsibilities of the Governments and agencies involved.

In accordance with a provision in the HACC Agreement, the current Agreement is to be reviewed with all of the States and Territories through the coming year. It is intended that this review will be conducted in the context of the Australian Government's Community Care Review.

2. [2] Based on Departmental data collections.

Funding

HACC is a jointly funded program. States and Territories are required to match the Australian Government annual offer of funding.

The previous year's HACC funding for a State/Territory forms the basis of the next year's funding plus whatever growth is provided for in the Australian Government Budget. The annual growth component has been set at cost indexation plus a real growth of 6% for some years now.

The Australian Government contributes approximately 60% of Program funding and maintains a broad strategic policy role. State and Territory Governments are responsible for the day-to-day management of the HACC Program.

Table 4 below indicates the Australian Government Expenditure by States and Territories for the years 1995-96 to 2003-04. The proportion of funding allocated to each State and Territory reflects the outcome of the agreed funding equalisation strategy, which aims to equalise HACC funding per eligible person across Australia by the year 2010-11.

Table 4: Australian Government Expenditure for HACC 1995-96 to 2003-04

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	NATIONAL
	$m	$m	$m	$m	$m	$m	$m	$m	$m
1995-96	139.450	118.829	65.708	37.923	43.123	11.794	2.449	3.966	**423.242**
1996-97	143.780	126.635	73.506	41.734	45.687	12.720	2.691	4.467	**451.220**
1997-98	150.187	133.990	80.476	43.394	47.456	13.047	2.885	4.894	**476.329**
1998-99	155.862	141.226	87.705	44.751	48.960	13.322	3.070	5.304	**500.200**
1999-00	161.760	148.900	95.620	46.170	50.530	13.565	3.270	5.750	**525.565**
2000-01	174.129	157.230	104.765	50.047	54.587	14.630	3.642	6.424	**565.454**
2001-02	190.262	167.331	116.991	54.023	60.007	15.860	4.069	7.039	**615.582**
2002-03	209.522	178.703	131.375	58.556	66.289	17.303	4.559	7.779	**674.086**
2003-04	228.726	189.879	145.883	63.086	72.497	18.743	5.058	8.516	**732.388**
2004-05*	247.836	201.241	161.275	67.619	78.775	20.307	5.476	9.329	**791.900**

*The 2004-05 amounts are included in Budget Paper 3 and are indicative only. Specific amounts are to be formalised by agreement between the Australian Government Minister and each of the State and Territory Ministers.

These Australian Government funding allocations are matched by each State and Territory Government according to the agreed matching ratios, which are historically based and have been held constant for a number of years. If the States and Territories agree to match the Australian Government's funding, a total of $1.3 billion will be provided nationally in 2004-05.

Target Population

The HACC target population comprises people with moderate, severe and profound disabilities, as defined by the ABS Survey of Disability, Ageing and Carers (SDAC). Departmental projections of the HACC Target Group over coming years based on ABS population projections indicate the numbers of persons involved will increase by about 2% per year which is about twice the rate of the general population. The HACC client base continues to increase as the number of persons aged 70 and over continues to increase relative to the general Australian population.

Identified special needs groups within the HACC target population include: people from culturally and linguistically diverse backgrounds, indigenous backgrounds, people with dementia, financially disadvantaged people, and people living in remote or isolated areas.

Carers of people in the HACC target group can also receive support through the HACC Program's respite care and counselling services.

Current data shows that, in 2002-03, there were about 700,000 HACC service recipients who have the following characteristics[3]:

- 66% are female;
- 69% are aged over 70 years of age;
- 59% live in a major city (3% remote);
- 93% receive a government pension or benefit;
- 25% were born in a country other than Australia, with 8.9% speaking a language other than English at home;
- 2.5% reported to be of indigenous background;
- 73% are home owners;
- 47.5% had a carer and 44% reported living alone; and
- 17% receive four or more HACC assistance types.

Service Providers

Community and voluntary organisations, religious and charitable organisations, commercial organisations in some states, as well as State and Territory Government agencies and Local Government may provide HACC services.

Services

The range of services available includes:

- domestic assistance - help with cleaning, cooking, washing and ironing;
- personal care - bathing and dressing;
- food services - meals on wheels, centre based meals, help with shopping;
- community respite - to give carers a break or for frail older people living alone;
- transport - practical assistance with individual transport needs;

3. [3] Home and Community Care Program Minimum Data Set, 2002-03 Annual Bulletin

- home maintenance or modification - assistance to maintain a person's home, garden or yard to keep it safe; and
- home/community nursing - provided by trained nurses on a regular or one-off basis, in home or from a community centre.

Key Achievements

An assessment of the adequacy of the HACC Program in meeting the needs of the elderly can be made against several key indicators including the level of funding, outputs, reduction of pressure in residential care and other more costly care alternatives and the provision of services to special needs groups.

Funding

Australian Government funding has continued to increase at a substantial rate. Over the nine years from 1995-96 to 2004-05, the Australian Government has increased the funding available for HACC services by 87%, or approximately $369 million.

If all State and Territory Governments agree to match the Australian Government contribution, a total of $1.3 billion nationally will be provided in 2004-05.

From 1995-96 to 2003-04, Australian Government expenditure on HACC grew from $423.24 million to $732.39 million, or by 73.3 percent. This is projected to rise a further 6.12 percent (in real terms) in 2004-05, which is considerably higher that the increase in the size of the HACC target population[4] for the previous year.

The increase in funding has enabled the HACC Program to develop a comprehensive range of integrated care services and pursue a quality assurance schedule to ensure an adequate quality of service delivery.

Much progress has also been made on the agreed approach to equalise the funding allocations to States and Territories according to the number of persons that are in the HACC target group within a particular jurisdiction. This equalisation approach has also been followed by the State and Territory Governments in determining the distribution of HACC funding to its various regions. The end result is intended to be that each frail aged or younger person with a disability has approximately the same opportunity to access HACC services no matter where they may live in Australia.

Outputs - Increase in care

The number of persons receiving HACC services has increased on average by about 9% per annum since 1995-6 from 375,000 to 700,000 in 2002-03. Over the same period, the overall quantum of output hours has increased by more than 50% to a total of more than 34 million hours for those services in the HACC Program that have outputs measured in hours.

4. [4] An explanation of the HACC target population is provided under the section “Meeting Demand”.

In particular, over the period 1999-2000 to 2003-04, there was an increase in direct care[5] from some 29 million hours to an estimated 36 million hours. This increase in outputs resulted from an increase in funding allocated to direct care (all hours) from $698m to $957m over the same period.

Outputs - Special needs groups

Within the HACC target population there are several groups that find it more difficult to access services. These groups include:

- people from culturally and linguistically diverse back grounds;
- Aboriginal and Torres Strait Islander people,
- people with dementia;
- financially disadvantaged people; and
- people living in remote and isolated areas.

HACC services are reaching these groups. MDS data indicates that approximately 25% of HACC clients are people whose birthplace is outside Australia and nearly 3% of all HACC clients are from an Indigenous background. The distribution of HACC clients among remote and very remote areas is about 1.8% and 0.6% respectively.

In 2002-03, a high proportion (93%) of HACC clients was in receipt of an Australian Government pension or benefit. In 2002-03, 65% of HACC clients were in receipt of an age pension; 12% received the Disability Support Pension and 10.4% received a Department of Veterans' Affairs pension. These numbers are an indication of the value of the HACC Program to people who are financially disadvantaged and who might otherwise seek admission to an aged care home.

Funding Levels

The ABS Survey of Disability, Ageing and Carers (SDAC) 1998 identified a group of some 4% of those people with a moderate, severe or profound disability (the definition of the HACC Target Population) who were in need of services but were not currently receiving any. A further 32% of this HACC target group indicated that though they were in receipt of services, they would like more services. These survey results have been taken as a broad measure of the unmet demand for community care services. The full results from SDAC 2003 are not yet available to compare the ABS's latest estimates of unmet demand.

The results of the ABS Survey are now used to estimate the HACC target population. The rates of people with moderate, severe or profound disabilities within specific age groupings that were established by the Survey, are now applied to current ABS population projects for specific regions to estimate the size of the target population within those regions (or, as required, for the total population).

One key measure of the success of the HACC Program in meeting this unmet demand is the comparison of the growth in HACC Program funding relative to the growth in the HACC target population.

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5. [5] "Direct Care" includes all the following HACC services: domestic assistance, social support, nursing, allied health, personal care, respite care, centre-based day care, counselling/support, information and advocacy, case management, case planning/review and coordination, and assessment.

The sum of people in Australia with a moderate, severe or profound disability increased by 6.2% from an estimated 1,796,200 in the ABS Survey of Disability, Ageing and Carers (SDAC) 1998 to 1,908,300 in SDAC 2003. By comparison, total HACC Program Funding increased by 46.2%, in nominal terms, from $823.393 million in 1998-99 to $1.204 billion in 2003-04.

While, prima facie, unmet need is expected to decrease over time, additional upwards pressure on demand for services is expected to continue. The ongoing increase in demand will result from the relative increase in the number of people who are 70 years of age and over, an increase in the care needs of the increasing number of older aged persons, and the continuing decline in the availability of informal care.

Pressure on waiting lists for residential care

The HACC Program is contributing to the Australian Government's objective of enabling people to remain in their own home for as long as possible, supported by a range of other community care programs. For instance, about 46% of people aged 85 years and over receive assistance through HACC at any one time.

It has been estimated that the cost is around $1,750 per person on average per year for clients accessing HACC Program services. This figure reflects State and Territory Government matching arrangements for the HACC Program, therefore the cost per person to the Australian Government is about $1,050.

The Review of Pricing Arrangements in Residential Care Report indicated that the total service stream unit costs (covered by both Government and private contributions) in 2002-03 were as follows:

- $1,528 per recipient of HACC aged 65 and over;
- $12,832 for each community aged care package;
- $27,313 for each residential care low care recipient; and
- $54,120 for each residential care high care recipient.

Service Accessibility

The Australian Government has established 54 Commonwealth Carelink Centres (operating 65 shopfronts) and over 90 Carelink Access Points throughout Australia, connected by a toll free 1800 telephone number to provide information about service providers who provide community services.

However, it is acknowledged that the frail aged and younger people with a disability might still find it quite a complex task to access care services. The Australian Government alone funds 17 community care programs, each with its own assessment protocols. Further, there are multiple entry points for these community care services and, as a result, may have difficulty in negotiating their way through to an appropriate service.

In response, the Australian Government has undertaken the Community Care Review, which is considering a range of reforms intended to provide a coordinated approach to the delivery of programs. The Review is addressing a range of issues including simplified access, common eligibility for clients, common data and reporting requirements for service providers

and streamlined administrative processes. Further information on the Review is included at page 41**.**

Quality of Services

The HACC Program now operates under a comprehensive quality framework that has been established to ensure that acceptable standards of service provision and program administration are maintained.

The *National Guidelines for HACC Service Standards* provide agencies with a common reference for internal quality controls and define each key area of service delivery. Agencies funded through the HACC Program are required to report on aspects of quality, including standards.

The *Standards Instrument* has been developed to provide a nationally consistent method for evaluating and monitoring the quality of service provision, as well as assist in the planning aspects of the service delivery system on a regional, State, Territory and national level. Under the HACC Program Amending Agreements, all States and Territories are required to implement the *Standards Instrument* and review each agency for compliance.

Over the past three years, State and Territory HACC Programs have conducted an assessment of the performance of most HACC agencies against the HACC *Standards Instrument*. Many improvements have been effected in agency performance as a result.

Cross-Program Pressure on HACC Program Resources

Post acute care

Post acute services, as with acute care, are the responsibility of State and Territory Governments. Where people have been receiving HACC services prior to entering hospital, they can resume those services after being discharged from hospital. However, if they have not been receiving HACC service prior to hospital admission, their eligibility would need to be assessed before they could receive HACC services.

Disability services

The provision of coordinated services[6] for younger people with disabilities is a State and Territory responsibility under the Sate/Territory Disability Agreement (CSTDA). However, the HACC Program also provides care services to this group, which makes up 20% of HACC clients. It is estimated that 30% of HACC services are allocated to this client group.

Aids and appliances

Aids and appliances is one of the 'excluded services' for HACC funding because funding is already provided for these services through other government programs. For example, the Australian Government provides an annual subsidy to eligible people under the Continence Aids Assistance Scheme. However, the HACC *National Program Guidelines* provide for

6. [6] These can include accommodation, community support such as case management and counseling, community access services such life skills development and recreation programs, and respite services.

funding where items are required for the operation of an eligible HACC service and would remain the property of the service.

In 2002-03, the national spending on goods and equipment (which includes aids and appliances) was estimated at approximately $6 million and a further $15 million was spent on home modifications. There may be some additional spending on aids and appliances in association with the provision of other HACC service types, for example, allied health services and centre-based day care.

Based on HACC service provision data, it is estimated that approximately 50,000 or 7% of HACC clients were assisted by the $6 million in HACC funding that was spent on aids and appliances. Of these, approximately 33% received support and mobility aids, approximately 40% were assisted with medical and self-care aids, and 2% were assisted with communication aids.

HACC Reforms

Because HACC is a jointly-funded program, reform requires the agreement of the State and Territory Governments. The Australian Government introduced major reforms in the HACC Program through new agreements with the States and Territories in the late 1990s. These agreements provide for greater accountability, efficiency and quality assurance in the Program. They introduced output based funding, linking funds provided to services actually delivered to people and they allowed for increased flexibility in service delivery by enabling commercial operators to participate in the HACC Program.

The HACC Program has been progressing reforms in the areas of comprehensive assessment, targeting and classification. These issues have been taken up by the Community Care Review and will result in a reduction of duplication of assessments as well as contributing to the improved streamlining and continuity of the assessment process.

The Australian Government aims to simplify the assessment processes and reduce the need for multiple assessments for each service. The targeting initiative aims to determine the means by which targeting within the HACC Program will ensure that the available resources are used in the most effective way. A new classification measure for the level of dependency experienced by HACC clients is also being developed for the HACC Program. This measure of dependency will be used to determine the extent to which an individual requires assistance in their daily activities and level to which that individual is reliant upon others to help them carry out those activities.

Summary

The HACC program is going a long way towards meeting the needs of older Australians as evidenced by the following:

- The Australian Government's budget allocation has increased by 87% from $423.2 million to $791.9 million over the period 1995-96 to 2004-05. The State/Territory contributions have also increased because of the matching arrangements, resulting in an increase in combined Government funding from $698 million in 1995-96 to an estimated $1.3 billion in 2004.05, if State and Territory Governments match the Australian Government contribution.

- The current 6% annual real growth in funding for HACC is considerably higher than the current projection that the HACC target population will increase by around 2% per annum.

- The number of clients accessing HACC services has increased from 375,000 in 1995-96 to 700,000 in 2002-03, which now represents about 40% of the HACC target population.

- The HACC Program is reaching special needs groups including the financially disadvantaged and those from culturally and linguistically diverse backgrounds across all areas of Australia.

- HACC enables people to have the choice to remain in their own homes and for the levels of aged care home bed provision to be contained, thereby shifting care for aged people from the more costly residential type care to care at home.

- Almost all HACC services have been appraised against the *Standards Instrument*.

- States and Territories are complying with the accountability framework through a range of mechanisms.

The Australian Government's objective to prevent inappropriate admission into residential care is being met through the provision of community based care services, including those provided through the HACC program. The Australian Government and State/ Territory involvement provides the mechanism for sharing the cost of providing community based care and so is able to provide more care services to more people who are in need of assistance.

Community Aged Care Packages

The CACP program was introduced in 1992-93 as a community alternative for older people with complex care needs who wish to remain living in their own homes with care and community support.

A key feature of the CACP program is the provision of individually tailored packages of care services that are planned and managed by an approved provider. The program requires prospective care recipients to be assessed by the Aged Care Assessment Team (ACAT). The services provided as a part of a CACP are designed to meet people's daily care needs and may vary as an individual's care needs change.

CACP growth to meet the increased needs of older people in the community

There has been substantial growth in the number of CACP places since 1995-95 to meet the needs of older people in the community. Since 1995-96:

- the number of CACPs has increased from 4,441 to an estimated 31,018 places by the end of 2004-05, a growth of 698%; and

- the number of places allocated at December 2003 was 28,998. Of these, 28,042 were operational.

The 2002 CACP Census showed that the CACP program provides a sound level of packaged care in a well-targeted, flexible and responsive manner to those living in the community and assessed as having a range of complex care needs. This includes provision for care recipients to access specialised services (eg, nursing and allied health through HACC) in addition to CACP services, or to take leave from the program.

The Report shows that 60% of older people (some 15,000) receiving CACPs are 80 years or older, with 70% being women. The Report shows that 61% live alone, 18% have been diagnosed with dementia, 57% have a carer, and 30% of these people have a carer, usually a spouse or family member, living with them. These older people have complex needs, with the majority (79%) receiving more than three different services through their package in the week of the Census.

During 2004-05, the Department will be collecting data on the number of hours of service delivered to individual care recipients. This data will provide information on the types and hours of different services being delivered.

Provision to meet the future needs of the elderly in the community

The CACP program will continue to receive increased funding to ensure the future needs of the elderly in the community are met.

The funding for the CACP program for 2004-05 is $327.4 million, with an additional $2.4 million for CACP Establishment Grants.

A further 6,635 Community Aged Care Places will be made available through Approvals Round over the next three years, including 2,020 through the 2004 Aged Care Approvals Round.

This increase is reflected in the Government's decision to re-weight the balance between residential and community care, so as to double the proportion of places offered in the community to 20 places for every 1,000 people aged 70 and over.

Extended Aged Care at Home

Extended Aged Care at Home (EACH) program is an Australian Government funded program and is administered under the *Aged Care Act 1997* and the *Aged Care Principles.*

The program aims to provide an alternative to high level residential care for frail older people living in their homes, with the objective of improving the quality of life for the frail older people and reducing inappropriate access to both acute and residential care settings.

EACH packages are individually tailored, coordinated and planned packages of care, targeted at the frail aged whose care needs are assessed as equivalent to those who require high level residential care, but have expressed a preference to live at home.

An EACH package typically provides about 18 to 22 hours of assistance each week. Packages are flexible in content, but would generally include qualified nursing input, particularly in the design and ongoing management of the package.

The initial number of packages during the pilot stage was 290 packages. In the 2002 Aged Care Approvals Round (ACAR), a further 160 EACH packages were made available to provide for a moderate expansion of the EACH Program. This expansion aimed to build provider familiarity with the program and provide an Australian-wide base for program development.

The 2002 EACH Census Report revealed that just over one-third of care recipients are aged 85 years and over, and many of these care recipients are only able to remain at home because of the presence of a carer who provides regular assistance with physical tasks.

EACH growth to meet the increased needs of the elderly in the community

The growth in the number of EACH packages since 2002 shows the Australian Government's commitment in meeting the needs of the elderly in the community.

In the 2003 ACAR, an additional 474 new places were made available bringing the total places to 924.

EACH packages are currently funded at an average of $107 per day, which is equivalent to the Resident Classification Scale level 2 of high residential care. This is an average of $39,055 per annum per package. Expenditure for the EACH program in 2004-05 is estimated to be some $40 million.

Provision to meet the future needs of the elderly in the community

The EACH program continues to receive increased funding to ensure the future needs of the elderly in the community are met.

To support continued strong growth in community care, 900 additional EACH places will be made available in 2004-05. This increase is reflected in the Government’s decision to re-weight the balance between residential and community care, so as to double the proportion of places offered in the community to 20 places for every 1,000 people aged 70 and over.

In 2004-05 the number of EACH places will increase to 1,824 places.

The EACH program will continue to expand, reflecting the Australian Government’s policy of providing choices for frail older Australians, to remain in their homes or communities for as long as possible.

Summary

Tables 7, 8 and 9 show the numbers of CACP and EACH places by State/Territory at 31 December 2003, as well as the proposed distribution of places under the 2004-05 release.

Table 7: Numbers of CACP places by State as at 31 December 2003.

State	Allocated
NSW	9,959
VIC	7,443
QLD	4,635
WA	2,456
SA	2,704
TAS	856
ACT	381
NT	564
Total	**28,998**

Table 8: Number of EACH places by State as at 31 December 2003.

State	Allocated
NSW	306
VIC	253
QLD	135
WA	75
SA	80
TAS	25
ACT	30
NT	20
Total	924

Table 9: State and Territory distribution of proposed 2004-05 ACAR release

State	CACP	EACH
NSW	720	305
VIC	530	225
QLD	415	150
WA	140	80
SA	115	75
TAS	40	25
ACT	35	20
NT	25	20
Total ACAR places	**2,020**	**900**

National Respite for Carers Program (NRCP)

The aim of the NRCP is to contribute to the support and maintenance of caring relationships between carers and their dependent family members or friends by facilitating access to information, respite care and other support appropriate to their individual needs and circumstances, and those of the persons for whom they care.

The NRCP is an Australian Government only funded program. It was established as a 1996-97 Budget initiative and built on the existing Commonwealth Respite for Carers Program. Overall, the funding for the NRCP has increased more than five-fold from $19 million in 1996-97 to an estimated total of $104.9 million in 2004-05.

Support for carers is an essential component of the Government's community care policy which aims to give people the choice of remaining at home for as long as possible. Primary carers are a key target group for Government support through the NRCP.

A primary carer is someone of any age who provides the most informal assistance to a person with one or more disabilities. Assistance provided by primary carers is ongoing and is for one or more of the core activities of communication, mobility and self-care. The ABS 1998 *Disability, Ageing and Carers Survey, A Summary of Findings*, estimated the number of people caring in Australia at 2.3 million. Of these, some 450,900 are classed as 'primary carers'.

Components of the NRCP are:

- **Commonwealth Carer Resource Centres**
  These provide information, support and advice to carers on a range of issues. They are auspiced by Carers Associations in each state and territory and by Carers Australia for the national Commonwealth Carer Resource Centre. They are located in each capital city and

are reached through a state-wide freecall number, 1800 242 636. In 2003-04, the number of carers assisted was estimated to be 41,200.

- **Commonwealth Carer Respite Centres (CCRCs)**
  These were originally established in each HACC region across Australia and have the capacity to arrange respite for carers through existing services. There are currently 61 Centres (with 89 outlets in all). These Centres have a pool of funds, called brokerage, to be used to purchase or subsidise short term or emergency respite care. Centres encourage services to develop more flexible approaches to respite care as well as linking carers to appropriate respite care services, including residential respite. They are reached through a regionally diverted freecall number, 1800 059 059. In 2003-04, the number of carers assisted was estimated to be 45,500, with 99,500 occasions of respite provided.

- **Respite services**
  There are currently 432 community-based respite services delivered to carers and the people for whom they care in a variety of settings, including in-home, day centre, host family, residential overnight cottage-style accommodation and as holiday breaks. In 2003-04 the number of carers assisted by respite services was estimated to be 28,000.

- **National Carer Counselling Program (NCCP)**
  Carers Australia is funded to manage this 2002 Budget initiative. Carers Australia subcontracts Carers Associations in each state and territory to implement the program through the Commonwealth Carer Resource Centres. The aim of the program is to address issues specific to carers such as carer stress, grief and loss, coping skills and transition issues. Counselling is provided on a sessional basis by qualified counsellors. The Program commenced in March 2003, and counselling was made available to carers in 2003-04.

Carer Information and Support Program (CISP)

CISP is a related program that assists carers. Funding for this program for 2004-05 is $2 million. CISP provides carers with information and practical advice about services that can help them in their caring role. This includes items such as the:

- The Carer Support Kit;
- Emergency Care Kit;
- The Aboriginal and Torres Strait Islander Peoples Carer Kit;
- Commonwealth Carer Respite Centre magnets;
- Commonwealth Carer Resource Centre magnets; and
- Carer Relaxation Tapes and CDs.

In 2003-04, 343,500 items of carer information were distributed through CISP.

Current and Projected Community Care Needs

The NRCP complements other services funded by the Australian Government, aimed at supporting the frail aged and people with disabilities to continue to live in the community, for example the Home and Community Care (HACC) program. While carers are a focus of HACC, the NRCP and the CISP are the only two community care programs for which the carer is identified as the main client.

Funding for the NRCP has grown considerably since the program commenced in 1996, resulting in increasing numbers of carers being able to access services over this time. For instance, 77,193 carers received services through Commonwealth Carer Respite Centres in 2002-03 compared with 38,250 in 2001-02, and 32,715 carers received services through Commonwealth Carer Resource Centres in 2002-03, compared with 29,500 in 2001-02.

The adequacy of current community care programs in meeting the current and future care needs of the frail elderly and younger people with disabilities, and their carers, is being considered in a number of ways.

One is the current review of community care programs, of which the NRCP and CISP are two of the 17 community care programs being considered. The review is aiming to bring about a more efficient community care sector and to better utilise current resources. It also aims to streamline administrative processes and ensure that people who need community care services gain access to appropriate support. Carers are seen as crucial to the community care system as they enable people to remain at home, along with formal support services. The specific needs of carers for streamlined access to support, respite and information are being considered as part of the review.

The adequacy of current programs to continue to meet current and future needs of the elderly is also being addressed through carer related research. In response to the ageing of the Australian population, and to identify specifical potential impacts that this demographic trend may have on primary carers, the Australian Government commissioned the Australian Institute of Health and Welfare (AIHW) for specific research. This work draws data from the 1998 Australian Bureau of Statistics Disability, Ageing and Carers Survey and projects the likely supply of informal carers in Australia in the next five, ten and fifteen years. The report, *The Future Supply of Informal Care, 2003-2013: Alternative Scenarios*, was released in November 2003. It noted that at this time there is insufficient data available to develop a detailed predictive model to address the question of the future supply of carers. However, it discussed a number of possible scenarios based on current patterns of care giving and possible demographic trends.

While common perceptions are that there will be a future shortage of carers, the report suggests the situation is complex and cannot be predicted. The number of primary carers could rise from an estimated 493,000 in 2003 to 574,000 in 2013. While no firm conclusions can be drawn as to whether this increase will meet future needs for informal care, there are strong indications that care needs can be met. However, the way that they are met will be governed by the complex interplay of the largely unpredictable factors influencing the decision to care, such as the need for women to remain in the work force and the willingness of men to take on the role of carer.

Nonetheless, shifts in carer responsibility that may result from the changing availability of the group identified as primary carers will have implications for formal services and for the caring responsibility placed on others in informal networks. A possible scenario is a decline in the number of people of working age who take on a caring role and a resultant increased demand for government provided services. Alternatively, those identifying as carers but not primary carers may take on more of a direct caring role.

An extension of this project is nearing completion and a second report by the AIHW, *The Future Supply of Informal Care, 2003-2013: Current and Future Trends,* will further address the issue of the level and nature of informal care that will be needed in Australia. The report will present an analysis of the intersection of informal care and service use in the community. This report is to be released in the near future.

Both reports will assist governments in planning for the future demands for community care services, and the related needs for assistance and support of informal carers in order to enable them to continue in their critical role of caring for the frail aged and people with a disability.

Aged Care Assessment Program (ACAP)

The Aged Care Assessment Program is an initiative of the Commonwealth Government. Under a co-operative working arrangement the Australian Government provides grants to States and Territory Governments to operate Aged Care Assessment Teams (ACATs), Evaluation Units and innovative pilot and training projects.

ACATs are multidisciplinary teams, with access to a range of disciplines and skills necessary to undertake a comprehensive assessments of a person's physical, emotional and social support needs. Ideally ACATs include geriatricians, physicians, registered nurses, social workers, physiotherapists, occupational therapists and psychologists.

The primary role of ACATs is to assess comprehensively the needs of frail older people and assist their access to available care services appropriate to their needs. ACATs also determine clients' eligibility for Australian Government subsidised aged care services including residential care, Community Aged Care Packages (CACPs) and Extended Aged Care in the Home (EACH).

State and Territory Governments are responsible for the day-to-day administration of the Program and provide the necessary capital infrastructure to support ACATs. State/Territory contribution includes the provision of accommodation, equipment, services required to carry out assessments, and access to specialist staff not normally on teams.

Aged Care Assessment Teams carry out around 200,000 assessments each year.

Funding

Commonwealth funding for the ACAP is allocated and approved by the Minister for Ageing at the individual ACAT level. From 2003-04, funding to each ACAT is determined on a 'needs- adjusted' population based approach, with weightings for age, geographic location, Aboriginality, culturally and linguistically diverse populations and socio-economic factors. This model is currently being updated with the most recent population figures from the 2001 Census for 2004-05 funding.

Yearly growth in funding to the program is linked to the growth in the 70-79 and 80+ populations and the program also receives annual indexation.

The total funding for the Aged Care Assessment Program for 2004-05 is $51.726 million representing an increase in funding of 9.8% from 2003-04. (A breakdown of 2003-04 funding by jurisdiction is provided in Table 10 below.)

Table 10: ACAP 2003-04 Funding by Jurisdiction

State/Territory	$m
NSW	16.03
VIC	11.59
QLD	7.81
WA	4.04
SA	4.19
TAS	1.24
NT	0.79
ACT	0.47
NDR	0.11
TOTAL	**46.3**

This increase in funding is on top of a 12.7% increase in 2003-04, representing a 22.5% increase in total funding over the last two financial years. This funding included an additional $2.5 million in one-off funding to assist with reducing waiting times for some ACATs and an additional $905,000 recurrent approved in additional Senate Estimates in recognition of population growth factors.

2004-05 Budget Measure

The *Review of Pricing Arrangements in Residential Aged Care* found that Aged Care Assessment Teams need to be adequately resourced to ensure eligibility assessments are timely and that teams are able to assist older people to make informed choices.

As part of the overall increased in funding to the ACAP, funding from the 2004-05 Budget measure included an increase of $47.9 million over four years for assessment. This includes $21.7 million for ACATs, comprising:

- $14.3 million over four years to provide more timely assessments and better case management by an Aged Care Assessment Team; and

- $7.4 million over four years to strengthen the role of Aged Care Assessment Teams in community care, and to support older people to make informed care choices.

The increased outcomes which are expected to result from these measures include:

- support for ACATs to maintain a focus on timely assessment, increased assessment activity and increased level of case management available to frail older people with complex care needs;

- increased assessment activities that will provide the opportunity for levels of community care to be reviewed and adjusted, as peoples' care needs change; and

- support for ACATs to assist frail older Australians to make informed choices about the range of residential and community care services available to them.

The streamlining of administration arrangements identified in the *Final Report of the Review of Pricing Arrangements in Residential Aged Care*, will also reduce ACATs workload by removing the requirement to assess client's who are ageing in place, and whose care needs have moved from low to high, effective from 1 July 2004.

This initiative should have a significant impact on reducing assessment waiting times nationally.

The focus of the activities for which the funding is provided reflects both the outcomes of the Pricing Review, and the directions foreshadowed in the Community Care Review.

The Department will continue to closely monitor assessment waiting times and work in collaboration with State and Territory Governments to ensure that resources are appropriately targeted to manage this.

Common Assessment

The *Review of Pricing Arrangements in Residential Aged Care* also found a single assessment service for community care and residential care would significantly improve choice and smooth access to more integrated care.

Common assessment will be developed and applied across all Australian Government funded community care programs, reducing duplication and confusion, and making access to services simpler.

Funding

Of the $47.9 million approved in the 2004-05 Budget over four years for improved assessments , $26.1 million over four years will be used to develop and apply these common arrangements including assessment and entry processes for community and residential care.

Conclusion

The Home and Community Care (HACC) Program is receiving ever increasing support from the Australian Government, resulting in an increase in services and a reduction in unmet need. HACC is also reaching people with special needs, including the financially disadvantaged and those from culturally and linguistically diverse backgrounds.

Support in the community also comes in the form of Community Aged Care Packages (CACPs)and the Extended Aged Care at Home (EACH) program. These provide higher level community care packages, which provide the equivalent of low and high residential care

respectively. Growth in CACPs has been substantial, while the EACH program is in a developmental phase.

Australian Government activity has also recognised the vital role of informal carers in assisting frail older people to continue to live at home, and is providing considerable support through programs such as the National Respite for Carers Program (NRCP) and the Carer Information and Support Program (CISP).

Term of Reference (e) - The effectiveness of current arrangements for the transition of the elderly from acute hospital settings to aged care settings or back to the community.

Introduction

The acute-aged care interface, which refers to the transition of frail older people from hospitals to home or residential aged care, is one of a number of areas where Australian Government funded and State/Territory funded programs intersect. There are significant opportunities for the Australian Government and States and Territories to work together to ensure better outcomes for older people faced with this transition. In this regard, initiatives at the acute-aged care interface aim to improve the health and independence of older people who experience a hospital stay, and increase the likelihood of returning home rather than entering residential aged care.

In February 2001, Commonwealth and State/Territory Health Ministers agreed to jointly examine the acute-aged care interface through collaborative work progressed by the all-jurisdiction Care of Older Australians Working Group (COAWG) under the Australian Health Ministers' Advisory Council. Since then COAWG has completed a work program, including a national census of older people in public hospitals, a stocktake of innovative service delivery models at the acute-aged care interface and a mapping exercise of service provision for older people in the hospital and aged care sectors.

In 2003-04, COAWG translated the lessons learnt from the work program into a National Action Plan for Improving the Care of Older People Across the Acute-Aged Care Continuum, covering the period 2004-2008. Transition care is an important area addressed in the National Action Plan.

The Australia Government has introduced a number of initiatives to assist frail older people following a hospital episode. These include the new Transition Care Program, the Pathways Home Program and the Aged Care Innovative Pool. Through these initiatives, the Government is working closely with States and Territories to assist older people in making a smooth transition from hospital to home or other long-term care arrangements.

Transition Care Program

The Australian Government announced in its 2004-05 Federal Budget the establishment of a national Transition Care Program to assist older people after a hospital stay. This Program will be provided under a new cost-shared model between the Australian Government and States and Territories. The Australian Government has committed to expanding the Transition Care Program to 2,000 flexible aged care places by 2006-07.

Transition care will provide older people with low level rehabilitation and support to improve their independence and confidence after a hospital stay. It will also allow older people and their families time to determine whether they can return home with additional support from community care services or need to consider the level of care provided by an aged care home. Transition care will be provided in either a residential or community setting. It is estimated

that the average period of care will be 8 weeks, meaning that when fully established in 2007 the Program will assist up to 13,000 older Australians each year.

Older people receiving transition care will access low intensity therapy and support as part of an ongoing but slower recovery process. The preferred model is for transition care to be delivered in a less institutional, more home-like environment. It is important to note that transition care is not a substitute for sub-acute and post-acute care provided by the hospital sector. Sub-acute and post-acute care are mainly targeted by the Pathways Home Program described below.

Pathways Home Program

The Australian Government is funding the Pathways Home Program under the 2003-08 Australian Health Care Agreements. The Pathways Home Program provides one-off capital and infrastructure funding of $253 million over five years to assist States and Territories to expand their provision of step down and rehabilitation care.

The Minister for Health and Ageing, as at July 2004, has approved a range of projects across New South Wales, Victoria, Queensland, Western Australia, South Australia, Tasmania and the ACT, with a total value of $249 million. Individually and in combination, these projects will substantially improve the number and quality of rehabilitation and stepdown services that patients will be able to access. All the projects were designed by the States and Territories to ensure that they meet local needs, and the States and Territories will meet the ongoing recurrent costs of their projects.

In New South Wales, $73 million will be spent on over 100 projects across the state to improve and increase existing rehabilitation and stepdown services. These projects include the delivery of home discharge packages, construction of new facilities in Sydney, the Central Coast, the South Coast and the Northern Rivers area, and the refurbishment of existing facilities in metropolitan and rural and regional areas across the state. Funds will also be spent for rehabilitation equipment and workforce training and development. In addition, $13 million will be spent at hospitals across the state to establish 120 new intermittent care places for older people requiring additional care after hospital treatment.

In Victoria, $53.4 million has been approved to construct, refurbish and upgrade rehabilitation facilities in fourteen different sites. Some of this funding will be used to improve infrastructure and workforce training and development.

In Western Australia, $23 million has been approved to build two new facilities. These will be dedicated to providing specialist rehabilitation and stepdown care. This will also include investment in improved training for those individuals who are providing rehabilitation services and improved communication networks.

In South Australia, $20.5 million has been approved to build two new facilities that will focus on mental health rehabilitation services. Patients will also be able to access a range of new and improved devices to help them continue their rehabilitation at home. Additionally, two stepdown facilities will be upgraded and refurbished to improve the quality of services and facilities available to indigenous Australians leaving hospital.

The ACT will receive funds to construct a new rehabilitation facility and to refurbish two hospital wards to provide slow-stream rehabilitation for older people who are waiting to go into residential aged care.

The initial set of projects in Tasmania will provide $2.5 million to purchase rehabilitation equipment and improve IT infrastructure.

Innovative Pool

The Aged Care Innovative Pool, established in 2001-02, is a national pool of flexible care places available for allocation to innovative services outside of the Aged Care Approvals Round.

This Pool allows the Australian Government, in partnership with other stakeholders, to allocate places to services that will pilot the provision of aged care services in new ways and via new models of partnership and collaboration.

Projects that are approved under the Innovative Pool have clear client eligibility criteria, controlled methods of service delivery and are time-limited. Evaluation is an integral element of all projects involving alternative service models.

Under the Innovative Pool, the Australian and State and Territory Governments provided funding for Innovative Care Rehabilitation Services (ICRS) pilots in 2001-02 and 2002-03. The Australian Government provided funding for short term personal and nursing care and the State/Territory government provided funding for intensive rehabilitation support for these pilots. In 2001-02 nine ICRS pilots were approved, with a total of 341 places and in 2002-03 a further three ICRS pilots were approved with 52 places.

In 2003-04, Intermittent Care Services were a focus of the Innovative Pool. The target area of Intermittent Care services is a broad category focussing on short-term interventions for older people who require additional support to remain in, or return to, their own homes (and avoid entry to residential aged care or hospital) when they experience a change in circumstance or care needs. It is intended to be similar in operation to the short-term, post-hospital rehabilitation category in 2002-03 (ICRS) but wider in scope, particularly in terms of the eligible client group it addresses and the services that can be provided.

The services to be provided to clients could include a range of assessment, rehabilitation, treatment, guidance and case management services, intended to determine what the most appropriate long term care arrangement is for the client, and equipping them as well as possible to benefit from that arrangement. In 2003-04, six ICRS pilots were approved, with a total of 396 places.

Conclusion

The Australian Government has taken the initiative in improving the effectiveness of current arrangements for the transition of older people from hospital settings to aged care settings or back to the community. A major program of work has been undertaken cooperatively with States and Territories through the Care of older Australian Working Group established by AHMAC in 2001. A new cost-shared national Transition Care Program was announced in the 2004-05 Federal Budget to assist older people after a hospital stay. Under the 2003-08

Australian Health Care Agreements, the Australian Government is funding the Pathways Home Program to assist States and territories to expand their provision of step down and rehabilitation care. A number of cost shared pilots under the Aged Care Innovative Pool are testing new ways of assisting older people to recover and return home after hospitalisation.

The current evaluation of the Innovative Care Rehabilitation Services and the introduction of the new Intermittent Care pilots are providing valuable lessons for the development of transition care as a mainstream program under the recent Budget initiative.

APPENDIX A

Structure of the Aged Care Standards and Accreditation Agency