Australian Government

Department of Health and Ageing

Aged Care in Australia

August **2003**

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INTRODUCTION

The purpose of Australia's Aged Care Program is:

> *"to support healthy ageing for older Australians and quality, cost effective care for frail older people and support for their carers".*

Australia's aged care system is structured around two main forms of care delivery: residential and community care. There are also a number of associated aged care programs.

The aged care system operates in a broader system of health delivery, income support, and housing and community services. Together, these systems offer older people a broad range of services and support, depending on their needs and circumstances.

Australia has three levels of government:

1. Australian Government which deals with national concerns such as foreign policy, defence, social security, major forms of taxation and import controls;

2. State and Territory Government which covers areas such as education, police, public housing and health services including hospitals; and

3. Municipal or local government which is responsible for providing municipal services such as water supply, waste control, sewerage services, building regulations, and community services.

All levels of government – with consumers and the non-government sector – have some role in funding, administering or providing aged care and other services for older people.

Residential aged care is financed and regulated by the Australian Government and provided primarily by the non-government sector (by both religious/charitable and private sector providers). State Governments, with funding from the Australian Government, operate a small number of aged care homes.

The Australian Government also jointly funds and administers community care with the States and Territories, with some State, Territory and local governments directly providing some services. Some local governments also operate residential aged care homes and are a significant provider of community services under the Home and Community Care (HACC) Program.

The Australian Government also funds community care directly, for example through Community Aged Care Packages (CACPs) and Extended Aged Care at Home (EACH).

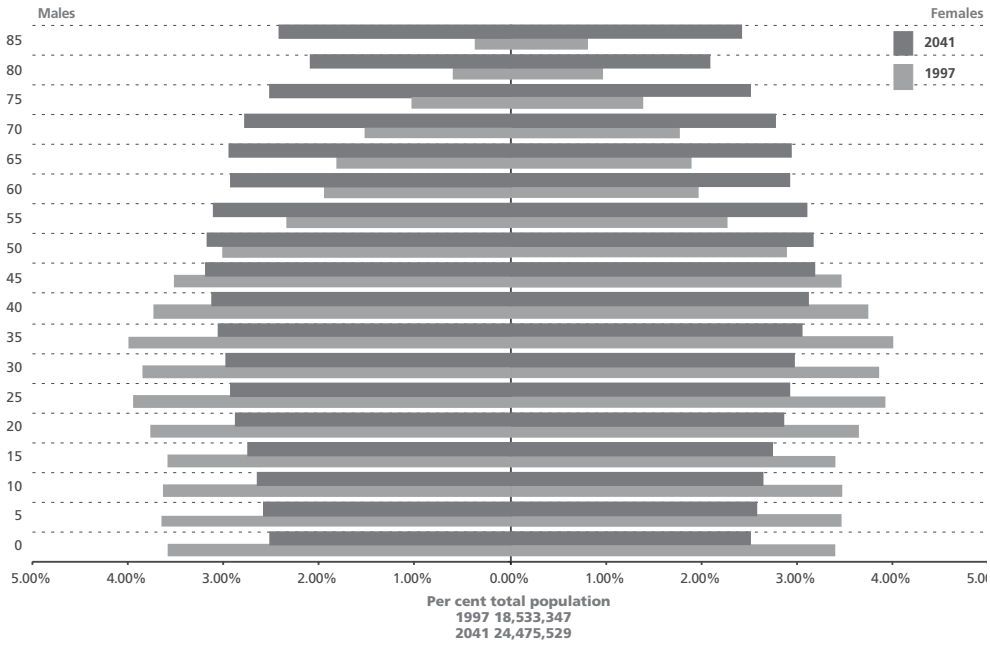
As well as funding care services, the Australian Government provides leadership in broader social policy issues/areas, including promoting the health, independence and well-being of older Australians. The Government is committed to addressing the challenges and opportunities posed by Australia's ageing population. It is pursuing the goals of the National Strategy for an Ageing Australia.

DEMOGRAPHICS

The population pyramid shows a substantial change in the structure of Australia's population from 1997 to 2041. This process of change will be gradual but inexorable over the next 50 years, and will result in a much more equal distribution of the population across the age cohorts and between genders in the older age groups in the 2040s.

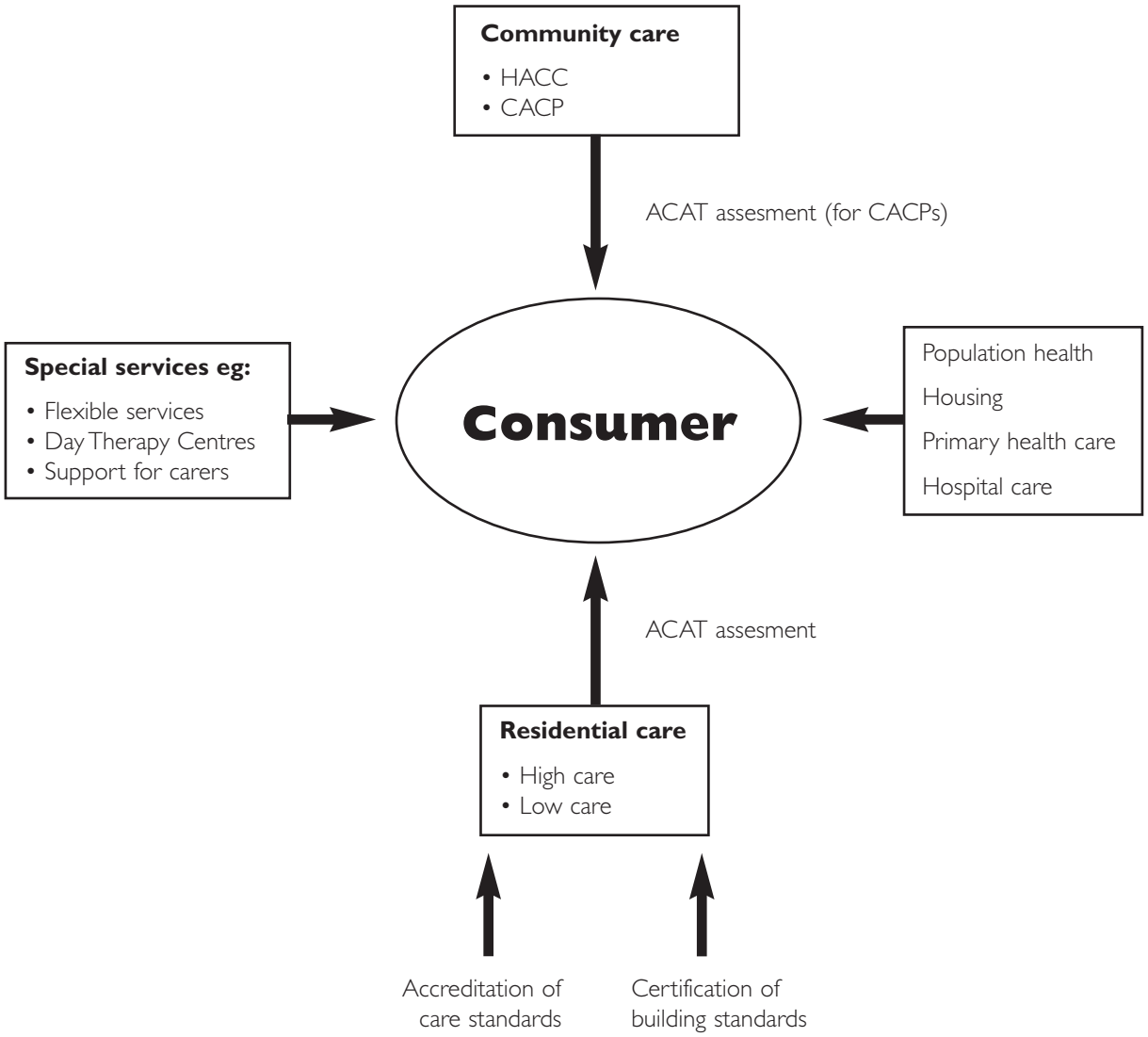
This structural shift will pivot around the 50-55 year age cohort, with the proportion of those aged less than fifty years declining and those aged above fifty years increasing. For example, at the Australian Census in 2001, nearly 2.4 million people were aged 65 years or older (13 per cent of the population); in 2050 it is estimated there will be 6.6 million people (around 25 per cent of the population) aged 65 years and over.

The increase in the older age groups is also of significance. Longer life expectancy means that the numbers aged 80 years and over will double during the next two decades and triple over the next fifty years to comprise over 9 per cent or 2.3 million people in 2051. At the last Census in 2001 there were 2,503 people aged 100 and over. This is projected to grow to 38,000 people by 2051.



AUSTRALIA'S AGED CARE FRAMEWORK

Australia's care framework for older Australians is broadly structured in the following way:



CLIENT ASSESSMENT

Aged Care Assessment Program / Teams

The Australian Government provides annual funding to each State and Territory Government to manage and administer the Aged Care Assessment Program (ACAP) through which Aged Care Assessment Teams (ACATs) are funded across Australia.

ACATs are teams of care professionals who provide expert assessment and advice regarding the long term care needs of the frail aged and assess eligibility for appropriate services to meet that need. The main professional groups represented on assessment teams are geriatricians, physicians, nurses, social workers and physiotherapists. The number and composition of staff on a particular team can vary greatly between geographical regions.

ACATs assess the whole care needs of an individual covering a person's medical, physical, social and psychological needs before a care recommendation is made. ACATs also provide information and advice about care choices. The needs and wishes of the person being assessed as well as those of his/her carer and family are an important part of an ACAT recommendation.

Clients need to be assessed as eligible by an ACAT before they can receive an Australian Government subsidy for:

- residential care (either low or high care);
- a CACP (a coordinated package of community care, equivalent to low level residential care); and
- EACH (the equivalent of high level care provided in a client's own home).

Nationally, ACATs assess approximately 196,000 people a year, with more people being recommended for community based living than for residential care.

COMMUNITY CARE

Whenever possible people 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: CACPs and the HACC Program. A third program, the EACH Program, is developing the delivery of the equivalent of high level care in a person's own home.

CACPs were introduced to provide a community alternative for frail older people whose dependency and complex care needs would qualify them for entry to an aged care home at least for low level care.

CACPs are individually tailored packages of care services to frail older people assessed by an ACAT as requiring a range of care services in their own homes.

Service providers use a case management approach to develop and monitor care delivery to older people. The CACP Program is funded by the Australian Government and involves over 900 service outlets providing over 27,000 packages.

HACC is a joint Federal/State Program for the frail aged, people with disabilities and their carers. Nationally, the Australian Government contributes approximately 60 per cent of Program funds and maintains a broad strategic role. The States/Territories match the remaining 40 per cent, which in some States includes contributions from local government. State and Territory Governments are responsible for the day to day management of the Program.

There are about 3,500 HACC-funded services, which provided services to about 650,000 people in 2001-2002.

HACC services include community nursing, domestic assistance, personal care, meals on wheels and day-centre based meals, home modification and maintenance, transport and community-based respite care (mostly day care).

RESIDENTIAL CARE

When frail, older people can no longer be assisted to stay in their homes, care is available in aged care homes.

There are two main types of residential aged care in Australia, high (or "nursing home") level care and low (or "hostel") level care. Previously, these two forms of care were funded, administered, and provided separately. From October 1997 the funding and administration of these care forms were restructured under one system. Whilst some aged care homes will continue to specialise in low or high level care, many homes offer the full continuum of care, and allow residents to "age in place" (that is, allow the residents to stay in the one location as their care needs increase). There are about 3,000 aged care homes in Australia providing 150,786 places.

High level care usually involves 24 hour care. Nursing care is combined 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 focuses on personal care services (help with dressing, eating, toileting, bathing and moving around). Low level care services also provide accommodation, support services (cleaning, laundry and meals) and some allied health services (physiotherapy, occupational therapy, recreational therapy and podiatry). They provide nursing care when required. Most low level aged care homes have nurses on staff, or at least have easy access to them.

FLEXIBLE CARE

Flexible aged care places are provided through a number of different programs as an alternative to more traditional community and residential care. These include the EACH program (explained under "Community Care"), Multipurpose Services and the Aged Care Innovative Pool.

Multipurpose Services

Multipurpose Services are jointly funded by the Australian and State and Territory Governments and provide coordinated and cost-effective delivery of services to people living in rural and remote regions where traditional services may not be feasible.

The Services provide a range of flexible aged, health and community care services that are configured to best suit the needs of people living in rural and remote communities. These include residential aged care, palliative care and HACC services including community nursing, domestic assistance and meals on wheels, integrated services for young children including infant welfare, immunisation and parenting information, mental health, radiology, women's health and podiatry. Multipurpose Services also have the potential to become the focal point for the delivery of other family and health services.

At June 2003, there were 83 operational Multipurpose Services with 1,800 flexible care places.

Aged Care Innovative Pool

The Aged Care Innovative Pool provides flexible care places for the development of pilots for innovative service provision, in partnership with other stakeholders including State and Territory Governments and approved providers. Categories that include State or Territory Government involvement are rehabilitation and support services for older people after a hospital stay and services for people with a disability who are ageing. Specific services for people with dementia or in high need areas have also been provided through the Innovative Pool.

The Aged Care Innovative Pool commenced in 2001-02 and at August 2003 there were 14 projects operational. A further 16 had received a provisional allocation of flexible care places and are expected to become operational during 2003-04.

LEGISLATION

The Residential and Community Care programs are administered under two different Acts of the Commonwealth Parliament.

The *Aged Care Act 1997* came into force on 1 October 1997. It governs all aspects of the provision of residential care, flexible care and CACPs to older Australians. The Act sets out matters relating to the planning of services, the approval of service providers and care recipients, payment of subsidies, and responsibilities of service providers. There are also a number of sets of Principles, which provide further detail regarding the matters set out in the Act.

The *Home and Community Care Act 1985* provides the framework for the operation of the HACC Program. This Act sets out the original agreement that is entered into between the Australian Government and the States/Territories. The agreement includes the objectives of the HACC Program, defines the types of projects that can be funded under this Program and allows for the payment of financial assistance to the States/Territories from the Australian Government for the operation of the Program. This agreement has subsequently been amended to streamline the administration of the Program and to enable output funding rather than the previous system of subsidising providers' costs.

SERVICE PROVIDERS

Aged care supports a mixed service provider sector – private, religious/charitable, local government and State/Territory Government providers. The table below indicates that the balance between these sectors for residential care has remained relatively stable from 1996-97 to 2002-03.

Table: Residential places (%) by ownership sector

Date	Religious/ Charitable	Private	State/Local Governments	Total
1996-97	62.5%	25.9%	11.6%	100%
2002-03	65.5%	25.8%	8.7%	100%

Religious/charitable providers dominate service provision in rural and regional Australia.

FINANCING

The Commonwealth Ageing and Aged Care Program is not funded by a specific taxation levy or through an insurance program. Funding comes from general taxation revenue and user contributions.

Australian Government funding

The Australian Government's total expenditure on ageing and aged care in 2003-04 is estimated to be some $6 billion, of which $4.5 billion relates to residential care subsidies. This includes expenditure by both the Department of Health and Ageing and the Department of Veterans' Affairs, which arranges services for war veterans and war widow(er)s.

Other major elements are CACPs ($293 million) and the joint Commonwealth/State/Territory HACC Program. The Australian Government contributes $732.4 million to the HACC Program; total Australian Government and State/Territory expenditure is expected to be about $1.2 billion in 2003-04.

The Australian Government pays for residential care at eight different levels of resident dependency. The average national cost per utilised place in 2002-03 was around $29,000.

Overall, Federal aged care expenditure represents about 0.7 per cent of GDP.

User Contributions

Recipients of residential and community aged care make a financial contribution to the cost of their care, with the Australian Government regulating the maximum charges that a service may request, to ensure that care is affordable for all.

In residential aged care, providers may generally ask residents to pay two main types of charge – daily care fees and accommodation payments.

Daily Care Fees are a contribution to the resident's daily living costs, such as nursing and personal care, living expenses, meals, linen and laundry, as well as heating and cooling. As part of this fee, some residents pay an additional income tested fee, depending on their income and their level of care. Residents cannot be asked to pay more than they can afford or more than the cost of their care.

Residents may also be asked to pay an **Accommodation Payment** as a contribution to the cost of their accommodation. In low level care (and for Extra Service places), this is in the form of an accommodation bond, which can be paid as a lump sum, a regular periodic payment, or a combination of both. In high level care, this takes the form of an accommodation charge paid as a daily fee. These payments can only be charged under certain conditions. There are also strong protections for residents who cannot afford these payments, with between 16 per cent and 40 per cent of places (depending on the region) being reserved for those residents.

There are also hardship provisions for residents who have difficulty paying fees and charges. These allow fees and charges to be reduced or waived on application to the Department of Health and Ageing.

In community care there are different fees for services depending on the type of service and the client's capacity to pay.

PLANNING FOR AGED CARE SERVICES

Through a needs-based planning framework, the Government seeks 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 are 40 high care places, 50 low care places and 10 CACPs per 1,000 of the population aged 70 years and over.

The framework ensures that the growth in the number of aged care places is in line with growth in the aged population and that there is a balance of services, including services for people with lower levels of need and in rural and remote areas.

New residential places are advertised each year in regions of highest priority and are allocated to the service providers who can best meet the identfied care needs of the community. The allocation of places must take account of people with special needs who are defined in legislation as:

a) people from Aboriginal and Torres Strait Islander communities;
b) people from non-English speaking backgrounds;
c) people who live in rural or remote areas;
d) people who are financially or socially disadvantaged; and
e) a veteran of the Australian Defence Force or of an allied defence force; or their spouse, widow or widower.

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

In 1998, the Australian Government introduced a new accreditation system designed to improve the quality of residential care in Australia. To achieve accreditation, aged care homes are assessed against the 44 expected outcomes of the Accreditation Standards legislated in the *Aged Care Act 1997* and its subordinate legislation. The standards cover matters ranging from health and personal care through to considerations about the physical environment and safety, and then how that care is delivered so that it enhances residents' dignity and rights in a safe and comfortable living environment. The four standards are:

- 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 Commonwealth funding.

The Aged Care Standards and Accreditation Agency Ltd (the Agency) is appointed as the 'accreditation body' under the Act to:

- manage the accreditation process;
- promote high quality care; and
- supervise homes' ongoing compliance with the Accreditation Standards by conducting spot checks, review audits and support contacts, and liaising with the Department of Health and Ageing about homes that do not meet the Standards.

Teams of registered quality assessors conduct accreditation audits and other visits, and provide reports of their findings to the Agency. The Agency makes decisions, including accreditation decisions, based on these reports and other relevant information.

Generally, homes receiving three years' accreditation meet all the Accreditation Standards; homes accredited for shorter periods have areas of current non-compliance or a recent history of non-compliance. Truly exceptional homes may be considered for up to four years accreditation. The Agency may refuse to accredit a home. By law, new homes only receive one year accreditation. Accreditation may be revoked or reduced if a home does not continue to meet the Standards.

Agency decisions and accreditation and review audit reports are publicly available from the Agency's website, www.accreditation.aust.com, which also provides information about the Agency, education products and information for the aged care sector.

Where the Agency identifies that an approved provider is not meeting the Accreditation Standards (non-compliance), it reports this to the Department of Health and Ageing. Under the *Aged Care Act 1997*, the Department of Health and Ageing can impose sanctions when approved providers are not meeting their obligations under the Act. The Department's website provides information on sanctions imposed on aged care homes, at www.health.gov.au/acc/rescare/sanction.htm

Certification

In 1997 the Australian Government introduced a building improvement process to improve the physical standards of aged care homes. This process, called certification, is also linked to a home's revenue: only aged care 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 homes (more than 3,000) have been assessed.

In 1999, a 10 year forward plan for Certification was agreed with the aged care sector. The framework gives service providers a clear framework of minimum standards that will enable them to plan and implement improvements in accommodation.

The forward plan comprises three main elements:

1. **The 1999 Certification Assessment Instrument.** This instrument, which came into effect on 30 July 1999, includes a mandatory fire safety score of 19 out of 25 and an overall pass mark of 60 out of 100. The pass mark under the previous instrument was 57 and there was no mandatory minimum fire safety score.

2. **Privacy and space standards for existing residential aged care buildings.** These set a maximum of no more than four residents in any room, and of six residents per toilet and seven residents per shower. These standards will need to be met by the end of 2008.

3. **Privacy and space standards for new residential aged care buildings.** These set a maximum service average of 1.5 residents per room and no individual room may accommodate more than two residents. There will be no more than three residents per toilet and four residents per shower. These standards came into effect on 30 July 1999.

Community Care Standards Framework

HACC National Service Standards were introduced in 1991 as part of a commitment to provide quality services to consumers of community care. The Standards provide agencies with a common reference point for internal quality control and outline expected outcomes for consumers.

The National Service Standards Instrument (NSSI) was developed by the HACC Program in 1998 to provide a nationally consistent and reliable means of measuring and monitoring agency compliance with the Standards. States and Territories are required to provide aggregated outputs from the appraisal process to the Australian Government as part of the annual planning and reporting process. States and Territories are responsible for implementing the NSSI and reporting to the Australian Government in line with specific national reporting requirements.

Training in the use of the NSSI is progressively being implemented in each State and Territory and appraisals of HACC agencies against the NSSI have commenced. The NSSI and associated guidelines are at http://health.gov.au/hacc/igindex.htm

A Consumer Survey Instrument (CSI) has also been developed, to ensure that the views of those people who receive HACC services are taken into account in the appraisal of service quality.

As a package, the overall purpose of the HACC National Service Standards, the National Service Standards Instrument and Consumer Survey Instrument is to ensure that: quality services are delivered to consumers of HACC services; agencies engage in a process of continuous improvement in service quality; and reliable and comparable data on service quality can be collected for service monitoring and strategic policy and planning purposes.

OTHER SERVICES FOR CONSUMERS

As well as financing the provision of services for consumers, the Australian Government also provides funding for other support and community services.

Commonwealth Hearing Services Program

The Commonwealth Hearing Services Program administered by the Office of Hearing Services is linked to the Ageing and Aged Care Program.

Eligible people can obtain help by applying to the Office of Hearing Services for a hearing services voucher. The following services are available, free of charge, under this Program:

- hearing assessment;
- hearing rehabilitation; and
- selection and fitting of hearing devices (if necessary).

In addition, eligible people can obtain maintenance of their hearing aids and devices and a regular supply of batteries on payment of an annual maintenance fee.

People are eligible to apply for hearing services if they are Australian citizens or permanent residents 21 years or older and:

- hold Pensioner Concession Cards; or
- receive Sickness Allowance from Centrelink; or
- hold Gold Repatriation Health Cards issued for all conditions; or
- hold White Repatriation Health Cards issued for conditions that include hearing loss; or
- are dependents of a person in one of the above categories; or
- are members of the Australian Defence Force; or
- undergo a vocational rehabilitation program with the Commonwealth Rehabilitation Service (CRS) Australia and are referred by their case manager/s.

Services for Carers

In Australia, there are about 2.3 million carers and about 460,000 people act as primary carers for people at home with severe or profound disability. The Australian Government funds a number of services to meet their needs, including respite services to help carers take a break from their caring role as well as a range of services through the jointly funded HACC Program.

Respite is a major service available for carers. **Residential respite** provides short-term care in aged care homes for people who are in temporary need of residential care. Some $76 million is provided each year to subsidise the cost of using about one million bed days for respite stays in aged care homes. Residential respite may be used on a planned or emergency basis to help with carer stress, illness, holidays, or the unavailability of the carer for any reason.

A range of **community based respite care** services are also funded, including a network of day care centres and 'in home' respite services. There is a network of over 90 **Commonwealth Carer Respite Centres** across Australia, helping carers arrange a break for a few hours, days or weeks. These centres have a pool of funds, called brokerage, to be used to purchase 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.

Overall, the funding for the National Respite for Carers Program has been increased from $19 million in 1996-97 to an estimated $99.9 million in 2003-04. This additional funding has enabled the expansion of services to assist carers, particularly those that help them to obtain respite.

The 2002-03 Budget included an extra $80 million to help carers over the following four years. These new funds include $30 million to expand the number of respite services, assist with the cost of equipment and transport and provide emotional and psychological support for carers. A further $20 million will help carers of people with dementia to obtain residential respite and will increase access to specialist psychogeriatric advice and support. An additional $30 million will support ageing carers of people with disabilities by providing case management including involvement of volunteer carers, targeted care packages and assistance with purchasing care services and equipment. The 2003-04 budget provided $90.7 million over four years to extend the Dementia and Challenging Behaviours initiative. This funding is being used to maintain and increase funding to a range of respite services to assist carers of people with dementia. It also continues funding for the Commonwealth Carer Respite Centres to help them obtain flexible respite for these carers.

A **Commonwealth Carer Resource Centre** in each capital city acts as a single contact point for carers seeking information and advice about the full range of services and other support and assistance available to them. The Australian Government also funds the development and distribution of carer resource materials.

A **Carer Allowance** was introduced in 1999 for carers who are looking after people with high level needs in their own homes. This allowance extended and replaced two previous allowances for carers of young people and carers of adults.

Commonwealth Carelink Centres

Over 60 Commonwealth Carelink Centres have been established across Australia to provide comprehensive information on the range of aged and community care services in the enquirer's local area. Centres maintain up to date databases of service provider contact details, eligibility criteria and costs associated with receiving services. Commonwealth Carelink Centres receive on average 13,000 calls per month seeking information about aged and community care services.

Safe at Home Initiative

The Australian Government initiated the Safe at Home pilot program in August 1998 to evaluate the potential benefits of supplying Personal Alert Systems (PAS) to elderly people who are living alone and likely to require admission to residential care in the near future.

The PAS comprises an activation device (pendant or wrist band) which when pressed gives the user access to a 24 hour per day monitoring service. The monitoring service enables the user to make voice contact with the monitoring service from anywhere in their home to facilitate contacting nominated carers and/or emergency services.

Assistance with Care and Housing for the Aged (ACHA)

This initiative connects housing and community care for low income frail older people in insecure housing. The Australian Government funds organisations to provide paid workers and/or volunteers to link clients to appropriate mainstream housing and/or care services. Most of the 46 projects are located in inner city areas where there is a concentration of frail elderly people living in insecure accommodation.

Typically, an ACHA client may have no carer, little or no use of community services, little knowledge of services available and have a history of long term private renting, living in boarding houses or being homeless. These clients do not generally need residential care but their circumstances put them at great risk of becoming homeless or being placed prematurely in an aged care home.

An evaluation of the initiative found it was successful in its aim of preventing clients' inappropriate admission to residential care.

Aged Care Complaints Resolution Scheme

The Aged Care Complaints Resolution Scheme (the Scheme) deals with complaints about Commonwealth funded aged care services, including residential care homes and Community Aged Care Packages. This free and accessible service aims to work with all parties to a complaint to ensure that they understand and accept the actions necessary to resolve problems.

Complaints may be about anything that is potentially a breach of a service provider's responsibilities under the *Aged Care Act 1997* that the complainant thinks is unfair and which makes a resident dissatisfied with the service they receive. Verbal or written complaints may be made to the Scheme and a national toll free number is available for use by callers. Concerns can also be raised anonymously or confidentially with the Scheme if required.

If a complaint is not resolved through negotiation or mediation, a Complaints Resolution Committee will decide what the parties must do to resolve the problem. An independent Commissioner for Complaints oversees the Scheme and the Complaints Resolution Committees to ensure that complaints are dealt with fairly and expediently.

Advocacy services

The Australian Government funds an advocacy service in each State and Territory to provide advocacy and information services to residents of aged care homes. These services assist consumers of Australian Government funded aged care services to exercise their rights. This is done through representation and support as well as providing information and advice to residents and staff about their rights and responsibilities. Advocacy services also educate consumers, providers and the general community about the rights and responsibilities of recipients of aged care services.

Community Visitors Scheme

The Australian Government funds the Community Visitors Scheme to provide support to lonely and isolated residents of aged care homes who can benefit from contact with a volunteer. The aim of the Scheme is to improve the well being of residents by enabling them to maintain social contact with the community. For example, the Scheme can provide visitors for residents from a non-English speaking background who may benefit from community contact.

Extra Service

A small number of residential services (around 150) offer residents a significantly higher standard of "hotel" type extras in accommodation, food, and services, in return for a higher charge. These Extra Service homes increase diversty and choice in residential aged care. The Australian Government limits the number of "extra service" places approved in an area to ensure that residential care remains available to Australians who would have difficulty affording the additional charges. All residential aged care providers are required to meet designated care standards for all residents.

Day Therapy Centres

Day therapy centres were established by the Australian Government to assist the frail aged to remain as independent as possible. They offer a range of therapy services such as physiotherapy, occupational therapy and podiatry. The centres may charge clients a modest fee for these services.

There are 161 centres around Australia, mostly located at aged care homes. Their services are available to the residents of those homes and to frail older people living in the community.

Psychogeriatric Care Units Program

This Program provides ongoing special help for people with dementia and their carers to improve the quality of care for residents and potential residents of aged care homes who have dementia and who display challenging behaviours. The role of Psychogeriatric Care Units (PGUs) is to provide support and training for residential care staff and family carers caring for people with dementia. The PGUs provide access to staff with psychiatric, psychological and geriatric experience who can offer expert diagnosis, assessment, advice and support on dementia and challenging behaviour. PGUs also provide information and advice to carers of people with dementia who have not yet been able to access appropriate residential care because of challenging behaviours and severe cognitive impairment.

There is currently a PGU located in each State and the Northern Territory. The units have developed differently in each state to reflect the local needs. The geographical area covered by the units varies from state-wide (Tasmania, Northern Territory and South Australia) to distinct regions (Illawarra in NSW, Perth and the Kimberley region in Western Australia, and the Gold Coast in Queensland). The 2002 Budget includes $10 million over four years to expand the PGUs to achieve national coverage as a Commonwealth only program.

The Psychogeriatric Care Unit Program is currently being reviewed. The Review will be completed in early 2004, and aims to provide a range of options for developing the Program to provide full national coverage.

PROGRAMS FOR SPECIFIC RISK FACTORS

There are risk factors for all older persons which often necessitate residential aged care; these include dementia, falls and incontinence.

A large proportion of clients, particularly residential care clients, may have some form of dementia, with estimates that approximately 60 per cent of people in high care homes and 37 per cent of people in low care homes have care needs related to cognitive impairment. A number of initiatives have been developed including education and support for carers of people with dementia.

The Australian Government is now moving into the second phase of the **National Continence Management Strategy**. Funded projects include public awareness strategies and health promotion, pursuit of best practice in continence management, information, education and training for health professionals.

Other initiatives include Chronic Pain Management and Falls Prevention.

SPECIAL NEEDS

The *Aged Care Act 1997* recognises that some aged care users, including Aboriginal and Torres Strait Islander people, people living in rural and remote communities, people from non-English speaking backgrounds, people who are financially or socially disadvantaged and veterans including a spouse, widow or widower of a veteran have special needs.

Different strategies have been developed to meet these needs, including the funding of service types as well as working with the aged care sector generally. A specific capital funding program of $10 million a year (indexed from 1997) is targeted to aged care homes for residents who are concessional residents and have special needs. The needs of regional, rural and remote communites were recognised in the 2002 Budget with the allocation of capital funding of $25 million per year for four years. The Ageing and Aged Care Program also funds a number of ethno-specific services for clients.

The Ageing and Aged Care Program has a National Aboriginal and Torres Strait Islander Aged Care Strategy 1994 (the Strategy) which recognises the exceptional needs and access issues facing Aboriginal and Torres Strait Islander people. In planning for services to this community, the number of people aged 50 years and over is used, instead of 70 years used for the rest of the population.

At 30 June 2003, there were 30 approved Flexible Services providing aged care services under the Strategy, of which 28 are curently operational. These services offer a mix of aged care, consisting of residential care and Community Aged Care Packages. Many of the services have been established in remote areas where no aged care services were previously available. A total of 503 places have been allocated to these services.

Partners in Culturally Appropriate Care (PICAC) is an initiative under the Ethnic Aged Care Framework developed to ensure the special needs of older people from non-English speaking backgrounds are identified and addressed in residential aged care.

More recently, "special needs" status has been extended to veterans including a spouse, widow or widower of a veteran in recognition of their service to Australia.

HEALTH SERVICES

Australia's health care system provides access to necessary medical and health care services for all Australians. The Australian Government subsidises patients' medical and pharmaceutical costs through Medicare and the Pharmaceutical Benefits Scheme. The Australian Government also funds general practice programs, pathology services, mental health programs, and public and preventative health programs, amongst other programs.

Public hospital services that are operated by the States and Territories are provided free of charge and funded through money provided by the Australian Government and States/Territories through a Health Care Agreement with each State and Territory. About 44 per cent of the population also take additional coverage through private health insurance that is regulated by the Australian Government.

Health strategies for Aboriginal and Torres Strait Islander people are a priority, with the aim of improving access to culturally competent and quality health care.

The care needs of war veterans including a spouse, widow or widower of a veteran also receive particular attention and support, with a separate government department administering health and aged care programs to meet their needs.

THE BROADER AGEING AGENDA

National Strategy for an Ageing Australia

Recognising the significant implications of population ageing across a number of public policy areas, the Australian Government has developed a National Strategy for an Ageing Australia. The Strategy provides a framework to address current issues facing older people and to prepare for future demographic changes as Australia's population ages over the next 50 years. It also highlights that the ageing of Australia's population is an issue for all Australians - governments, business, community organisations, and individuals.

The framework document identifies key issues, a number of goals and some broad, practical actions to meet these goals. It was used to engage the community on the issue of ageing, with a series of community discussions held around Australia. The aim of these discussions was to hear from community leaders and older Australians their practical ideas on the next steps the Australian Government could undertake or facilitate with other key players. Discussions with business, professionals, researchers and community groups have also been undertaken to encourage discussion and action on issues that require cooperative action.

Positive Ageing

The Commonwealth, State and Territory Strategy on Healthy Ageing provides a mechanism for coordinating activity between governments on community attitudes, health and wellbeing, work and community participation, sustainable resourcing, inclusive communities, appropriate care and support, and research and information.

Under the Community and Disability Services Ministers' Conference, the Positive Ageing Task Force is responsible for overseeing implementation of the Strategy.

ATTACHMENT A

Contacts in the Commonwealth Department of Health and Ageing

GPO Box 9848, Canberra ACT 2601, Australia
First Assistant Secretary, Mr Nick Mersiades, (ph) 02 6289 5480 or (fax) 02 6289 1066

Website – comprehensive information about the Ageing and Aged Care Division within the Australian Department of Health and Ageing can be found at the website:**www.ageing.health.gov.au**

Ageing and Aged Care Division

Office for an Ageing Australia (OFAA) is committed to providing quality policy advice and strategic direction to support government, stakeholders and the community to address the challenges and opportunities presented by Australia's ageing population.

The key responsibilities of OFAA include:

- National Strategy for an Ageing Australia;
- Healthy Ageing;
- participating in a whole of government approach to ageing issues;
- mature age employment;
- positive images of ageing;
- national recognition awards;
- building partnerships with key stakeholders;
- communication and information strategies;
- maintenance of the Division's publication program;
- ageing research; and
- international liaising on population ageing.

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Policy and Evaluation Branch develops and evaluates national policy for the Ageing and Aged Care Program, with responsibility for:

- leading and monitoring aged care structural reform;
- reviewing the pricing arrangements for residential aged care;
- improving the evidence base that informs aged care policy formulation and debate;
- developing and implementing new aged care policy and initiatives;

- developing policy across many areas of the program, such as: the balance of care between community and residential care; the interface between aged care and other forms of care like acute and sub-acute care; and financing and industrial issues; and
- managing the budget process and proposals for the program.

The Branch has expertise in evaluation, policy, data, and financial analysis.

Contact: Virginia Hart, (ph) 02 6289 5475 or (fax) 02 6289 7708.
E-mail: virginia.hart@health.gov.au

Residential Program Management Branch is responsible for managing the residential aged care program (residential aged care services) in partnership with the Quality Outcomes Branch. The Branch has particular responsibility for:

- improving the quality of accommodation, through capital grants and extra service approvals;
- facilitating restructuring of the sector to ensure ongoing viability and improvements in quality, through capital grants and the allocation of new places;
- improving access to residential accommodation and community care through the allocation of new places and specific programs to ensure appropriate care for Aboriginal and Torres Strait Islander communities, people from non-English speaking backgrounds, the financially or socially disadvantaged, and war veterans including a spouse, widower or widower of a veteran;
- ensuring that organisations wishing to enter the aged care sector are suitable to provide aged care;
- overseeing the management of provisional allocations, variations and transfers under the *Aged Care Act 1997*;
- providing payments to providers on the basis of their monthly claims and their legislative entitlements;
- assessing options for implementing electronic transactions between the Department and the aged care sector;
- overseeing residential aged care fees, concessional and hardship arrangements.

Contact: Stephen Dellar, (ph) 02 6289 5500 or (fax) 02 6289 5004.
E-mail: stephen.dellar@health.gov.au

Quality Outcomes Branch is responsible for a range of quality improvement mechanisms for the aged care program including compliance functions and managing a number of key funding and accountability issues in the program. This includes managing:

- industry training and workforce issues;
- implementation of the Resident Classification Scale (RCS);

- services for consumers such as the Community Visitors Scheme and the Advocacy Program;
- working with the Aged Care Standards and Accreditation Agency to ensure the effective implementation of the accreditation based quality assurance system;
- strengthening and promoting the key consumer protections provided by the Complaints Resolution Scheme;
- coordinating the standards (accreditation and certification) and compliance activities;
- supporting State/Territory Offices in their work with the industry during the transitional arrangements;
- assisting State/Territory Offices in taking timely and effective action where providers have breached their responsibilities under the *Aged Care Act 1997* or its subordinate legislation; and
- coordinating prudential compliance activities.

Contact: Jane Bailey, (ph) 02 6213 4800 or (fax) 02 6213 4834.
E-mail: jane.bailey@health.gov.au

Community Care Branch has responsibility for managing the community care programs, including the HACC and CACP Programs. This includes a broad range of HACC policy and program issues including quality assurance, assessment, and planning and advisory mechanisms. Other program responsibilities include ACAP, Day Therapy Centres, the National Continence Management Strategy, the "Safe at Home" Program, Commonwealth Carelink Centres, Carer Support and Respite Care.

The Branch also develops policy and manages programs for carers, such as the National Respite for Carers Program and information and support strategies for carers.

Contact: Warwick Bruen, (ph) 02 6289 5182 or (fax) 02 6289 5163.
E-mail: warwick.bruen@health.gov.au

Medical and Pharmaceutical Services Division

Office of Hearing Services manages the Commonwealth Hearing Services Program.

The objective of the Commonwealth Hearing Services Program is to reduce the consequences of hearing loss for eligible Australians and the incidence of hearing loss in the broader community.

Pensioners, part pensioners and eligible veterans, among others, benefit from a subsidised Hearing Services Program, managed by the Office of Hearing Services. Under the Hearing Services Program, vouchers are issued to adult eligible clients, who can choose from a national network of accredited hearing service providers, including Australian Hearing Services, the government provider. This Program ensures that over 350,000 eligible adult Australians each year access quality hearing services that may otherwise have been unaffordable.

The Program also includes funding for the provision of services to all Australian young adults and children under the age of 21 years, eligible adult clients in remote areas, eligible adult Aboriginal and Torres Strait Islander people and eligible clients with complex needs. These services are provided by Australian Hearing under the Community Service Obligation funding arrangements.

As well as the management and administrative staff who are located in Central Office, the Office of Hearing Services employs a number of professional Audiologists to provide advice and support. These Audiologists operate from out-posted offices in Victoria, Queensland and Western Australia.

Contact: Phillip Jones, (ph) 02 6289 5360 or (fax) 02 6289 9046.
E-mail: phillip.jones@health.gov.au

General enquiries: Hearing Services Information **1800 686 126**.
(TTY telephone **1800 500 496**).

E-mail: hearing@health.gov.au

Information on the Commonwealth Hearing Services Program is also available on the Office of Hearing Services Internet Site:
www.health.gov.au /hear

STATE/TERRITORY OFFICES

The Australian Department of Health and Ageing has a regional structure, with offices in Canberra as well as in the States and Territories.

State/Territory Offices of the Department administer programs at a local level, including liaison and communication with service providers, clients and State/Territory Government departments, and contribute to national policy development.

For more information, please write to:

Department of Health and Ageing
Assistant State Manager
GPO Box 9848
in your Capital City

ATTACHMENT B

Consultative Committees in the Ageing and Aged Care Program

There are a number of different consultative structures that are used throughout the Program such as:

Aged Care Advisory Committee (ACAC)

This Group advises the Department and the Minister on a broad range of aged care issues, including matters relating to implementing the aged care structural reform process. It comprises representatives from providers, consumers and care professionals.

Commonwealth/State Aged Care Officials Group

This Group consists of representatives from the Federal, State and Territory Governments. Aged and Community Care issues that cross State/Territory jurisdictions are discussed. The Group meets several times per year.

Home and Community Care (HACC) Advisory Committees

These Committees operate in some States/Territories and advise Ministers broadly about planning strategies, program development priorities and more specifically about unmet community needs. The Committees also provide some feedback on program performance in HACC.

Aged Care Planning Advisory Committees (ACPAC)

The Committees are established under the Act in each State and Territory to advise the Secretary of the Department of Health and Ageing on the distribution of high and low level residential aged care places, EACH packages and CACPs. This is done following the overall allocation of places to each State and Territory approved by the Minister in the context of the Budget. The ACPACs include Commonwealth, State/Territory and local government representatives with consumer and community representatives.

Aged Care Workforce Committee (ACWC)

This group advises the Minister and the Department on workforce issues in aged care. It comprises representatives from industry bodies, academia and training bodies, State/Territory Government, employees, service providers, consumers and care professionals.

Commonwealth, State and Territory Strategy on Healthy Ageing

The Positive Ageing Task Force, a Federal/State body, has developed the Commonwealth, State and Territory Strategy on Healthy Ageing. The Positive Ageing Task Force has an ongoing role including coordinating healthy ageing issues across jurisdictions. The Office for an Ageing Australia represents the Australian Government on the Positive Ageing Task Force and provides secretariat support.

Other Committees

There are also a number of other consultative committees that work through specific technical issues, for example on improving building quality in residential care and on implementation of electronic transactions between the Department and the aged care sector.

Hearing Services Advisory Committee (HSAC)

The Hearing Services Advisory Committee (HSAC) was established to provide an independent channel of advice to the Minister on broad policy issues relating to the consequences of hearing loss and reduction of the incidence of hearing loss in the community, and on the implementation and effectiveness of the Commonwealth Hearing Services Program. The Committee seeks input from stakeholders including professional bodies, consumers, hearing service providers and hearing device suppliers.

ATTACHMENT C

Older People/Aged Care Facts

General

- The male retirement age of 65 was set in 1909 when the average male lifespan was around 58 years.
- The proportion of people aged 65 and over is projected to grow from 12.4 per cent in 2001 to over 21.9 per cent in 2031, ie from 2.40 million older Australians to 5.05 million in 2031.
- Currently 1.67 million people are over 70 (8.9 per cent of the population); this will be over 3.67 million in 30 years (15.9 per cent of the population);
- Currently 582,000 people are over 80 (2.9 per cent of the population); this will be over 1.3 million in 30 years (5.8 per cent of the population).
- Over the next 10 years the over 70 population will grow 2.2 times faster than the total population and the over 80 population will grow 4.2 times faster.
- Around 52 per cent of older people receive the full pension and about 25 per cent receive part pensions.
- At age 65 a person's life expectancy is an additional 17 years for men and 20 years for women.

FUNDING FOR AGED CARE

- Total Australian Government outlays for ageing and aged care services administered by the Department of Health and Ageing was $5.6 billion for 2002-03.
- In 1995-96, the Australian Government spent $2.5 billion on residential aged care. The planned spend in 2003-04 is $4.5 billion. That is an increase of $2 billion over eight years.

RESIDENTIAL CARE

- A person aged 70 has a 36 per cent chance of needing high level residential care during their life.
- The occupancy rate for aged care homes is around 97 per cent for permanent residents.
- There are 150,786 residential aged care places.

- The average age of residents is 83.2 years.
- About 64 per cent of high level care residents enter from hospital, 26 per cent from low level care, 10 per cent direct from the community.
- About 30 per cent of low level care residents enter from hospital, 70 per cent from the community.
- The average length of stay is 36 months with 35 per cent staying less than 1 year and 22 per cent staying more than 5 years.
- 1.0 per cent of residents are of indigenous Australian descent and 12.0 per cent of residents are from culturally and linguistically diverse backgrounds.
- A maximum of 12 per cent of care places may be for extra service places, while 16-40 per cent of places must be for concessional residents, depending on the region.

COMMUNITY CARE

Community Aged Care Packages (CACPs):

- Over 27,000 people receive CACPs (equivalent of low level residential care).
- For CACPs, the maximum fee rate for pensioners on the basic rate of pension is around $1,930. The maximum Commonwealth subsidy per person is $11,216 in a full year.
- 961 CACPs have been released in 2003-04 ACAR (Aged Care Approvals Round).

Home and Community Care (HACC)

Based on data from the HACC Minimum Data Set for the period 1 July 2001 to 30 June 2002, it is estimated that HACC provided 28.1 million hours of service and delivered 9.3 million home meals in 2001-02. Services were provided to some 650,000 people.

The average age of HACC clients is 71.6 years, 66 per cent are female, 93 per cent are pensioners and 52 per cent have a carer available to assist them.

Centre based day care provided the most hours of care, followed by domestic assistance, personal care, social support, home nursing and respite care.

CARERS

- It is estimated that there are about 2.33 million carers and approximately 460,000 people acting as primary carers for people at home with severe or profound disability (ABS 1998).
- Prior to age 60, women predominate as carers and those cared for are children and spouses.
- 67 per cent of carers are aged between 25-59 years, and 21 per cent aged 65 years or over.
- Daughters form a third of carers of older people and sons about 5 per cent.

DEMENTIA

- Around 167,000 people aged over 60 are estimated to have some form of dementia (2002). This is expected to rise to around 276,000 by 2020 and 555,000 by 2050.
- 37 per cent of low level care residents and 60 per cent of high level care residents have some form of dementia. Around 50 per cent of clients receiving community care services are also estimated to have dementia.

HEALTH

- Population ageing has contributed about 1/5th of the annual real increase in health outlays over the last 20 years.
- In 1998-99, people aged 65+ were 12 per cent of the population but made up 32 per cent of hospital discharges and 46 per cent of bed days.
- In 1998-99, people aged 65+ received twice the number of Medicare services per person than the average for all people.

ATTACHMENT D

List of Abbreviations relevant to Aged Care in Australia

AA	Alzheimer's Australia
ABS	Australian Bureau of Statistics
ACSA	Aged and Community Services Australia
ACAC	Aged Care Advisory Committee
ACAR	Aged Care Assessment Record
ACAR	Aged Care Approvals Round
ACAT	Aged Care Assessment Team
ACCNS	Australian Council of Community Nursing Services
ACHA	Assistance with Care and Housing for the Aged
ACOSS	Australian Council of Social Service
ACPAC	Aged Care Planning Advisory Committees
ACSAA	Aged Care Standards and Accreditation Agency
ACROD	Australian Council for the Rehabilitation of the Disabled
ADL	Activities of Daily Living
AHS	Australian Hearing Services
AIFS	Australian Institute of Family Studies
AIHW	Australian Institute of Health and Welfare
ALGA	Australian Local Government Association
ANF	Australian Nursing Federation
ANHECA	Australian Nursing Home and Extended Care Association
APSF	Australian Pensioners and Superannuants Federation
ARF	Additional Recurrent Funding
CA	Carers Australia
CACP	Community Aged Care Package
CER	Charge Exempt Resident
CFA	Continence Foundation of Australia
CHF	Consumers' Health Forum
CIARR	Client Information and Referral Record
COPs	Community Options Projects
COTA	Council on the Ageing
CRS	Complaints Resolution Scheme
CSTDA	Commonwealth State/Territory Disability Agreement
CSMAC	Community Services Ministers' Advisory Committee
CSSS	Community Sector Support Scheme
CTP	Capital Transition Payment

DoHA	Department of Health and Ageing
DRG	Diagnosis Related Group
DVA	Department of Veterans' Affairs
EACH	Extended Aged Care at Home Package
EPAC	Economic Planning and Advisory Council
FECCA	Federation of Ethnic Communities Councils of Australia
HACC	Home and Community Care
HSAC	Hearing Services Advisory Committee
HESTA	Health Employees Superannuation Trust Australia
LGA	Local Government Areas
MPC	Multipurpose Centres Program
MPS	Multipurpose Services
NAPD	National Action Plan for Dementia Care
NATSEM	National Centre for National Socioeconomic Modelling
NRCP	National Respite for Carers Program
PICAC	Partners in Culturally Appropriate Care Project
PGU	Psychogeriatric Care Units
RCS	Resident Classification Scale
RIM	Retirement Income Modelling Taskforce
RDNS	Royal District Nursing Service
RSL	Returned & Services League of Australia
SLA	Statistical Local Areas
SPARC	System for the Payment of Aged Residential Care
SPRC	Social Policy Research Centre
TCP	Transition Care Packages