



OUTCOME 03

ENHANCED QUALITY OF LIFE FOR OLDER AUSTRALIANS

Support for healthy ageing for older Australians and quality and cost-effective care for frail older people and support for their carers.

OUTCOME 3: ENHANCED QUALITY OF LIFE FOR OLDER AUSTRALIANS

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OUTCOME

PART 1: OUTCOME PERFORMANCE REPORT

Outcome 3 was managed in 2004-05 by the Ageing and Aged Care Division. The Department's State and Territory Offices and the Aged Care Payments Redevelopment Group also contributed to achieving this outcome, as did the Aged Care Standards and Accreditation Agency Ltd and the Office of the Commissioner for Complaints, both of which produce their own annual reports.

Major Achievements

- Twenty-four of the thirty-one measures in the \$2.2 billion *Investing in Australia's Aged Care: More Places, Better Care* package were implemented and three commenced on 1 July 2005, with the implementation of the remaining four well advanced.
- *A New Strategy for Community Care – The Way Forward* was released in August 2004, with implementation progressed in collaboration with the States and Territories.
- A new quality reporting initiative was developed for a number of community care programs.
- A National Aged Care Workforce Strategy was released by the Minister for Ageing in April 2005.

Challenges

- A new viability supplement scheme commenced from 1 January 2005. The scheme's start up was delayed to 1 July 2005 but increased payments were calculated from 1 January 2005.
- Establishment of a guarantee scheme to strengthen the security of bonds paid by aged care residents was announced in the 2004-05 Budget, and implementation will proceed following further consultations on options to strengthen protection of bonds.

KEY STRATEGIC DIRECTIONS FOR 2004-05

Investing in Australia's Aged Care: More Places, Better Care

The Department is responsible for the implementation of the \$2.2 billion *Investing in Australia's Aged Care: More Places, Better Care* package announced in the 2004-05 Budget, in response to the report of the *Review of Pricing Arrangements in Residential Aged Care*. The package builds on the existing aged care program to improve access of older Australians to aged care services, strengthen quality and promote efficiency and sustainability. Implementation of the package is substantially complete. Of the 31 new measures, 24 were implemented by the end of 2004-05 and three more commenced on 1 July 2005. Implementation of the remaining four measures is well advanced. A number of the measures are discussed below, and others are discussed elsewhere in this chapter.

During 2004-05, the Department implemented the first stage of the Transition Care Program on schedule, by allocating 599 new Transition Care places. In partnership with the States and Territories, Transition Care will provide older people who have completed a hospital stay with services to improve their physical, cognitive and psycho-social functioning, thereby improving their capacity for independent living. It also provides older people with time to make longer-term care arrangements. Transition care seeks to minimise inappropriate extended hospital stays and premature admission to residential aged care.

During 2004-05, the Department developed the eligibility criteria for the Conditional Adjustment Payment (CAP). Commencing 1 July 2004, CAP provides \$877.8 million to approved providers over four years, subject to the conditions that providers give their staff information about training and opportunities

for training, provide audited General Purpose Financial Reports annually, and participate in workforce censuses required by the Department. CAP will strengthen financial management and corporate governance arrangements in the aged care industry and assist approved providers to improve their services so that they can continue to provide high quality care to residents.

The 2004-05 Budget included a decision to introduce a new dependency-based funding system for residential aged care in 2006 which will, among other things, reduce the documentation burden on staff and allow them to spend more time on care. During 2004-05, the Department continued to manage development of this new funding instrument, called the Aged Care Funding Instrument (ACFI). Alternatives for a new funding model with a reduced number of categories and two new supplements were explored. A broad sample of residential aged care homes from each State and Territory is participating in the ACFI trial in 2005. The detailed structure of the new funding model will be informed by the data collected in the trial.

As part of the 2004-05 Budget measure, Investing in Australia's Aged Care – Streamlining Administration for Better Care, the Department is collaborating with aged care providers to introduce eBusiness to the aged care sector, thereby streamlining administration processes and increasing efficiency. The first stage of eBusiness was implemented in 2004-05 with a small number of aged care providers, to enable them to submit simple business transactions electronically. In 2005-06, more providers will be able to participate and the eBusiness capability will be progressively extended to more complex transactions.

Early in 2005, the Department released the online Commonwealth Carelink Services directory¹ which contains information about aged care homes and community care services. The Department also commenced development of a more extensive website, which will provide more comprehensive information for consumers

as well as tools to help them better understand their needs and the services available to them. The site is planned for release in 2006.

The 2004-05 Budget Package foreshadowed development of a guarantee scheme to strengthen the protection of accommodation bonds paid by residents to approved providers of residential aged care. The Department undertook extensive consultations during 2004-05, including with the aged care sector, following which the Government decided to complement the guarantee scheme with new prudential arrangements, both to take effect from February 2006.

Quality Care and Support for Frail Older Australians

During 2004-05, the Department improved older Australians' access to care and support by increasing the number of residential and community places, which grows in line with Australia's older population. Through the 2004 Aged Care Approvals Round, 11,825 new places were allocated. They comprised 8,905 residential aged care places (the largest ever single allocation of residential aged care places), 2,020 Community Aged Care Packages and 900 Extended Aged Care at Home packages. At 30 June 2005, there were 114.6 allocated aged care places and 102.4 operational places per 1,000 people aged 70 years and over, compared with 110.2 allocated places and 100.0 operational places at 30 June 2004. The number of operational places differs from the number of allocated places primarily because of the time required to seek planning approvals (and resolve any appeals) once suitable locations have been identified. Of delays of more than two years in making places operational, nearly 75 per cent are due to planning delays and land availability. Table 3.1 shows the distribution of places across Aged Care Planning Regions within each State and Territory.

¹ Accessible online at <www.commcarelink.health.gov.au/index.htm> through the Search for Seniors link.

Table 3.1: Allocated and Operational Aged Care Places per 1,000 Persons Aged 70 and Over by Aged Care Planning Region, 30 June 2005²

Aged Care Planning Region	Ratio of Allocated Places				Ratio of Operational Places			
	Residential care	Community care	Transition Care	Total	Residential care	Community care	Transition care	Total
New South Wales								
Central Coast	91.7	18.0	-	109.7	72.4	18.0	-	90.3
Central West	99.0	16.7	-	115.7	95.3	16.0	-	111.3
Far North Coast	90.1	17.2	-	107.4	77.4	17.1	-	94.5
Hunter	92.6	15.6	-	108.3	81.9	15.6	-	97.5
Illawarra	89.8	18.2	-	108.0	68.6	18.2	-	86.7
Inner West	120.4	19.4	-	139.7	111.7	18.4	-	130.1
Mid North Coast	91.9	17.6	-	109.5	74.0	17.6	-	91.6
Nepean	105.7	17.6	-	123.3	95.1	17.6	-	112.7
New England	96.1	18.1	-	114.2	87.3	18.1	-	105.3
Northern Sydney	107.8	14.2	-	122.0	102.1	14.2	-	116.3
Orana Far West	98.1	23.8	-	122.0	89.0	23.8	-	112.8
Riverina/Murray	90.5	17.3	-	107.7	80.1	17.3	-	97.4
South East Sydney	89.4	18.4	-	107.8	71.9	18.4	-	90.3
South West Sydney	91.4	17.2	-	108.6	80.7	17.2	-	97.9
Southern Highlands	95.0	15.7	-	110.7	80.0	15.7	-	95.7
Western Sydney	95.7	15.6	-	111.3	87.9	15.6	-	103.4
State Total	96.4	17.1	0.3	113.7	84.2	17.0	-	101.2
Victoria								
Barwon-South Western	98.7	18.7	-	117.5	86.1	18.7	-	104.8
Eastern Metropolitan	98.6	15.4	-	114.0	85.4	15.4	-	100.8
Gippsland	96.3	17.3	-	113.7	80.7	17.3	-	98.1
Grampians	96.0	19.3	-	115.4	87.7	19.3	-	107.0
Hume	99.9	19.2	-	119.1	87.6	17.9	-	105.5
Loddon-Mallee	94.6	17.7	-	112.4	87.1	17.7	-	104.8
Northern Metropolitan	99.7	18.6	-	118.3	83.2	18.6	-	101.8
Southern Metropolitan	99.4	16.3	-	115.7	83.8	16.2	-	100.1
Western Metropolitan	101.8	19.0	-	120.8	81.4	19.0	-	100.4
State Total	98.8	17.4	0.3	116.5	84.4	17.3	-	101.7
Queensland								
Brisbane North	105.4	14.7	-	120.1	98.5	14.7	-	113.2
Brisbane South	100.4	13.9	-	114.3	91.5	13.9	-	105.5
Cabool	93.2	12.7	-	105.8	82.1	12.7	-	94.8
Central West	113.2	61.7	-	174.9	113.2	61.7	-	174.9
Darling Downs	96.3	17.2	-	113.6	93.3	16.8	-	110.0
Far North	88.2	24.6	-	112.8	85.5	24.3	-	109.8
Fitzroy	100.7	20.2	-	120.9	90.0	19.1	-	109.1
Logan River Valley	92.4	18.9	-	111.3	63.0	16.9	-	79.9
Mackay	92.1	19.7	-	111.8	85.0	19.7	-	104.7
North West	91.8	66.4	-	158.2	83.1	63.0	-	146.1
Northern	101.3	16.8	-	118.1	95.6	16.8	-	112.4
South Coast	88.3	13.1	-	101.4	73.9	12.7	-	86.6
South West	109.4	47.6	-	156.9	108.4	47.6	-	156.0
Sunshine Coast	85.5	13.3	-	98.8	73.8	12.8	-	86.6
West Moreton	95.8	14.1	-	109.9	91.6	13.3	-	104.9
Wide Bay	88.7	15.9	-	104.6	79.4	15.1	-	94.5
State Total	94.9	16.0	0.3	111.2	85.2	15.6	-	100.8

Aged Care Planning Region	Ratio of Allocated Places				Ratio of Operational Places			
	Residential care	Community care	Transition Care	Total	Residential care	Community care	Transition care	Total
South Australia								
Eyre Peninsula	83.8	23.7	-	107.5	82.1	23.7	-	105.8
Hills, Mallee and Southern	93.8	18.6	-	112.4	83.5	18.6	-	102.1
Metropolitan East	119.7	13.3	-	133.0	118.8	13.3	-	132.1
Metropolitan North	100.7	15.7	-	116.4	87.2	15.7	-	103.0
Metropolitan South	89.9	17.9	-	107.8	82.9	17.9	-	100.8
Metropolitan West	87.2	18.3	-	105.4	82.2	18.3	-	100.5
Mid North	84.1	19.0	-	103.2	79.3	19.0	-	98.4
Riverland	84.1	18.2	-	102.2	84.1	18.2	-	102.2
South East	88.2	16.8	-	105.0	76.4	16.8	-	93.2
Whyalla, Flinders and Far North	89.3	33.5	-	122.8	85.9	33.5	-	119.4
Yorke, Lower North and Barossa	95.9	22.1	-	117.9	93.9	22.1	-	116.0
State Total	97.2	17.5	0.5	115.2	91.2	17.5	-	108.7
Western Australia								
Goldfields	115.0	24.5	-	139.4	105.2	24.5	-	129.6
Great Southern	97.5	19.7	-	117.3	87.5	17.9	-	105.4
Kimberley	148.8	55.8	-	204.7	128.4	49.3	-	177.7
Metropolitan East	103.3	17.7	-	121.1	98.2	17.5	-	115.7
Metropolitan North	95.4	15.7	-	111.1	78.8	15.2	-	94.1
Metropolitan South East	110.9	18.0	-	128.9	103.3	17.8	-	121.1
Metropolitan South West	86.4	13.3	-	99.7	72.7	13.2	-	85.8
Mid West	76.4	21.1	-	97.5	72.9	21.1	-	94.0
Pilbara	135.0	81.3	-	216.3	81.3	81.3	-	162.6
South West	97.1	15.7	-	112.8	83.3	15.7	-	99.0
Wheatbelt	70.7	22.6	-	93.3	60.9	16.5	-	77.4
State Total	96.9	17.0	0.3	114.2	85.2	16.5	-	101.7
Tasmania								
North Western	90.1	17.3	-	107.4	82.6	17.3	-	99.9
Northern	97.2	21.6	-	118.8	88.4	21.6	-	109.9
Southern	98.8	18.3	-	117.1	89.1	18.3	-	107.4
State Total	96.3	19.0	0.4	115.8	87.4	19.0	-	106.4
Northern Territory								
Alice Springs	173.1	196.0	-	369.1	162.7	190.8	-	353.5
Barkly	163.8	327.6	-	491.4	163.8	327.6	-	491.4
Darwin	96.7	82.2	-	178.9	84.6	82.2	-	166.8
East Arnhem	80.3	525.5	-	605.8	80.3	474.5	-	554.7
Katherine	169.6	187.0	-	356.6	157.1	137.2	-	294.3
Territory Total	118.7	131.0	-	249.7	107.5	124.5	-	232.0
Australian Capital Territory								
Australian Capital Territory	94.6	21.6	-	116.2	72.1	21.6	-	93.7
Territory Total	94.6	21.6	0.5	116.7	72.1	21.6	-	93.7
Australia	96.9	17.4	0.3	114.6	85.1	17.2	-	102.4

² The ratios in Table 3.1 are based on estimates of the population aged 70 years or over as at 30 June 2005 from small area projections prepared by the Australian Bureau of Statistics (ABS) and based upon ABS Population Projections, Australia (3,222.0), series B. The places in Table 3.1 include flexible care places. The higher levels of provision in the Northern Territory address the care needs of Aboriginal people aged 50 years and over. In this table, community care places include Community Aged Care Packages and Extended Aged Care at Home packages.

Since the introduction of the *Aged Care Act 1997*, places allocated for low level care may be used for high level care to enable residents to age in place. Table 3.2 provides information on the utilisation of residential places for low level care and high level care.

and continuing professional development scholarships to people from rural and regional areas who are committed to caring for older Australians. Budgeted at \$26.3 million over four years from 2002-03, the scholarships are offered by the college to candidates selected

Table 3.2: Utilisation of Operational Residential Aged Care Places by State and Territory, 30 June 2005

	Proportion of all operational residential places utilised for high care	Proportion of operational places allocated as low care and utilised for high care
New South Wales	64.1%	27.7%
Victoria	58.8%	28.1%
Queensland	64.6%	38.8%
Western Australia	58.9%	27.6%
South Australia	68.5%	41.4%
Tasmania	67.5%	40.1%
Northern Territory	70.5%	36.7%
Australian Capital Territory	65.1%	41.9%
Australia	62.9%	31.7%

The Community Partners Program was announced in the 2004-05 Budget and commenced on 1 January 2005. Following a competitive process, the Department selected 40 organisations to facilitate increased access to aged care by culturally and linguistically diverse communities. Communities that have large numbers of people aged 70 years and older who are assisted by the program are the Italian, Greek, Vietnamese, Polish, German, Spanish, Arabic, Turkish, Dutch, Chinese, and Cambodian communities. Other culturally and linguistically diverse communities are also assisted.

Support Aged Care Industry Workforce Quality and Professional Input

The Department assisted the Aged Care Workforce Committee, which represents the industry, to produce the National Aged Care Workforce Strategy, released in 2004-05. The strategy provides a framework for the aged care sector to plan and develop best practice workplace models. It supports the aged care workforce in sustaining the flexibility, skills mix and numbers essential for effective care.

The Department continued a partnership with the Royal College of Nursing Australia that provides undergraduate, postgraduate

in accordance with guidelines approved by the Department. During 2004-05, 300 undergraduate scholarships, 94 continuing professional development scholarships and 10 honours scholarships were offered. A total of 626 undergraduate scholarships, 329 continuing professional development scholarships and 17 honours scholarships has been offered since the Scheme commenced in 2003. The Department also administers funds to the college and the University of Tasmania for programs to support the scholarship recipients. The scholarships are increasing the availability of professionally qualified aged care staff.

Through the Support for Aged Care Workers Training Program, the Department manages training of care staff in smaller, less viable, aged care homes to upgrade their skills. Budgeted at \$21.2 million over four years from 2002-03, the program frees registered nurses to concentrate on clinical care. In 2004-05, this program reached 1,216 staff through 33 training programs in 73 aged care homes. In the three years since its establishment, it has benefited more than 5,700 staff through 70 training programs in over 470 aged care homes throughout Australia.

The Department successfully implemented medication management training for enrolled nurses and vocational education and training for personal care workers under

the Investing in Care—Better Skills for Better Care component of the 2004 Budget package. Eighty eight approved providers and 72 training organisations have been contracted for training of staff to enhance the quality of care provided to frail older Australians.

Continued Improvement of Care and Accommodation Standards (Capacity to Measure and Evaluate Improvements in Aged Care Services)

The quality assurance system for residential care requires homes to be accredited to be eligible for Australian Government subsidy. The Aged Care Standards and Accreditation Agency Ltd (the Agency) monitors compliance with the Accreditation Standards, which cover management systems, staffing and organisational development, health and personal care, resident lifestyle, and physical environment and safe systems. The Agency has found that most homes meet all the standards and undertake continuous improvement. At 30 June 2005, 2,935 homes were accredited by the Agency, of which 92 per cent have been awarded three years accreditation and almost 99 per cent of homes were compliant with all 44 Accreditation Standard outcomes.

The Department is responsible for ensuring that approved providers of aged care meet all their obligations under the *Aged Care Act 1997* and imposition of sanctions when approved providers breach their responsibilities or fail to implement improvements, including those required by the Agency. During 2004-05, the Department took regulatory action against 129 approved providers, including the issuing of 12 Notices of Decision to Impose Sanctions and 208 Notices of Non-Compliance.

The Department developed a quality reporting system which, from 1 July 2005, will provide a common reporting process and standardised reports on quality for providers of Community Aged Care Packages (CACP), Extended Aged Care at Home (EACH), and services under the National Respite for Carers Program (NRCP). This quality reporting will benefit older people who receive care in their own homes by encouraging providers to look at the systems they have in place for delivering services and how these systems might be improved. The

aim of quality reporting is to continuously improve the quality of community care services at the individual outlet level and for community care overall. Quality reporting is an important part of the strategy for strengthening community care and supporting the continued growth of the sector. The Department will work with providers to review the standard of service delivery and develop measures aimed at continuous quality improvement.

Strengthened Continuity of Care and the Community Care Review

To improve the ways in which clients move between aged care and other services, the Department is conducting a number of pilot projects in partnership with the States and Territories. The Aged Care Innovative Pool pilots the provision of aged care services in community and residential settings in new ways and through new models of partnership. In 2004-05, to assist younger people with disabilities in aged care homes to access more appropriate specialist disability accommodation, the Aged Care Innovative Pool focused on services at the interface between aged care and disability services. The Innovative Pool also focused on services for people with high levels of need, in areas where the provision of aged care has proven difficult. As at 30 June 2005, 1,428 places had been allocated in the Aged Care Innovative Pool, of which 77 were allocated in 2004-05.

In response to the Community Care Review, *A New Strategy for Community Care—The Way Forward* was launched by the Minister in August 2004. The Department has established a number of working groups with the States and Territories to help implement *The Way Forward*. Work has been underway in five broad action areas: addressing gaps and overlaps in service delivery; providing easier access to services; enhancing service management; streamlining Australian Government programs; and adopting a partnership approach. Significant progress was made on renegotiation with State and Territory governments of a new Home and Community Care (HACC) agreement, underpinned by the adoption of common arrangements in areas such as eligibility, assessment, common entry points and accountability in order to simplify access to services by clients and their carers.

In 2004-05, the Department undertook an open competitive process to achieve streamlining and improved service delivery across a number of programs, including the NRCP, the Commonwealth Carelink Program, the Carer Information and Support Program and the Continence Aids Assistance Scheme. This was in line with the directions set out in

The Way Forward. New funding agreements and contracts will generally be for three years from 1 July 2005, with transitional arrangements until 30 September 2005. This will result in reduced duplication between services, streamlined administration and a more flexible mix of services for carers.

PERFORMANCE INDICATORS (EFFECTIVENESS INDICATORS)

The Department of Health and Ageing is responsible, and accountable, for contributing to the achievement of nine outcomes. Effectiveness indicators are used to measure the progress the Department is making in achieving our outcomes.

Listed below are the effectiveness indicators for Outcome 3 followed by a brief description of the Department's performance in meeting these targets.

Indicator 1. Residential places and Community Aged Care Packages per 1,000 persons aged 70 years and over nationally (including places in flexible care)

Target:	Information source/reporting frequency:
a. 108 operational places available per 1,000 persons aged 70 years and over in 2007 (including places in flexible care).	Departmental data including payment system and the Australian Bureau of Statistics. Annual.
b. Equitable service availability across planning regions.	

- a. In the May 2004 Budget, the Australian Government announced an increase from 100 to 108 in the target number of operational places per 1,000 persons aged 70 years and over. The number of operational places available per 1,000 persons aged 70 years and over increased from 100.00 at June 2004 to 102.4 at June 2005. Indicative numbers of places to be released in the next three years have been announced, with a view to achieving the target by 2007. An estimated 23,652 new aged care places will be made available through the 2005 (11,093), 2006 (6,193) and 2007 (6,366) Aged Care Approvals Rounds.
- b. Services are planned and funded to achieve regional equity, flexibility, and appropriateness to care needs. Table 3.1 details the number of allocated and operational aged care places per 1,000 persons aged 70 and over by Aged Care Planning Region at June 2005.

Indicator 2. The quality of residential care and accommodation

<p><i>Target:</i></p> <p>a. Accredited services maintain and improve performance against Accreditation Standards.</p> <p>b. New buildings have a service average of no more than 1.5 residents per room, except where specifically exempted.</p> <p>c. Reduction in the average number of residents per room.</p>	<p><i>Information source/reporting frequency:</i></p> <p>Information from the Aged Care Standards and Accreditation Agency Ltd and administrative by-product of certification. Quarterly.</p>
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a. As at 30 June 2005, 92 per cent of homes achieved three years of accreditation compared with 90 per cent at 30 June 2004. Performance of aged care homes against Accreditation Standards is assessed by the Aged Care Standards and Accreditation Agency Ltd.

b. New homes certified during 2004-05, achieved an average of no more than 1.5 residents per room.

c. As at 30 June 2005, the average number of residents per room was 1.41 compared with 1.42 at 30 June 2004.

Indicator 3. The quality of community care services

<p><i>Target:</i></p> <p>Increased number of Home and Community Care services appraising their performance against agreed standards.</p>	<p><i>Information source/reporting frequency:</i></p> <p>Information provided by State and Territory governments. Annual.</p>
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All Home and Community Care (HACC) services are required to appraise their performance over a three-year cycle. Therefore any increase in the number of services appraising their performance cannot be measured through a year-on-year comparison. In the first three-year cycle, from July 2001 to June 2004, 2,709 agencies providing HACC were appraised. The next three-year cycle will commence in 2006.

Indicator 4. Responsiveness to the issues arising from Australia's ageing population

<p><i>Target:</i></p> <p>Progress the elements of the National Strategy for an Ageing Australia relevant to the Health and Ageing portfolio.</p>	<p><i>Information source/reporting frequency:</i></p> <p>Research into, and analysis of, the issues arising from an ageing population, media coverage and community debate on responding to these issues. Annual.</p>
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In the 2004-05 Budget, funding for the National Strategy for an Ageing Australia was renewed following an independent evaluation in 2003 by the Australasian Centre on Ageing. The review concluded that there was a unanimous view among stakeholders that Australian Government support of the strategy should continue. The Department is continuing to progress the strategy by, among other things:

- ongoing partnership with local government to increase awareness and help it meet the opportunities and challenges of an ageing population;

- re-launching the Seniors Portal³ as the Australian Government's principal site for people over 50;
- support for an awards program, including sponsorship of the Senior Australian of the Year Award, the Older People Speak Out Media Awards, Diversity@Work Awards and the Master Builders Association Lifestyle Housing Award;
- provision of printed and internet information on government services and support for older people; and
- continued strengthening of the Building Ageing Research initiative, for example through the Framework for an Australian Ageing Research Agenda agreed at the 2002 National Symposium on Ageing Research.

Indicator 5. Level of service provision for frail older people from diverse cultural and linguistic backgrounds, older Aboriginal and Torres Strait Islander peoples, veterans and war widows, and older people in rural and remote areas

<i>Target:</i>	<i>Information source/reporting frequency:</i>
Provision appropriate to proportion of target group in the population aged 70 years and over, and for Aboriginal and Torres Strait Islander people aged 50 years and over.	Departmental payment system. Annual.

The allocation of aged care places for special needs groups, including Aboriginal and Torres Strait Islander peoples, in each year takes account of advice from the Aged Care Planning Advisory Committees (ACPACs) on identified community need in each State and Territory. ACPACs provide advice on comparative aged care needs across planning regions, including the needs of people from special needs groups. The Committees consider data, local knowledge and input from the community received in letters and submissions. Following an open competitive process, the Department allocates places to approved providers that demonstrate that they can best meet aged care needs within a particular planning region, community or group. In 2004-05, this process was applied to the 2004 Aged Care Approvals Round.

Indicator 6. Proportion of people recommended for residential care as compared with Community Aged Care Packages and other community care options

<i>Target:</i>	<i>Information source/reporting frequency:</i>
Increased proportion of Community Aged Care Packages and community care recommendations against previous year.	Aged Care Assessment Program National Minimum Data Set. Annual.

In 2003-04, 48.1 per cent of recommendations by Aged Care Assessment Teams (ACATs) were for community care, compared with 47.9 per cent in 2002-03. Final 2004-05 figures were not available in time for this report; however, data for the first three quarters indicates an increase in the proportion of recommendations by ACATs for community care to around 50 per cent.

³ Accessible online at <www.seniors.gov.au>.

PART 2: PERFORMANCE INFORMATION

Performance Information for Administered Items

Administered Item 1. Residential care, including:

- permanent and respite, high and low, residential places for people assessed as needing them, including special needs groups;
- capital assistance and other support for homes with identified needs;
- accreditation and monitoring of care and services of aged care homes by the Aged Care Standards and Accreditation Agency Ltd; and
- information services and support for the rights of residents, including through the Complaints Resolution Scheme and the Commissioner for Complaints.

Target:	<i>Quantity:</i> At least 180,000 residential places allocated by 30 June 2005.
Result:	Target met. 183,395 residential places were allocated as at 30 June 2005.
Target:	<i>Quantity:</i> More than \$36 million in capital grants advertised during 2004-05.
Result:	Target met. Capital grants of up to \$40.764 million were advertised in the 2004 Aged Care Approvals Round.
Target:	<i>Quality:</i> The Aged Care Standards and Accreditation Agency Ltd monitors the performance of all services against Accreditation Standards and the service improvement plan, including through spot checks and support visits.
Result:	Target met. In 2004-05, the Aged Care Standards and Accreditation Agency Ltd, in monitoring the performance of all aged care services, undertook 339 accreditation site visits, 83 review audits, and 4,016 support contacts. Of these, 563 were unannounced visits (spot checks).
Target:	<i>Quality:</i> Average of 1.25 site visits per home by the Aged Care Standards and Accreditation Agency Ltd.
Result:	Target met. The Agency undertook on average 1.51 site visits per home in 2004-05.
Target:	<i>Quality:</i> Less than 5% of complaints referred to the Commissioner for Complaints for review of the process.
Result:	Target not met. 5.57% of people who lodged a complaint with the Scheme during 2004-05 also referred to the Commissioner for Complaints for review of the process. This is possibly the result of increased promotion of complaints avenues. All complaints have been addressed.
Target:	<i>Efficiency:</i> Increases in the average cost to the Australian Government per resident is no greater than inflation plus growth in client dependency.
Result:	Target not met. The increase in cost to the Australian Government per resident in 2004-05 was 6.0%, compared with an increase in the rate of inflation plus growth in client dependency of 3.8%. This is due to increases in payments flowing from the Government's response to the Review of Pricing Arrangements in Residential Aged Care, for example the Conditional Adjustment Payment (see page 102-3).

Administered Item 2. Community care and support for carers, including:

- Home and Community Care (HACC) services;
- Community Aged Care Packages (CACPs) and community care establishment grants;
- Day Therapy Centres and other support services for frail older Australians and people with disabilities, including Safe at Home, Assistance with Care and Housing for the Aged;
- support services for carers, including Carer Respite Centres and Carer Resource Centres; and

- information services, including Commonwealth Carelink.

Target:	<i>Quantity:</i> An increase in the number of services provided, or people assisted, by HACC services.
Result:	Target met. The HACC Minimum Data Set for 2003-04 reported over 700,000 care recipients. Data for the first three quarters of 2004-05 indicate a growth in the number of clients receiving HACC services of 6% for the full year.
Target:	<i>Quality:</i> An increased number of HACC services appraising their performance against agreed standards.
Result:	Not applicable. All HACC services are required to appraise their performance over a three-year cycle. Therefore any increase in the number of services appraising their performance cannot be measured through a year-on-year comparison. In the first three-year cycle, from July 2001 to June 2004, 2,709 agencies providing HACC were appraised. The next three-year cycle will commence in 2006.
Target:	<i>Quantity:</i> At least 30,400 CACPs by 30 June 2005.
Result:	Target met. 30,537 Community Aged Care Packages were allocated as at 30 June 2005.
Target:	<i>Quantity:</i> Number of Day Therapy Centres.
Result:	Target met. Indexed funding increases have maintained levels of service provision by Day Therapy Centres. This is a no growth program.
Target:	<i>Quantity:</i> Number of National Respite for Carers services funded.
Result:	Target met. An estimated 56,000 carers received an estimated 125,627 occasions of service from Commonwealth Carer Respite Centres in 2004-05, compared with an estimated 47,800 in 2003-04. An estimated 31,000 carers were assisted by Commonwealth Carer Resource Centres, compared with 46,069 in 2003-04. An estimated 4,000 carers received counselling services in 2004-05 under the National Carer Counselling Program, delivered through Commonwealth Carer Resource Centres, compared with 2,000 in 2003-04. The total number of items of published information distributed by the Carer Information and Support Program increased from an estimated 343,500 in 2003-04 to an estimated 500,000 in 2004-05. The total number of carers assisted by respite services increased from an estimated 28,000 in 2003-04 to an estimated 33,000 in 2004-05.
Target:	<i>Quantity:</i> Maintain numbers of people assisted by Carelink.
Result:	Target met. Client contacts with the Commonwealth Carelink network increased from 199,606 in 2003-04 to 235,344 in 2004-05.

Administered Item 3. Ageing support and strategies, including:

- implementation of elements of the National Strategy for an Ageing Australia including a whole-of-government approach to ageing matters;
- flexible care options for rural and remote services; Aboriginal and Torres Strait Islander services; Extended Aged Care at Home (EACH) Packages; and Innovative Care services;
- assistance for older people with dementia and their carers through the Dementia Education and Support Program;
- assistance to eligible clients through the Continence Aids Assistance Scheme;
- support for awareness promotion, research projects and a helpline under the National Continence Management Strategy;

- client assessment by Aged Care Assessment Teams (ACAT) and referral to appropriate services; and
- information for service providers and consumers, including newsletters, brochures, fact sheets, mail faxes and manuals.

Target:	<i>Quality:</i> Improved understanding of ageing matters in the community as indicated by periodic attitudinal surveys to monitor the level of community awareness of ageing issues and the value and contribution of older people.	
Result:	Target met.	In 2003-04, the Department commissioned market research into community attitudes toward population ageing and older people. The research showed an increase in recognition of older people's contributions from 86% in 2000 to 89% in 2003, and a need for more older people as role models. 36% of research recipients were able to comment unprompted on the impact of ageing issues on Australian society. On prompting, this number rose to 85%. This research was the fourth in a series following an initial study in 1999. The next is planned for 2005-06.
Target:	<i>Quality:</i> Implementation of appropriate recommendations of the 2003 Review of the National Strategy for an Ageing Australia.	
Result:	Target met.	The Department implemented recommendations of the 2003 Review of the National Strategy for an Ageing Australia. For more information see Indicator 4: Responsiveness to the issues arising from Australia's ageing population.
Target:	<i>Quantity:</i> At least 400 places in Aboriginal and Torres Strait Islander Flexible Services.	
Result:	Target met.	Around 600 places were funded in 2004-05 for Aboriginal and Torres Strait Islander Flexible Services.
Target:	<i>Quantity:</i> At least 2,200 flexible aged places for Multipurpose Services.	
Result:	Target not met.	2,148 flexible aged places were operational at 30 June 2005. The 2,200 target was not met due to delays in the New South Wales State Health capital works program.
Target:	<i>Quantity:</i> At least 360 places available for EACH services.	
Result:	Target met.	In the 2004 Aged Care Approvals Round, 900 EACH packages were allocated to successful applicants nationally.
Target:	<i>Quantity:</i> At least 1,800 Innovative Care places allocated by June 2005.	
Result:	Target not met.	1,749 Innovative Care places have been allocated, including 1,428 in the Innovative Pool, and 321 for the Retirement Villages Care Pilot. Additional places were made available for pilots relating to younger people in residential aged care, but most were not taken up by State and Territory governments.
Target:	<i>Quantity:</i> At least 600 Transition Care places allocated by June 2005.	
Result:	Target not met.	599 Transition Care places have been allocated. 600 places were available for allocation with all State and Territory requests for places being met.
Target:	<i>Quantity:</i> Maintain the number of people assisted under the Dementia Education and Support Program.	
Result:	Target met.	The number of contacts through the Dementia Education and Support Program increased from 25,344 in 2003-04 to 25,900 in 2004-05. In addition, almost 40,000 contacts were made involving support groups and community education sessions, partially funded through this program and other sources.

Target:	<i>Quantity:</i> Maintain the number of people subsidised under the Continence Aids Assistance Scheme.	
Result:	Target met.	In 2004-05, 19,075 people were provided with assistance under the Continence Aids Assistance Scheme, compared with 18,459 in 2003-04.
Target:	<i>Effectiveness:</i> Implementation of the National Continence Management Strategy's awareness promotion, research projects and helpline.	
Result:	Target met.	The National Continence Management Strategy continues to fund a range of research and awareness raising projects. In 2004-05, 4.4 million information products were distributed nationally, an increase of 47% on 2003-04.
Target:	<i>Quantity:</i> Maintain or increase the number of ACAT assessments conducted.	
Result:	See footnote below.	In 2003-04, 190,203 assessments were recorded as being completed, compared with 197,058 for 2002-03. The recorded decrease can in part be attributed to the introduction of improved data validation procedures and a refined definition of completed assessment. ⁴
Target:	<i>Quality:</i> Maintaining the low level of appeals against ACAT assessment decisions as a proportion of the total number of assessments.	
Result:	See footnote below.	There were 56 appeals against the outcome of ACAT assessments during 2003-04, representing 0.029% of all assessments. Although this is a small increase from 0.020% in 2002-03, the proportion of appeals remains very small. ⁵
Target:	<i>Quantity:</i> All service providers, major stakeholders and interested consumers are provided with regular, timely and accurate information regarding administration of Outcome 3.	
Result:	Target met.	<p>Regular editions of the <i>Payment E\$ential\$</i> newsletter were distributed to all residential aged care, CACP and EACH providers. Most editions also included an insert advising on the implementation of the 2004 Budget package arising from the <i>Review of Pricing Arrangements in Residential Aged Care</i>.</p> <p>Provider transaction reports were issued monthly to providers that had changes to residential appraisals or reviews.</p> <p>Information products were updated regularly to reflect indexation and policy changes affecting aged care fees and charges. All products are readily accessible on the Department's internet site and on request from the Aged and Community Care Information Line (1800 500 853).</p> <p>Provision of resources to support the work of stakeholders in 2004-05 included the development and distribution of the <i>Decision-making Tool: Responding to Issues of Restraint in Aged Care</i> and the <i>Guidelines for a Palliative Approach in Residential Aged Care</i> and the <i>Influ-Info Influenza Kit for Aged Care</i>.</p>

⁴ This information is reported for 2003-04, as annual ACAT data are not available to the Department in time for each year's Annual Report.

⁵ This information is reported for 2003-04, as annual ACAT data are not available to the Department in time for each year's Annual Report.

Performance Information for Departmental Outputs

Output Group 1. Policy advice, including:

- effective and efficient residential care services;
- implementation of service standards including certification, accreditation and monitoring of services;
- effective and efficient community care services;
- equitable allocation and targeting of services;
- support for clients and carers;
- Australian Government-State relations in the aged care field;
- long-term trends and developments related to population ageing and policy settings affecting older people; and
- national issues of concern to, and affecting the well-being of, older people.

Target: *Quality:* A high level of satisfaction of the Ministers and Ministers' Offices with the relevance, quality and timeliness of policy advice, Question Time Briefs, Parliamentary Questions on Notice and briefings.

Result: Target met. The Minister and Minister's Office were satisfied with the relevance, quality and timeliness of policy advice, Question Time Briefs, Parliamentary Questions on Notice and briefings.

Target: *Quality:* Timely production of evidence-based policy research.

Result: Target met. Examples of the Department's support of the production of evidence-based policy research included the Building Ageing Research Capacity Project, including:

- the ongoing development of the Ageing Research Online website;⁶
- publication in November 2004 of *Longitudinal Studies of Ageing: Implications for Future Studies*;
- sponsorship support for the 2004 Australian Association of Gerontology (AAG), and the Emerging Researchers of Ageing national conferences; and
- financial support for the national research capacity building work of the AAG.

Work continued on advancing the Framework for an Australian Ageing Research Agenda agreed at the 2002 National Symposium on Ageing Research. The Department is represented on the Advisory Committee of the Australian Research Council (ARC) Ageing Well Network. The Department has also worked closely with the National Health and Medical Research Council and the ARC to develop the Ageing Well, Ageing Productively Research Program. This program will support multidisciplinary research projects on ageing.

In 2004-05, the Department administered funding to a research project with the University of Queensland and Blue Care about physical activity and older people. The Department is also administering funding to the first year of the physical activity arm of beyondblue's Beyond Ageing Research Project for the Prevention of Depression, based in the Australian National University's Centre for Mental Health Research. This project was funded in 2003-04. No funding was provided in 2004-05.

⁶ Accessible online at <www.aro.gov.au>.

Target: *Quality:* Opportunity for national industry and consumer peak organisations to participate in the development and implementation of national policy through consultative groups such as the Aged Care Working Group and the National Advisory Committee on Ageing.

Result: Target met. In 2004-05, the Department supported and consulted a Minister's Implementation Taskforce and a number of special purpose reference groups formed to advise on the implementation of measures contained in the Government's response to the *Review of Pricing Arrangements in Residential Aged Care*. The Taskforce and associated reference groups contain a broad selection of aged care stakeholders including consumer, industry and professional group representatives and service providers.

The Department regularly consulted the Aged Care Advisory Committee which is the peak advisory body representing industry and consumer groups in the provision of advice to the Department and the Minister.

A National Reference Group, with industry and consumer representation, was established in December 2004 to provide advice on the development of the consumer aged care website.

Output Group 2. Program management, including:

- monitoring and processing payments to States and Territories, service providers and clients;
- financial management and reporting on Outcome 3;
- review and adjustment of legislation as required;
- processing applications for financial hardship assistance;
- implementation of Quality Care Principles;
- Resident Classification Scale (RCS) regulatory audits;
- monitoring aged care providers for compliance with standards;
- certification of aged care homes and monitoring of standards of physical quality;
- provision of information to service providers including on standards and business operations matters;
- provision of information to consumers about aged care services and health issues of concern to, and affecting, the well-being of older Australians;
- resolution of appeals from pre-Aged Care Structural Reform funding arrangements;
- ongoing consultation with providers and review of the level of regulation;
- promoting excellence and best practice; and
- implementing elements of the National Strategy for an Ageing Australia relevant to the Health and Ageing portfolio.

Target: *Quality:* A high level of stakeholder satisfaction with the timely development and implementation of national strategies as indicated by:

- periodic attitudinal surveys to monitor the level of community awareness of ageing issues and the value and contribution of older people;
- implementation of appropriate recommendations of the 2003 Review of the National Strategy for an Ageing Australia; and
- opportunity for national industry and consumer peak organisations to participate in the development and implementation of national policy through for example, the National Aged Care Accreditation and Compliance Forum and the Aged Care Working Group, Consumer Working Group and the Resident Classification Scale Industry Liaison Group.

Result: Target met. In 2003-04, the Department commissioned market research into community attitudes toward population ageing and older people. This research was the fourth in a series after an initial study in 1999. The next is planned for 2005-06. For more information see Administered Item 3.⁷

The Department implemented the recommendations of the 2003 Review of the National Strategy for an Ageing Australia following renewal of funding in the 2004-05 Budget. For more information see Indicator 4: Responsiveness to the issues arising from Australia's aging population.

Consumers, service providers, professional groups and other stakeholders have an opportunity to participate in the policy process through the Aged Care Advisory Committee, the key forum for consultation and advice on the Australian Government's aged care programs. The Committee met four times in 2004-05.

National industry and peak consumer organisations are also involved in the Transactions and Technology, and Extra Service Reference Groups and were represented on the Review of Viability Supplement Working Group.

Target: *Quality:* Budget predictions are met and actual expenses vary less than 5% from budgeted expenses.

Result: Target met. Budget predictions were met and actual expenses varied less than 5% from budgeted expenses.

Target: *Quality:* 100% of payments are made accurately and on time or payments are made in accordance with negotiated service standards as indicated by:

- Centrelink services fulfil the conditions set out in their contract relating to resident income status;
- breaches of acts investigated and appropriate action taken;
- all approved providers monitored for compliance with legislation;
- RCS review audits targeted to maximise impact on the level of inaccurate classification appraisals both directly and through deterrent effects;
- external Administrative Appeals Tribunal (AAT) appeals responded to within AAT timeframes;
- appeals against RCS regulatory audits processed within 90 days; and
- as appropriate imposition of sanctions, information is provided to the consumers of those services.

⁷ Administered Item 3: Improved understanding of ageing matters in the community as indicated by periodic attitudinal surveys to monitor the level of community awareness of ageing issues and the value and contribution of older people.

Result:	<p>Target met. Centrelink fulfilled the conditions set out in their contract relating to resident income status.</p> <p>Breaches of the Act were investigated and appropriate action taken. Regulatory action was taken against 129 approved providers, including the issue of 12 Notices of Decision to Impose Sanctions and 208 Notices of Non-Compliance.</p> <p>The Aged Care Standards and Accreditation Agency Ltd monitored ongoing compliance with the Accreditation Standards through site audits, support contacts and spot checks. This ensures that all approved providers are monitored in a three-year accreditation cycle. The Department also undertakes spot checks and site visits to ensure approved providers comply with relevant legislation.</p> <p>RCS review audits were targeted to maximise impact on the level of inaccurate classification appraisals.</p> <p>External AAT appeals were responded to within AAT timeframes.</p> <p>Appeals against RCS regulatory audits were processed within 90 days.</p> <p>The Department wrote to all residents of homes under sanction regarding the imposition of sanctions and details of all sanctions were provided on the Department's internet site.</p>
Target:	<p><i>Quality:</i> A high level of stakeholder satisfaction with relevance, quality and timeliness of information and education services as indicated by:</p> <ul style="list-style-type: none"> • successful maintenance of formal and informal partnerships with other departments, peak organisations, the private sector and consumer organisations to promote healthy and positive ageing; • successful promotion of positive images of older people and aged care in the media and the community in general as indicated by stakeholder feedback; • service providers are provided with information on quality standards and business operations; • service providers and major stakeholders are provided with regular, timely and accurate information regarding the administration of Outcome 3; and • interested consumers can access high quality information products about ageing and aged care issues.

Result: Target met.

Partnerships

The Department maintains relationships with government and non-government agencies to inform the development of its information products, most notably the *Australian Government Directory of Services for Older People* and the Seniors Portal,⁸ which has an editorial board representing key stakeholders.

Promotion of positive ageing

Key activities in 2004-05 included ongoing sponsorship of the Senior Australian of the Year Award, the Master Builders Association Lifestyle Housing Award, and the National Awards for Local Government – Planning for an Ageing Community Award. Two new awards were sponsored: the Diversity@work Awards, encouraging employers to embrace the full breadth of workforce diversity and its potential benefits, and the Older People Speak Out National Media Awards, providing the opportunity to offer an incentive to Australian media to promote positive messages of ageing.

Information for service providers

Information and publications on quality standards and business operations were made available through the Department's Internet site and in response to requests to the Aged Care Information Line.

Information for consumers

The Seniors Portal was re-launched on 31 March 2004. The site is the Australian Government's principal site for people over 50, bringing together information from over 290 government and non-government sources.

142,000 copies of the *Australian Government Directory of Services for Older People* were distributed to aged care stakeholders and community organisations in 2004-05.

Information for providers and stakeholders

Regular editions of the *Payment E\$ential\$* newsletter were distributed to all residential aged care, Community Aged Care Package and Extended Aged Care at Home providers. Most editions also included an insert advising on the implementation of the 2004 Budget package arising from the *Review of Pricing Arrangements in Residential Aged Care*.

Provider transaction reports were issued monthly to providers that had changes to residential appraisals or reviews.

Information products were updated regularly to reflect indexation and policy changes affecting aged care fees and charges. All products are readily accessible on the Department's internet site and on request from the Aged and Community Care Information Line (1800 500 853).

Target: *Quantity:* An estimate of 420 hardship applications processed.

Result: Target met. 648 hardship applications were processed in 2004-05.

⁸ Accessible online at <www.seniors.gov.au>.

Outcome 3 - Financial Resources Summary

	(A) Budget Estimate 2004-05 \$'000 ¹	(B) Actual 2004-05 \$'000	Variation (Column B minus Column A) \$'000
Administered Expenses			
Administered Item 1: Residential Care Subsidies			
<i>Aged Care Act 1997 - Residential Care Subsidies</i>	4,320,962	4,271,234	(49,728)
<i>Aged Care Consequential Provisions Act 1997 - Contribution to Building Safety</i>		152,018	152,018
Total Special Appropriations	4,320,962	4,423,252	102,290
Appropriation Bill 1/3	63,630	58,840	(4,790)
	4,384,592	4,482,092	97,500
Administered Item 2: Community Care and Support for Carers			
<i>Aged Care Act 1997 - Community Care Subsidies</i>	329,424	327,770	(1,654)
Total Special Appropriations	329,424	327,770	(1,654)
Appropriation Bill 1/3	168,163	156,034	(12,129)
Appropriation Bill 2/4	791,858	791,858	0
	1,289,445	1,275,662	(13,783)
Administered Item 3: Ageing Support and Strategies			
<i>Aged Care Act 1997 - Flexible Care Subsidies</i>	125,911	114,561	(11,350)
Total Special Appropriations	125,911	114,561	(11,350)
Appropriation Bill 1/3	65,822	58,545	(7,277)
Appropriation Bill 2/4	52,930	52,883	(47)
	244,663	225,989	(18,674)
Total Administered Expenses	5,918,700	5,983,743	65,043
Departmental Appropriations			
Output Group 1 - Policy Advice	26,616	26,790	174
Output Group 2 - Program Management	88,577	89,154	577
Total price of departmental outputs (total revenue from Government & other sources)	115,193	115,944	751
Total revenue from Government (appropriations) contributing to price of departmental outputs	115,193	115,314	121
Total revenue from other sources	0	630	630
Total price of departmental outputs (total revenue from Government & other sources)	115,193	115,944	751
Total estimated resourcing for Outcome 3 (total price of outputs & admin expenses)	6,033,893	6,099,687	65,794
Average Staffing Level (Number)			
Department	892.0	895.2	3.2

The 2005-06 budget has not been provided. The Department of Health and Ageing has moved to a new Outcome structure for 2005-06 and is no longer appropriated under the 2004-05 Outcome structure. Accurate allocation of 2005-06 funding against the 2004-05 Outcome structure is not available and inclusion of notional allocations could be misleading to the reader.

1. Budgets taken from 2005-06 PBS and re-aligned to 2004-05 Outcome Structure.

Due to an administrative error the Departmental appropriation allocated to Outcome 3 was incorrect in the 2005-06 Portfolio Budget Statements.