Outcome 4

AGED CARE AND POPULATION AGEING

> **Access to quality and affordable aged care and carer support services for older people, including through subsidies and grants, industry assistance, training and regulation of the aged care sector**

Outcome Strategy

Through Outcome 4, the Australian Government aims to ensure that older people receive a choice of high quality, accessible and affordable care, and that carers get the support they need to look after frail older people living at home. The Australian Government also aims to encourage older people to live active and independent lives.

Australia's aged care system is coming under increasing pressure as a result of demographic, social and economic change. The number of people receiving aged care services is expected to increase by around 250% over the next 40 years, with some 3.5 million people (10.3% of Australia's population) using aged care services by 2049-50.[1] The increasing prevalence of dementia and other age-related chronic illnesses is projected to result in growing demand for more complex aged care services. At the same time, a relative fall in the number of informal carers will mean that older Australians will be more reliant on the formal aged care system for the care and support they need. There is also pressure for the aged care system to be more flexible and responsive with older Australians wanting more choice and control over the services they receive and to be able to remain in their own home for as long as possible. To provide more and better services, Australia's aged care system will need to attract more skilled workers and provide greater incentives for capital investment.

In response to these increasing pressures, the Australian Government asked the Productivity Commission to undertake a comprehensive review of Australia's aged care system. The Commission found that Australia's aged care system is not well placed to meet the challenges ahead and fundamental reforms are needed.

The Australian Government is providing $3.7 billion over five years through the *Living Longer, Living Better* package to ensure Australia's aged care system will be able to deliver high quality care and support to older Australians on a sustainable basis. This builds on the substantial investment the Government has already made in the previous four Budgets of $52.3 billion in total aged care funding, an increase of 54.4% on 2007-08 funding levels.

The Australian Government's reforms will deliver an integrated package of reforms that focuses on increasing the supply of aged care services, improving service quality, empowering consumers, improving the viability and sustainability of the aged care sector and attracting new investment.

Outcome | 04

---

[1]   Productivity Commission 2011, Caring for Older Australians, Report no 53, Final Enquiry Report, Canberra.

These reforms will substantially improve the wellbeing of older Australians by:

- ensuring access to aged care services in Australia continues to be on the basis of need and not ability to pay;
- supporting the development of a more seamless 'end-to-end' aged care system that provides better access to the full range of aged care services;
- improving the equity and consistency of means testing arrangements, without changing the treatment of the family home;
- supporting the long-term sustainability of the aged care workforce;
- improving linkages between the aged care and health systems;
- supporting timely diagnosis and better access to care for people with dementia;
- supporting better access to aged care services for older Australians from diverse backgrounds;
- strengthening quality assurance arrangements and providing greater transparency; and
- supporting ongoing innovation and improvement in the provision of aged care services.

The Australian Government also recognises the significant contribution informal carers make to the wellbeing of older Australians and the broader community. The reforms include funding for an immediate expansion of respite care services and the establishment of a network of carer support centres.

The reform package is designed to create a more flexible and seamless system that provides older Australians with more choice, more control and easier access to a full range of services, where they want it and when they need it. To enable consumers and providers to gain early benefits from key changes, while ensuring they have time to adapt and plan ahead for further reform, aged care reform will be implemented in stages. There will be a major review after five years to assess how the system has changed and adapted, with the ability to make further changes.

As part of the *Living Longer, Living Better* package, the Australian Government will be establishing an Aged Care Reform Implementation Council, which will work closely with the sector to assist in managing transition and will drive implementation and further development of aged care reform.

In 2012-13, the Department will also continue to implement aged care reforms under the Council of Australian Governments' (COAG) National Health Reform Agreement. From 1 July 2012, the Australian Government will assume operational responsibility for the Home and Community Care (HACC) program for non-Indigenous people 65 years of age and over and Aboriginal and Torres Strait Islander people 50 years of age and over, except in Victoria and Western Australia.[2] Outcome 4 is the responsibility of the Ageing and Aged Care Division and the Office of Aged Care Quality and Compliance.

---

[2] Basic community care services will continue to be delivered in WA and Victoria under HACC as a joint Commonwealth-State funded program until otherwise agreed.

Programs Contributing to Outcome 4

Program 4.1: Access and Information

Program 4.2: Home Support

Program 4.3: Home Care

Program 4.4: Residential and Flexible Care

Program 4.5: Workforce and Quality

Program 4.6: Ageing and Service Improvement

Outcome | 04

Outcome 4 Budgeted Expenses and Resources

Table 4.1 provides an overview of the total expenses for Outcome 4 by Program.

Table 4.1: Budgeted Expenses and Resources for Outcome 4

	2011-12 Estimated actual[1] $'000	2012-13 Estimated expenses[1] $'000
Program 4.1: Access and Information[2]		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	25,553	123,061
Departmental expenses		
Departmental appropriation[3]	11,651	19,203
Expenses not requiring appropriation in the budget year[4]	528	368
Total for Program 4.1	**37,732**	**142,632**
Program 4.2: Home Support[2]		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	246,615	1,381,265
Departmental expenses		
Departmental appropriation[3]	31,069	52,475
Expenses not requiring appropriation in the budget year[4]	1,409	982
Total for Program 4.2	**279,093**	**1,434,722**
Program 4.3: Home Care[2]		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	-
Special appropriations		
Aged Care Act 1997 - community care subsidies	574,666	589,743
Aged Care Act 1997 - flexible care subsidies	483,683	490,361
Departmental expenses		
Departmental appropriation[3]	5,825	6,809
Expenses not requiring appropriation in the budget year[4]	1,622	2,663
Total for Program 4.3	**1,065,796**	**1,089,576**
Program 4.4: Residential and Flexible Care[2]		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)[5]	67,206	85,803
Special appropriations		
Aged Care Act 1997 - flexible care subsidies	349,252	377,715
Aged Care Act 1997 - residential care subsidies	7,450,094	7,710,485
Aged Care (Bond Security) Act 2006		-
Unfunded expenses - zero interest loans		
concessional loan discount	53,846	98,233
Departmental expenses		
Departmental appropriation[3]	40,778	32,703
Expenses not requiring appropriation in the budget year[4]	3,207	3,768
Total for Program 4.4	**7,964,383**	**8,308,707**

Table 4.1: Budgeted Expenses and Resources for Outcome 4 (Cont.)

	2011-12 Estimated actual[1] $'000	2012-13 Estimated expenses[1] $'000
Program 4.5: Workforce and Quality		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	137,950	151,562
Departmental expenses		
Departmental appropriation[3]	83,497	78,061
Expenses not requiring appropriation in the budget year[4]	3,786	2,638
Total for Program 4.5	**225,233**	**232,261**
Program 4.6: Ageing and Service Improvement		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)[5]	70,886	97,504
Special appropriations		
Aged Care (Bond Security) Act 2006	-	-
National Health Act 1953 - s12 continence aids program	52,164	63,326
Departmental expenses		
Departmental appropriation[3]	21,360	24,100
Expenses not requiring appropriation in the budget year[4]	2,327	3,154
Total for Program 4.6	**146,737**	**188,084**
Outcome 4 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)[5]	548,210	1,839,195
Special appropriations	8,909,859	9,231,630
Unfunded expenses	53,846	98,233
Departmental expenses		
Departmental appropriation[3]	194,180	213,351
Expenses not requiring appropriation in the budget year[4]	12,879	13,573
Total expenses for Outcome 4	**9,718,974**	**11,395,982**

	2011-12	2012-13
Average staffing level (number)	1,262	1,408

[1] The 2011-12 estimated actual and the 2012-13 estimated expenses are based on the new program structure to be implemented on 1 July 2012 as part of the 2012-13 Budget Measure *Living Longer, Living Better*.

[2] This program includes National Partnerships paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National partnerships are listed in this chapter under each program. For budget estimates relating to the National Partnership component of this program, please refer to Budget Paper 3 or Program 1.10 of the Treasury Portfolio Budget Statements.

[3] Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".

[4] "Expenses not requiring appropriation in the budget year" is made up of depreciation expense, amortisation expense, makegood expense and audit fees. This estimate also includes approved operating losses - please refer to the departmental financial statements in section 3 for further information.

[5] Ordinary annual services (Bill 1) against program 4.4 excludes amounts appropriated in Bill 1 for Zero Real Interest Loans as this funding is not accounted for as an expense.

Outcome | 04

Program 4.1: Access and information

Program Objectives

Provide equitable and timely access to aged care assessments

Aged Care Assessment Teams comprehensively assess the care needs of frail older people and determine their eligibility for subsidised residential care, community care and flexible care services. From 1 July 2012, the Aged Care Assessment Program (ACAP) will be classified as a Commonwealth Own Purpose Expense as part of the COAG agreement for the Australian Government to take responsibility for managing a national aged care system. The Government will continue to provide funding to state and territory governments until 2014 for the provision of aged care assessments.

To support these new arrangements, in 2012-13 the Department will work in consultation with consumers, health professionals and aged care providers to develop and implement a national assessment framework. The framework will integrate the different tools and approaches covering basic care through to complex care in order to better match client needs to aged care services. The framework will also improve the efficiency of assessments by standardising assessment processes for entry into care in the home and residential care programs.

In the meantime, the Department will continue to work with the aged care sector to improve the efficiency of the ACAT intake and referral processes so that assessments are conducted only for the people who genuinely need them.

Make it easier to find services – Aged Care Gateway

The Australian Government recognises the difficulties many older Australians have navigating the aged care system. As part of the *Living Longer, Living Better* package, during 2012-13 the Department will establish an entry point for aged care services, known as the Aged Care Gateway. The Gateway will include a national call centre that will assist older Australians and their families to access the aged care information and services they need. In addition, the *My Aged Care* website will be established by the end of 2012-13 to provide clear and reliable information on how to access aged care services, quality service indicators about aged care services and fees charged. Consultations will also begin to develop a linking service to ensure that vulnerable people with multiple needs are able to access health, housing, disability services and financial advice as well as aged care services in their local communities. A new national assessment framework will also be developed from 2012-13 to improve assessments provided through the Gateway by ensuring that people with similar needs are able to access similar aged care services.

While the new national Aged Care Gateway is under development, older Australians will continue to have access to aged care information and services through the single national phone number for aged care information (1800 200 422) and the website www.agedcareaustralia.gov.au.

Program 4.1 Expenses

Table 4.2: Program Expenses

	2011-12 Estimated actual $'000	2012-13 Budget $'000	2013-14 Forward year 1 $'000	2014-15 Forward year 2 $'000	2015-16 Forward year 3 $'000
Annual administered expenses					
Ordinary annual services	25,553	123,061	131,712	127,586	133,800
Program support	12,179	19,571	24,479	25,098	27,127
Total Program 4.1 expenses	**37,732**	**142,632**	**156,191**	**152,684**	**160,927**

Program 4.1: Deliverables[3]

Table 4.3: Qualitative Deliverables for Program 4.1

Qualitative Deliverables	2012-13 Reference Point or Target
Provide equitable and timely access to aged care assessments	
Development and trial of assessment framework and tools for the aged care sector	National Assessment Framework and tools developed by January 2013 and trialled in six sites by May 2013
ACAP training resources reflect current program operation and enable consistent decision making	Review of ACAP training resources completed by 31 December 2012
Make it easier to find services – Aged Care Gateway	
Establish a new Aged Care Gateway call centre and *My Aged Care* website to improve access to information and services	Call centre and website established by the end of 2012-13

Outcome | 04

---

[3]   In 2012-13, all deliverables and key performance indicators have been reviewed and updated to ensure targeted performance reporting.

Table 4.4: Quantitative Deliverables for Program 4.1

Quantitative Deliverables	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Make it easier to find services – Aged Care Gateway					
Number of calls made to the aged care information line[4]	108,400	280,000	550,000	600,000	650,000
Average number of searches per month of the website[5] (My Aged Care from July 2013)	24,000	24,600	26,000	26,800	28,000

Program 4.1: Key Performance Indicators

Table 4.5: Qualitative Key Performance Indicators for Program 4.1

Qualitative Indicator	2012-13 Reference Point or Target
Provide equitable and timely access to aged care assessments	
Aged Care Assessment Program data is maintained to a high level of accuracy and is provided within the specified timeframe by the state and territory governments to the Commonwealth	The state and territory governments' successful upload of Quarter 4 (2011-12) and Quarters 1-3 (2012-13) data files into the Ageing and Aged Care Data Warehouse in the required format with error rate not exceeding 0.1%

---

[4] In 2013-14, as part of the Living Longer Living Better package, the aged care information line will be transitioned into the new Aged Care Gateway. Quantitative deliverables reporting to these functions will change in 2013-14 to report these new arrangements.

[5] 2011-12 and 2012-13 searches to the Aged Care Australia website are reported under this new heading. From 2013-14, reporting to these functions will change as part of the Living Longer Living Better package, reporting will occur for the new My Aged Care website.

Table 4.6: Quantitative Key Performance Indicators for Program 4.1

Quantitative Indicators	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Provide equitable and timely access to aged care assessments					
Percentage of completed assessments undertaken on clients in the target population	87%	88%	89%	90%	91%
Percentage of high priority assessments completed within 48 hours of referral	85%	85%	85%	85%	85%
Aged Care Assessment Teams meet National Minimum Training Standards and complete national training resources relevant to their roles and responsibilities	100%	100%	100%	100%	100%

Outcome | 04

Program 4.2: Home support

Program Objectives

Provide integrated aged care services to people in their homes

As part of the aged care reforms introduced through the National Health Reform Agreement, from 1 July 2012 the Australian Government will take full funding and policy responsibility for aged care for non-Indigenous people 65 years of age and over and Indigenous people 50 years of age and over. This will include the basic support services used by many older Australians which allow them to remain in their homes.[6] By unifying responsibility for all aged care services under the Commonwealth, the Government will deliver more integrated services, allowing older Australians to transition between different levels of care as their needs change.

To achieve this, the Australian Government will establish the Commonwealth Home Support Program by 1 July 2015 to provide basic support services such as domestic assistance and transport to older Australians. The new program will improve the efficiency of these services by consolidating the existing Home and Community Care (HACC) Program, the National Respite for Carers Program (NRCP), the Assistance with Care and Housing for the Aged Program (ACHA) and the Day Therapy Centres (DTC) Program. The Government will also ensure that these programs can continue to meet the needs of Australia's ageing population by applying real growth funding to the NRCP, DTC and ACHA components of the program from 1 July 2014 in line with the growth that is applied to HACC.

In 2012-13, the Department will build working relationships with over 1,200 aged care providers that will be covered by the Commonwealth Home Support Program to transition to the new arrangements, while ensuring continuity of services in the transition period. As agreed under the National Health Reform Agreement, there will be no substantial changes to service delivery under HACC until 2015.

Offer support to carers

The Australian Government will continue to support carers in their role through the delivery of a number of initiatives. From July 2012 there will be additional funding for planned and emergency respite services delivered through the National Respite for Carers Program and additional funding for counselling and assistance through the National Carer Counselling Program.

From 1 July 2014, the Australian Government will establish a network of Carer Support Centres. These new centres will complement the Aged Care Gateway. These centres will provide more preventative assistance for carers to reduce reliance on emergency respite. The centres will also manage emergency respite and the provision of carer specific information, education and training, counselling as well as appropriate referral to other community care services.

---

[6] This does not include Victoria or Western Australia where, until otherwise agreed, basic community care services will continue to be delivered under HACC as a joint Commonwealth-State funded program. The Commonwealth and these states will maintain bilateral agreements for that purpose.

Program 4.2 is linked as follows:

- This program includes National Partnership payments for:
  - *Basic community care maintenance and support* (for Victoria and Western Australia); and
  - *Home and Community Care services for Veterans.*

  Partnership payments are paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. For budget estimates relating to the National Partnership component of the program, please refer to Budget paper 3 or Program 1.10 of the Portfolio Budget Statements.

Program 4.2 Expenses

Table 4.7: Program Expenses

	2011-12 Estimated actual $'000	2012-13 Budget $'000	2013-14 Forward year 1 $'000	2014-15 Forward year 2 $'000	2015-16 Forward year 3 $'000
Annual administered expenses Ordinary annual services	246,615	1,381,265	1,504,889	1,635,292	1,756,565
Program support	32,478	53,457	54,402	54,143	52,477
Total Program 4.2 expenses	**279,093**	**1,434,722**	**1,559,291**	**1,689,435**	**1,809,042**

Program 4.2: Deliverables[7]

Table 4.8: Qualitative Deliverables for Program 4.2

Qualitative Deliverables	2012-13 Reference Point or Target
Provide integrated aged care services to people in their homes	
Manage funding agreements with HACC service providers	Transfer of HACC services for older people to the Commonwealth is achieved with minimal disruption to service delivery

---

[7] In 2012-13, all deliverables and key performance indicators have been reviewed and updated to ensure targeted performance reporting.

Table 4.9: Quantitative Deliverables for Program 4.2

Quantitative Deliverables	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Provide integrated aged care services to people in their homes					
Number of older people who receive a HACC service[8]	490,000	516,000	544,000	573,000	604,000

Program 4.2: Key Performance Indicators

Table 4.10: Qualitative Key Performance Indicators for Program 4.2

Qualitative Deliverables	2012-13 Reference Point or Target
Provide integrated aged care services to people in their homes	
Older Australians continue to access basic home support services through the Commonwealth HACC program	Basic home support services and a mix of service providers are maintained following the implementation of the program

Table 4.11: Quantitative Key Performance Indicators for Program 4.2

Quantitative Indicators	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Provide integrated aged care services to people in their homes					
Number of HACC older clients receiving services as a percentage of the HACC target population[8]	87%	≥87%	≥87%	≥87%	≥87%
Offer support to carers					
Number of carers receiving counselling	5,274	6,774	6,774	7,180	7,611
Number of carers receiving respite	64,531	69,536	70,260	74,476	78,944

---

[8] Commonwealth HACC Program target population is: older people (people aged 65 years and over and Aboriginal and Torres Strait Islander people aged 50 years and over) with functional limitations as a result of moderate, severe and profound disabilities; and the unpaid carers of these frail older people. Victoria and Western Australian HACC population are not included in these figures.

Program 4.3: Home care

Program Objectives

More care at home

Older people who need aged care services consistently express a strong preference to remain in their own homes as long as possible. The Australian Government has responded to this preference in the 2012-13 Budget through an expansion of Home Care packages. This expansion will provide more nursing care, personal care assistance, assistance with meals, transport, domestic assistance, home maintenance and social activities to older people in their own homes. The first new places will be offered in 2012-13 to commence operation from July 2013.

Over the next ten years, the number of Home Care packages will increase to 45 packages for every 1,000 people 70 years of age or over. In 2012-13, more than 4,900 additional Home Care packages will be made available.

During 2012-13, the Department will undertake a review of the aged care planning regions and the HACC planning regions to ensure aged care services are delivered where they are needed most. The review will also examine whether synergies can be achieved by aligning aged care planning regions with Medicare Local regions.

Matching funding to care needs

In addition to the increase in the overall number of care packages, during 2012-13 the Australian Government will also create two new levels of Home Care to make it easier for older people to continue to receive services in their homes as they become frailer. There will now be four levels of Home Care packages.

Where a person receiving a Home Care package at any of these four levels has dementia, a Behaviour Supplement of 10% of the value of the package will be payable from 1 July 2013. As a result, Extended Aged Care at Home Dementia packages will no longer be required from that time. Existing care recipients as at 30 June 2013 will transition to a Level D package with a Behaviour Supplement.

Greater choice and control

Consumer (or self) directed care (CDC) allows older people and their carers to make choices about the types of care services they access and the delivery of those services, including who will deliver the services and when.

From 1 July 2013, the Department will embed CDC into new Home Care packages, building on evidence generated from the evaluation of the CDC pilot conducted in 2011-12. During 2012-13, the Department will work with providers and consumer representatives to develop CDC requirements and guidelines as part of further evaluation work. Places from the current pilot program will be moved from the Innovation Pool to mainstream Home Care places from 1 July 2012.

Outcome | 04

Program 4.3 is linked as follows:

- This program includes National Partnership payments for:
  - *Specialist disability services*

  Partnership payments are paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. For budget estimates relating to the National Partnership component of the program, please refer to Budget paper 3 or Program 1.10 of the Portfolio Budget Statements.

Program 4.3 Expenses

Table 4.12: Program Expenses

	2011-12 Estimated actual $'000	2012-13 Budget $'000	2013-14 Forward year 1 $'000	2014-15 Forward year 2 $'000	2015-16 Forward year 3 $'000
Annual administered expenses					
Ordinary annual services	-	-	-	1,282	1,781
Special appropriations					
Aged Care Act 1997 -					
community care subsidies	574,666	589,743	635,605	676,368	728,977
Aged Care Act 1997 -					
flexible care subsidies	483,683	490,361	529,501	595,686	677,418
Program support	7,447	9,472	10,252	10,940	11,922
Total Program 4.3 expenses	**1,065,796**	**1,089,576**	**1,175,358**	**1,284,276**	**1,420,098**

Program 4.3: Deliverables[9]

Table 4.13: Qualitative Deliverables for Program 4.3

Qualitative Deliverables	2012-13 Reference Point or Target
More care at home	
Aged Care planning regions reviewed	Final report delivered on review
Greater choice and control	
New program guidelines developed to embed CDC into Home Care	Guidelines provided to approved providers applying for packages in the 2012-13 Aged Care Approvals Round

Table 4.14: Quantitative Deliverables for Program 4.3

Quantitative Deliverables	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
More care at home					
Number of new Home Care packages allocated	4,901[10]	3,614	5,196	18,212	4,901

---

[9]   In 2012-13, all deliverables and key performance indicators have been reviewed and updated to ensure targeted performance reporting.

[10]   This figure includes 1,419 new EACH packages allocated as part of the 2011 Aged Care Approvals Round.

Program 4.3: Key Performance Indicators

Table 4.15: Qualitative Key Performance Indicators for Program 4.3

Qualitative Indicator	2012-13 Reference Point or Target
Matching funding to care needs	
Home Care providers continue to deliver services and apply for additional packages through the Aged Care Approvals Round	All Home Care packages offered in the 2012-13 Aged Care Approvals Round are allocated
Greater choice and control	
Consumer directed care (CDC) continues to deliver benefits to older Australians	CDC evaluation report confirms that older Australians are satisfied that they have improved choice and control over the services they receive in CDC Home Care packages

Table 4.16: Quantitative Key Performance Indicators for Program 4.3

Quantitative Indicators	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
More care at home					
Number of operational Home Care packages at end of financial year	61,738	64,776[11]	68,390	73,586	91,798

---

[11] Relates to the number of total packages, following the implementation of reform measures there will be additional package levels reported under the same deliverable.

Program 4.4: Residential and flexible care

Program Objectives

Improving fairness and sustainability

To address increased demand for aged care due to population ageing, the Australian Government will, from 1 July 2014, introduce stronger means testing for residential aged care. These changes will ensure that residents of aged care homes that have the capacity to pay their fair share of their care and accommodation costs will do so, while the Australian Government will continue to pay some or all of the care costs for those with limited means. During 2012-13, development work will commence within the Department for these significant changes.

During 2012-13, the Australian Government will make changes to the Aged Care Funding Instrument that is used to set care subsidies in residential care to better match funding levels to the care needs of residents. To improve the quality of care in aged care homes for residents who have severe behavioural and psychological symptoms of dementia a new Very High Level of funding will be added to the Behaviour Domain of the Aged Care Funding Instrument.

The Australian Government will also establish the Aged Care Financing Authority in 2012-13 to provide the Government, older people and providers with independent and transparent advice and information on pricing and financing issues in aged care. A review of the Specified Care and Services that providers are required to deliver to residents will commence in July 2012 and be undertaken within 12 months.

In 2012-13, the Australian Government will continue to improve access and equity to people living in regional Australia by maintaining the viability supplement for aged care service providers in regional Australia and for services providing specialist care to Indigenous Australians or for older people who are homeless or at risk of homelessness. The existing capital grants programs will be combined under a single funding strategy, the *Rural, Regional and Other Special Needs Fund*, and the remaining $150 million in Zero Real Interest Loans will be refocused to better support identified priority areas such as rural and remote regions.

Provide culturally appropriate care

The Government supports delivery of culturally appropriate aged care services to older Indigenous Australians through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. Over the next four years 200 new places will be allocated through a staged approach, with around 40 of these places being allocated in 2012-13. Two new services will be established in 2012-13 at Mutitjulu (Central Australia) and in East Arnhem Land.

Other service models

In 2012-13, the Department will continue to provide funding for 4,000 flexible care places through the Transition Care Program, helping many older people return home after a hospital stay, rather than enter residential care prematurely.

Under the National Partnership Agreement on Financial Assistance for Long Stay Older Patients, the Australian Government is providing $277.1 million over three

years (from 2011-12 to 2013-14) to state and territory governments to assist them with the costs of caring for long stay older patients in public hospitals.

Program 4.4 is linked as follows:

- This program includes National Partnership payments for:
    - *Financial assistance for long stay older patients*
  Partnership payments are paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. For budget estimates relating to the National Partnership component of the program, please refer to Budget paper 3 or Program 1.10 of the Portfolio Budget Statements.
- The Department of Human Services (Program 1.1) to administer payments to Aged Care providers and means testing for residents.
- The Department of Veterans' Affairs (Program 2.4) for payments under Community Care and Support.

Program 4.4 Expenses

Table 4.17: Program Expenses

	2011-12 Estimated actual $'000	2012-13 Budget $'000	2013-14 Forward year 1 $'000	2014-15 Forward year 2 $'000	2015-16 Forward year 3 $'000
Annual administered expenses					
Ordinary annual services[1]	67,206	85,803	96,696	98,461	94,592
Special appropriations					
Aged Care Act 1997 -					
flexible care subsidies	349,252	377,715	397,892	402,981	405,838
Aged Care Act 1997 -					
residential care subsidies	7,450,094	7,710,485	8,097,673	8,708,184	9,200,843
Aged Care (Bond Security)					
Act 2006	-	-	-	-	-
Unfunded Expenses - zero interest loans					
concessional loan discout	53,846	98,233	74,355	21,472	-
Program support	43,985	36,471	37,814	37,602	36,547
Total Program 4.4 expenses	**7,964,383**	**8,308,707**	**8,704,430**	**9,268,700**	**9,737,820**

[1] Ordinary annual services (Bill 1) against program 4.4 excludes $116.063m in 2011-12, $187.995m in 2012-13, $132.500m in 2013-14 and $37.500m in 2014-15 appropriated in Bill 1 for Zero Real Interest Loans as this funding is not accounted for as an expense.

Program 4.4: Deliverables[12]

Table 4.18: Qualitative Deliverables for Program 4.4

Qualitative Deliverables	2012-13 Reference Point or Target
Improving fairness and sustainability	
Undertake a review of Specified Care and Services Schedule	The review of Specified Care and Services is finalised
Establish the Aged Care Financing Authority	Aged Care Funding Authority established by 30 June 2013

Table 4.19: Quantitative Deliverables for Program 4.4

Quantitative Deliverables	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Improving fairness and sustainability					
Number of Residential Aged Care Places Allocated	7,900	7,800	5,800	N/A[13]	N/A
Provide culturally appropriate care					
Number of flexible places available for Aboriginal and Torres Strait Islander peoples[14]	700	715	755	805	875
Total value of zero real interest loans offered to aged care providers to build in areas of high need[15]	$150m	$150m	N/A	N/A	N/A

---

[12] In 2012-13, all deliverables and key performance indicators have been reviewed and updated to ensure targeted performance reporting.

[13] Estimates for out years will be determined following the June 2014 and June 2015 stocktake respectively.

[14] The National Aboriginal and Torres Strait Islander Flexible Aged Care Program supports flexible high and low care residential places, as well as flexible community care places. In recent years, the allocation of new places under the program has been weighted towards more expensive high care places, providing more care for older Aboriginal and Torres Strait Islander people with complex care needs. This indicator has been revised to reflect the number of places supported through this service mix.

[15] The final Zero Real Interest Loans funding round, which will make available up to $150 million in loans, will be run in conjunction with the 2012 Aged Care Approvals Round. There are no further funding rounds beyond 2012-13. The content and timing of a possible 2012 Aged Care Approvals Round is subject to the Government's decisions on aged care reform.

Quantitative Deliverables	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Other service models					
Number of operational transition care places	4,000	4,000	4,000	4,000	4,000

Program 4.4: Key Performance Indicators

Table 4.20: Qualitative Key Performance Indicators for Program 4.4

Qualitative Indicator	2012-13 Reference Point or Target
Improving fairness and sustainability	
Improved transparency in pricing arrangements for providers and consumers	Initial guidelines on transparent pricing arrangements developed in 2012-13
Better links between the health and aged care sectors	Competitive funding round completed and available funding offered to successful applicants

Table 4.21: Quantitative Key Performance Indicators for Program 4.4

Quantitative Indicators	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Provide culturally appropriate care					
Percentage of Aboriginal and Torres Strait Islander Flexible Care places allocated	N/A	100%	100%	100%	100%

Program 4.5: Workforce and quality

Program Objectives

Ensuring availably of a skilled workforce

In 2012-13, the Australian Government will implement a workforce productivity strategy to help ensure that an appropriately skilled and well-qualified workforce is available to care for older Australians who need aged care, whether that be in their own homes or in residential care.

A Workforce Compact will be developed during 2012-13 between the Australian Government, unions, providers and workforce training stakeholders. The Workforce Compact will ensure a strong focus on addressing workforce pressures in regional, rural and remote areas, including action to improve the recruitment and retention and overall geographical distribution of aged care workers and lead to improvements in services for older Australians.

Aged care providers that meet the requirements of the Workforce Compact will be eligible for funding (through funding agreements in Home Support or a Conditional Adjustment Payment in residential and Home Care) from 1 July 2013.

Empowering Consumers

In 2012-13, the Department will continue to strengthen aged care complaints handling through the Aged Care Complaints Scheme. As part of the aged care reforms, the Australian Government will provide for greater confidence in the regulation of aged care by increasing the powers of the independent Aged Care Commissioner in relation to aged care complaints. It will also provide additional funding for the National Aged Care Advocacy Program to advocate on behalf of older Australians and to promote their rights within the aged care sector and the broader community. The Government will also expand the current Community Visitors Scheme to include people living in their own homes in the target group.

Promoting Quality

In 2012-13, the Department will assist aged care providers to understand their responsibilities under the *Aged Care Act 1997*. This will include continuing to monitor approved provider Aged Care Funding Instrument claims through a program of national reviews and undertaking targeted assessments of providers' compliance in meeting their legislative obligations and financial accountability.

The Department will continue to monitor the increased protections for accommodation bonds that took effect from 1 October 2011 and work with approved providers to ensure compliance.

The Department will commence work on the development of national aged care quality indicators for residential aged care in 2012-13. These indicators will improve the information available for the industry and consumers on the quality of aged care and support the development of service ratings on the *My Aged Care* website.

Outcome | 04

Program 4.5 Expenses

Table 4.22: Program Expenses

	2011-12 Estimated actual $'000	2012-13 Budget $'000	2013-14 Forward year 1 $'000	2014-15 Forward year 2 $'000	2015-16 Forward year 3 $'000
Annual administered expenses					
Ordinary annual services	137,950	151,562	177,566	188,723	216,833
Program support	87,283	80,699	82,072	80,053	80,678
Total Program 4.5 expenses	**225,233**	**232,261**	**259,638**	**268,776**	**297,511**

Program 4.5: Deliverables[16]

Table 4.23: Qualitative Deliverables for Program 4.5

Qualitative Deliverables	2012-13 Reference Point or Target
Ensuring availability of a skilled workforce is available to care	
A Workforce Compact will be developed with employers, unions, and training body representatives	Workforce Compact commences from 1 January 2013
Empowering Consumers	
New models of Community Visitors Scheme developed and implemented	New models implemented by 30 June 2013
Promoting Quality	
Increasing consumer awareness and supporting the industry in effective complaints handling through education	Update aged care complaints publications, brochures and poster targeting industry and consumers Publish online complaints resolution toolkit incorporating industry education alerts and resources

---

[16] In 2012-13, all deliverables and key performance indicators have been reviewed and updated to ensure targeted performance reporting.

Table 4.24: Quantitative Deliverables for Program 4.5

Quantitative Deliverables	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Promoting Quality					
Percentage of accommodation bond refunds paid through the Accommodation Bond Guarantee Scheme refunded within the statutory timeframe	≥95%	≥95%	≥95%	≥95%	≥95%
Number of annual reviews of Aged Care Funding Instrument funding claims to ensure residents are correctly funded	20,000	20,000	20,000	20,000	20,000
Percentage of complaints referred by the Aged Care Complaints Scheme for investigation completed within 90 days	76%	77%	78%	79%	80%
Percentage of complaints resolved by the Aged Care Complaints Scheme at intake	30%	31%	31%	32%	32%
Percentage of General Purpose Financial Reports submitted by approved providers reviewed to assess financial risk	N/A	100%	100%	100%	100%

Outcome | 04

Program 4.5: Key Performance Indicators

Table 4.25: Qualitative Key Performance Indicators for Program 4.5

Qualitative Indicator	2012-13 Reference Point or Target
Ensuring availability of a skilled workforce is available to care	
Workforce training addresses skills gaps and the diverse needs of the aged care sector	The Aged Care Workforce Strategic Advisory Group develops training priorities for the Aged Care Workforce Fund
Promoting Quality	
Adequate progress is made in the development of quality indicators	Aged Care Reform Implementation Council reports on progress
Satisfaction with the operation of the Complaints Scheme	Results of satisfaction surveys indicate that the majority of complainants and approved providers responding to the survey are satisfied with the operation of the Complaints Scheme

Table 4.26: Quantitative Key Performance Indicators for Program 4.5

Quantitative Indicators	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Promoting Quality					
Percentage of occasions where the Department has taken appropriate action against approved providers to address serious non-compliance that threatens the health, welfare or interests of care recipients	N/A	100%	100%	100%	100%

Program 4.6: Ageing and service improvement

Program Objectives

Support for people living with dementia

In 2012-13, funding will be provided through the Aged Care Service Improvement and Healthy Ageing Grants Fund, to improve health care services for people with dementia, including by enabling more timely diagnosis and early intervention in primary care, and better coordinated hospital services. In addition, Dementia Behaviour Management Advisory Services will be expanded to enable support for primary and acute care services to more effectively support patients with dementia.

Support for a diverse community

In 2012-13, through the Aged Care Service Improvement and Healthy Ageing Grants Fund, services will be established to meet the needs of diverse populations including through staff training and access to expert advice. Services will target special needs groups including people from culturally and linguistically diverse backgrounds, care leavers[17] and people who are homeless, and people from the lesbian, gay, bisexual, transgender and intersex (LGBTI) community. In 2012-13, funding will be provided to deliver LGBTI sensitivity training for aged care workers.

Better links to the health system

Aged care providers are increasingly involved in delivering more complex and short term intensive health services. During 2012-13, funding will be offered through a competitive funding round to encourage aged care providers to form partnerships with health providers and medical insurers to provide services to reduce the amount of time that older Australians are required to stay in hospital. Funding has also been provided to disseminate the findings of research to the aged care sector so that it can be translated into improved delivery of care.

Older Australians with complex health needs would benefit from increased access to multidisciplinary teams of health care professionals to coordinate their care and treatment. Funding will be offered to enable the establishment of multidisciplinary teams to deliver care in people's own homes as well as improving access to general practitioners through the use of video-consultations.

To improve awareness, prevention and management of incontinence, in 2012-13, the Department will continue support for the National Continence Helpline, the National Public Toilet Map, the Bladder Bowel website, and financial assistance through the Continence Aids Payment Scheme.

Outcome | 04

---

[17]   This term refers to children who were in institutional and other out of home care through the last century.

Program 4.6: Expenses

Table 4.27 Program Expenses

	2011-12 Estimated actual $'000	2012-13 Budget $'000	2013-14 Forward year 1 $'000	2014-15 Forward year 2 $'000	2015-16 Forward year 3 $'000
Annual administered expenses					
Ordinary annual services	70,886	97,504	118,578	114,947	113,473
Special appropriations					
National Health Act 1956 -s12					
continence aids program	52,164	63,326	77,165	91,266	106,025
Program support	23,687	27,254	26,941	25,667	25,539
Total Program 4.6 expenses	**146,737**	**188,084**	**222,684**	**231,880**	**245,037**

Program 4.6: Deliverables[18]

Table 4.28: Qualitative Deliverables for Program 4.6

Qualitative Deliverables	2012-13 Reference Point or Target
Support for people living with dementia	
Consultation with stakeholders on implementation of Living Longer Living Better, Tackling Dementia package	Timely initial contact and follow up consultation where this is required
Support for a diverse community	
Amend the aged care legislation to include people in the lesbian, gay, bisexual, transgender and intersex community as a special needs group	Changes made by January 2013
Review of Aged Care Service Improvement and Healthy Ageing Fund guidelines to reflect support for diverse populations	Guidelines are reviewed by September 2012

---

18 In 2012-13, all deliverables and key performance indicators have been reviewed and updated to ensure targeted performance reporting.

Program 4.6: Key Performance Indicators

Table 4.29: Qualitative Key Performance Indicators for Program 4.6

Qualitative Indicator	2012-13 Reference Point or Target
Support for people living with dementia	
Activities undertaken to better support people with dementia in the health and aged care systems	Regular progress reports on key milestones from contractual organisations indicate that activities are being implemented in accordance with contractual arrangements
Support for a diverse community	
Activities undertaken to better support older people from diverse backgrounds	Regular progress reports on key milestones from contractual organisations indicate that activities are being implemented in accordance with contractual arrangements
Better links to the health system	
Funded organisations provide improved access to complex health care in aged care facilities. Activities are undertaken that support multidisciplinary care	Evaluation shows improved outcomes

Table 4.30: Quantitative Key Performance Indicators for Program 4.6

Quantitative Indicators	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Support for people living with dementia					
Number of dementia key workers supporting younger people with dementia.	N/A	40	40	40	40