



THE HON JUSTINE ELLIOT MP

Minister for Ageing

MEDIA RELEASE

25 November 2008

RELEASE OF ANNUAL REPORT – OPERATION OF AGED CARE ACT 2007-2008

The Minister for Ageing, Mrs Justine Elliot today released the annual report into the Report into the Operation of the Aged Care Act 2007-2008.

It showed 300,000 Australians received care through the record support for the aged and community care sector provided by the Rudd Labor Government.

Currently, there are some 2.8 million Australians – about 13 per cent of the population – aged 65 and over. This number is expected to triple in 40 years.

“Australia has the world’s second longest life expectancy and the Australian Government is responding to the challenge of an ageing population,” Mrs Elliot said.

“Over the next four years, the Australian Government will invest more than \$41.6 billion into aged and community care. We will provide on average \$41,500 a year a resident in subsidies. No Government has invested more into this area than the Rudd Government.

“We want to ensure the long-term viability of the aged sector, but also ensure that there are quality and accreditation standards to protect vulnerable members of our society,” Mrs Elliot said.

In 2007-2008, more than 300,000 people received a form of aged and community and the Federal Government provided \$8.3 billion for ageing and aged care in Australia.

As of June 30, there were 2,830 nursing homes and hostels in Australia; 174,669 residential places; 46,475 community care places and 1,963 transition care places.

The report covers July 1, 2007 to June 30, 2008, including the final four months of the previous Government.

Section 63-2 of the Aged Care Act requires the Minister for Ageing to present a report on the operation of the Act for 2007-2008 before November 30.

Key facts: Report on the Operation of the Aged Care Act

Aged and Community Care – 2007-2008

- 208,079 people received permanent residential aged care;
- 39,443 people received short-term respite care in aged care homes; of whom 18,415 were later admitted to permanent care;
- 61,739 received care at home through a community care or flexible care package;
- 10,351 received transition care following a hospital stay;
- 53,074 admissions to residential respite care, and care recipients used an estimated 1.18 million resident days;

- A total of 10,874 new aged care places were allocated nationally during 2007-2008;
- About 831,500 individuals received a form of Home and Community Care (HACC) service – with some receiving more than one service; and
- A total of 188,967 Aged Care Assessments were completed in 2006-2007, compared with 179,354 for 2005-2006.

Aged and community care providers

- As of June 30, there were 2,830 nursing homes and hostels in Australia;
- In 2007-2008, the nursing home and hostel comprised – religious, charity and community based (59.7 per cent); for-profit/commercial (33.3 per cent) and State and local governments (7 per cent);
- In 2007-2008, the community care sector comprised – religious, charity and community based (83.6 per cent); State and local governments (11.7 per cent) and for-profit (4.7 per cent).

Expenditure – 2007-2008

- Overall Federal government expenditure for ageing and aged care during 2007-2008 totalled \$8.3 billion compared with \$7.7 billion in 2006-2007 – an increase of 7.8 per cent in 2006-2007;
- \$6 billion was spent on residential aged care;
- \$448 million for Community Care Packages – an increase of 10.6 per cent over 2006-2007;
- \$335 million for flexible care programs, including Extended Aged Care at Home (EACH) and EACH – Dementia packages, Multi-purpose Services and Transition Care;
- Average accommodation bond charged to a new resident by providers was \$188,798 in 2007-2008;
- the average holding per approved provider was \$6.5 million and the 10 largest bond holders held about 19 per cent (\$1.2 billion) of all accommodation bond monies; and
- Thirty-five per cent (6,098) of the 17,132 Resident Classification Scale reviews resulted in re-classifications – meaning the funding claims made by providers accurately matched the level of care for people living in nursing homes.

Expenditure – 2008-2009

- Over the next four years to 2011-2012, funding for aged and community care will reach record levels of \$41.6 billion.
- Funding in 2008-2009 for community care services will total \$2.2 billion – an increase of \$260 million over 2007-2008;
- For 2008-2009 alone, there will be an increase of 10.4 per cent in funding for aged and community care;
- The new Aged Care Funding Instrument (ACFI) that commenced on March 20 with bipartisan support will see more than \$1.13 billion in additional funding to the residential care sector over the first four years of its use;
- An increase in the Conditional Adjustment Payment (CAP) in the 2008 budget will see an increase of more than \$407 million over the four years to 2011-12 flow to the sector – bringing the total CAP funding for aged care to \$2 billion;
- Allocation of \$150 million in Zero Real Interest Loans to create 1,455 nursing home beds and community care packages for older Australians in areas of high need – with 375 and 154 places in Western Australia and Tasmania, respectively; and

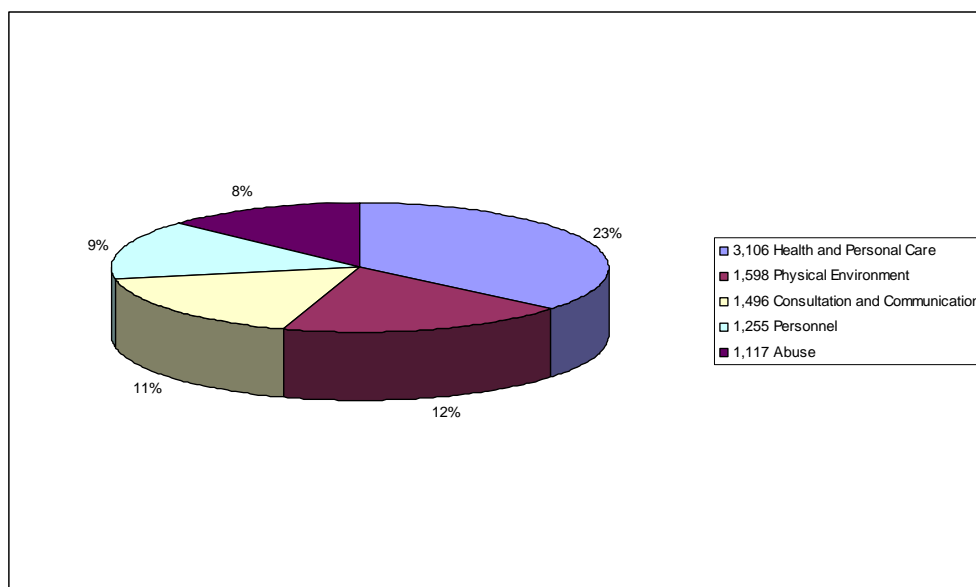
- Allocation of 228 new transition care places under its \$293.2 million plan – to help older Australians recover from a hospital stay and return to their own homes. The 228 places are expected to benefit up to 1,710 older Australians – in a full year. Each funded place will be used by up to eight different older Australians a year.

Construction/upgrading work

- \$1.45 billion worth of new building, refurbishment and upgrading work was completed to nursing homes during 2007-2008 – involving about 13.4 per cent of all homes;
- \$1.93 billion of construction work was in progress as at June 30, 2008 – involving 9.8 per cent of all homes; and
- At June 2008, an estimated 11.6 per cent of nursing homes were planning building work.

Quality, complaints and compliance

- During 2007-08 the Aged Care Standards and Accreditation Agency conducted 5,244 visits to homes, with 3,105 visits being unannounced. In this same period the Department undertook 3,127 visits to homes, of which 1,145 were unannounced.
- The Accreditation Agency identified 46 homes (1.6 per cent) that had some non-compliance in relation to the 44 accreditation standard outcomes.
- The Aged Care Complaints Investigation Scheme (CIS) referred 1,770 matters to the Accreditation Agency, 62 to Nurses' Registration Boards, 53 to the police; 33 to the Coroner; 27 to the Health Care Complaints Commission and 13 to the Medical Practitioners Board.
- Twenty-two percent of the referrals to the Accreditation Agency requested a support contact or a review audit of a nursing home.
- During 2007-2008, the Department of Health and Ageing applied sanctions against 14 providers, issuing 15 Notices of Decision to Impose Sanctions and issued 75 Notices of Non-Compliance.
- The CIS received 11,323 contacts between July 1, 2007 and June 30, 2008 of which 66 per cent were able to be investigated as these related to approved providers' responsibilities under the *Aged Care Act 1997* (the Act).
- The most common issues reported to the CIS in order were: Health and Personal care (3,106 cases), physical environment (1,598 cases), consultation and communication (1,496 cases), personnel (1,255 cases) and 1,117 cases relating to alleged abuse.



Breaches under the Aged Care Act

- The CIS identified 930 breaches of an approved provider's responsibility.
- There were 214 Notices of Required Action issued by the CIS requiring providers to address a breach.

Of the remaining number of breaches, the matters were resolved through a negotiated outcome or through referral to another agency.

- Of the 930 breaches identified:
 - 36 per cent (333) were in Victoria;
 - 25 per cent (231) were in NSW;
 - 17 per cent (162) were in Queensland;
 - 9 per cent (84) were in WA;
 - 6 per cent (53) were in SA;
 - 4 per cent (39) were in Tasmania;
 - 2 per cent (17) were in ACT; and
 - 1 per cent (11) was in NT.

Notices of Required Action (NRAs)

- 214 Notice of Required Actions were issued where approved providers were found to be in breach of the Act and had not taken action to rectify the breach:
 - 40 per cent (86) of all NRAs were in Queensland;
 - 22 per cent (47) were in NSW;
 - 15 per cent (32) were in South Australia;
 - 9 per cent (20) were in Victoria;
 - 4 per cent (8) were in both Western Australia and Tasmania;
 - 3 per cent (7) were in the Northern Territory; and
 - 3 per cent (6) were in the Australian Capital Territory.

Alleged Reportable Assaults

- There were 925 notifications of alleged reportable assaults.
- Of those 725 were recorded as alleged unreasonable use of force and 200 were alleged unlawful sexual contact:
 - NSW had 323 alleged reportable assaults,

- 275 were alleged serious physical assault,
 - 48 were alleged sexual assault;
- Queensland had 225 alleged reportable assaults
 - 174 were alleged serious physical assault,
 - 51 were alleged sexual assault;
- Victoria had 224 alleged reportable assaults
 - 152 were alleged serious physical assault,
 - 72 were alleged sexual assault;
- SA had 86 alleged reportable assaults
 - 69 were alleged serious physical assault,
 - 17 were alleged sexual assault;
- WA had 33 alleged reportable assaults
 - 27 were alleged serious physical assault,
 - 6 were alleged sexual assault;
- Tasmania had 28 alleged reportable assaults
 - 23 were alleged serious physical assault,
 - 5 were alleged sexual assault;
- Australian Capital Territory had 5 alleged reportable assaults
 - 4 were alleged serious physical assault,
 - 1 was an alleged sexual assault; and
- Northern Territory had 1 reportable assault, which was an alleged serious physical assault.

Police are responsible for determining whether charges should be laid. As this is a police matter, within the jurisdiction of each State and Territory, the CIS is unable to track if and when charges are laid.

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