

Living Longer. Living Better.

April 2012

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Foreword

The ageing of Australia's population is a profound social shift which requires an equally profound shift in society's mind set about ageing. This is neither a problem nor an inconvenience; it's an historic achievement that human society has strived for over centuries and presents a range of economic and social opportunities.

Australians can now expect to have an extended period of healthy, active retirement that was unimaginable in the past. Our challenge is to make sure that as we live longer, we continue to lead happy, healthy, productive and connected lives. Older Australians have the energy, experience and wisdom to contribute to business, to education and to the community, and we need to be more creative in the way we encourage and support these contributions.

Growing older does not dampen dreams and aspirations and the Government must strive to build systems and services that cater for the changing needs of the older population. We have boosted the pension, introduced a new consolidated pension supplement, made advance payment arrangements more flexible, added a new seniors work bonus, improved indexation and made significant improvements in aged care spending. We know this isn't enough. More needs to be done.

Today, too few people are able to access care and support in their own home where they want it, not enough nursing homes are being built, employers are having trouble recruiting and keeping aged care workers they need and many older Australians have to conduct a fire-sale of their home to pay large bonds to get into residential care. The aged care system is no longer meeting our needs.

This Government has the leadership and vision that is needed to deliver the kind of system Australians will be proud of today and in the future. Through the Government's aged care reform

package we will deliver important benefits to older Australians, that includes more support and care at home, better access to residential care should you need it, increased recognition of carers and those from culturally diverse backgrounds, more support for those with dementia and better access to information.

We will also lay the foundations for longer term sustainable reform through more robust and transparent funding structures, improved quality and transparency, more choices about your care and how you pay for it. We will strike the right balance between important changes now and ensuring the pace of change does not compromise the current system.

In the decades ahead the size of our aged population will grow and the cost of providing aged care will increase dramatically. It is vital that our system of funding aged care strikes the right balance, taking proper account of what people can afford to contribute to their own care. People currently receiving care will continue to do so under their existing arrangements. This will be done without changing the current treatment of the family home.

Our reform plan is a turning point. Our approach is consistent with the values, aspirations and concerns of the broader community and will ensure older Australians have the independence they want with the support that they need to live in their own home for as long as they can.



A handwritten signature in black ink that reads "Julia Gillard" with a horizontal line underneath.

The Hon Julia Gillard MP
Prime Minister



A handwritten signature in black ink, appearing to be "Mark Butler", written in a stylized cursive.

The Hon Mark Butler MP
Minister for Mental Health and Ageing
Minister for Social Inclusion



Living Longer. Living Better - Aged Care Reform Package

The Government is building a better, fairer and more nationally consistent aged care system. Under Living Longer Living Better, the aged care reform package provides \$3.7 billion over five years.

\$955.4 million to **help people to stay at home** through:

- an integrated Home Support program
- more Home Care packages with new levels of packages
- greater choice and control through Consumer Directed Care available across all new Home Care packages
- fairer means-testing arrangements for Home Care packages

\$54.8 million to **help carers** access respite and other support.

\$660.3 million to deliver better **residential aged care** through:

- more residential care facilities to be built
- supporting the viability of services in regional, rural and remote areas
- trialling Consumer Directed Care in residential aged care
- strengthening means testing for residential care by combining the current income and asset tests
- establishing a new Aged Care Financing Authority
- improving the Aged Care Funding Instrument

\$1.2 billion to **strengthen the aged care workforce**.

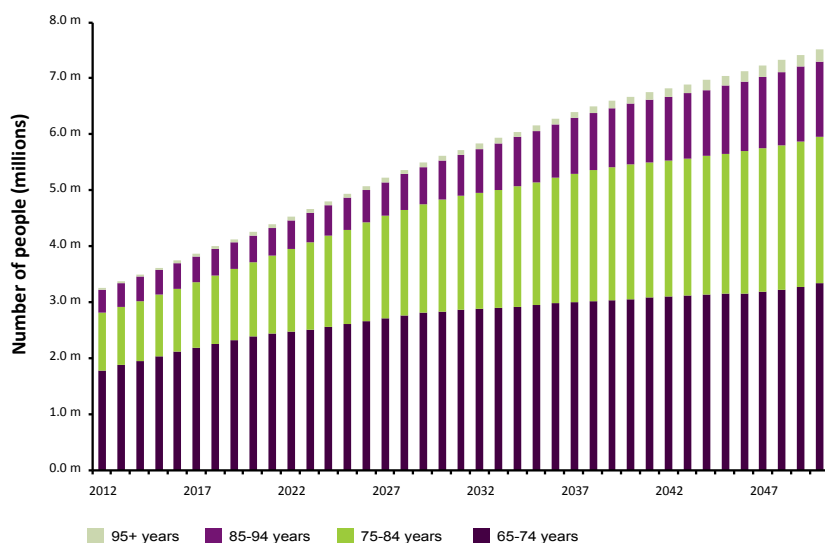
\$39.8 million to **support consumers and research** through:

- empowering consumers through advocacy
- better connecting the lonely and socially isolated
- improving the knowledge of older people's care and support needs

\$80.2 million to ensure **better health connections** through:

- complex health care
- multidisciplinary care
- service innovation

Number of people aged 65 years and over, by age group, 2012 to 2050



In 2010 the Government asked the Productivity Commission to undertake an inquiry into the aged care system; this reform package has been informed by their recommendations.

\$268.4 million to **tackle the nation's dementia epidemic** including:

- a new Dementia Supplement in home and residential care
- improved hospital and primary care
- increased focus on people with younger onset dementia
- reducing the time between symptoms and diagnosis

\$192.0 million to support **older Australians from diverse backgrounds** through:

- more aged care places for Indigenous Australians
- supporting veterans with mental health problems
- training staff to be sensitive to the needs of diverse groups
- helping homeless older people stay in the community

\$256.4 million to **build a system for the future** through:

- a new Aged Care Reform Implementation Council to drive the development and implementation of aged care reform
- establishing a new Aged Care Financing Authority
- a new Gateway to aged care services to help older Australians be more informed and better move through the system
- streamlined quality regulation
- increased powers to handle consumer complaints

This package is in part offset through means testing and redirected funding (see measures table on pages 37-38)



Staying at Home

Commonwealth Home Support program (\$75.3 million)

By 2050, over 3.5 million Australians will access aged care each year with around 80 per cent of the services delivered in the community.

Older Australians clearly want to remain in their own homes for as long as possible as their care needs increase. While there are many programs that provide a range of support services in the home, these programs are often fragmented and inconsistent, leaving older people and their families confused and not always being treated fairly as their needs change.

From 1 July 2015, the Government will establish a national Commonwealth Home Support Program. This new and streamlined approach will bring together under the one program all the services currently providing basic home support - the existing Home and Community Care program for older people, the National Respite for Carers Program, the Day Therapy Centres program and the Assistance with Care and Housing for the Aged program.

In developing the Commonwealth Home Support program, we will review services being delivered in the home to gain a better understanding of what older Australians want and need. Services including meals on wheels, transport and home modifications and maintenance will be looked at to ensure they are being delivered in the best possible way. The review which will be worked through in consultation with providers and consumers will inform a move to more consistent and equitable service delivery arrangements, and more national consistency in what people contribute to the cost of these services. This will be the first national review of basic home support services since the 1980's.

More Home Care packages (\$880.1 million)

There is currently substantial unmet demand for Home Care packages. Almost one in three people have to wait more than three months for that level of care.

The Gillard Government is tackling this situation. Over the next five years, the number of operational Home Care packages will increase by nearly 40,000 to almost 100,000. This will mean less waiting time for people.

The delivery of Home Care packages is fragmented. People have to move between providers as their care needs increase.

From 1 July 2013, two new packages will cater better for the care mix. The number of Home Care package levels will increase from two to four, to allow a seamless continuum of care at home.

Over time we will develop and introduce a comprehensive Aged Care Funding Instrument for both residential care and Home Care packages. Care recipients would be able to stay with the same provider as their care needs increased, with additional funding flowing to the provider as determined by the new comprehensive Aged Care Funding Instrument.

Greater choice and control in Home Care

Consumer Directed Care is an initiative placing the individual at the centre of care decisions, fully engaging them in determining what and how their care needs are provided. The Government has been trialling Consumer Directed Care in a limited number of Home Care packages for the last two



24,000 applications were received for Home Care packages in 2011 – almost twenty times the number on offer.



Staying at Home (continued)

years. From 1 July 2013, all new Home Care packages allocated to providers will need to be offered to care recipients on a Consumer Directed Care basis, with existing packages to be converted by July 2015.

Fairer means testing arrangements for Home Care packages (-\$183.0 million)

Fees paid for Home Care packages are not currently consistently applied, unlike in residential care. A new means tested care fee will be introduced for some care recipients on top of the existing basic fee. No full pensioner will pay a care fee under the new arrangements. Some part pensioners and non pensioners will pay higher total fees than are currently charged. People receiving a care package on 30 June 2014 will continue under their current fee arrangement.

The Government will require some care recipients to contribute more to the cost of their care through an income tested care fee, with safeguards for those who cannot afford to contribute. No full pensioner will pay a care fee.

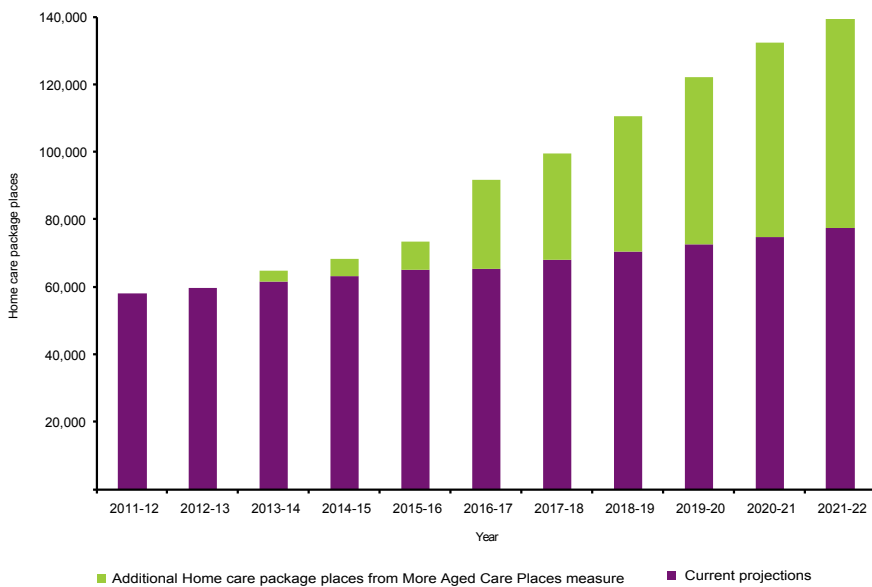
No care recipient will be asked to contribute more than the cost of their care and no care recipient's home or other assets will be included in assessing their ability to pay. In addition, an annual cap of \$5,000 for part pensioners and \$10,000 for self-funded retirees will be in place for the care fee.

Care fees in Home Care packages:

- No full pensioner will pay a care fee
- No part pensioner will pay a care fee greater than \$5,000 per annum
- People with income more than \$43,186 will pay a care fee on a sliding scale up to a total of \$10,000 per annum
- No one will pay more than \$60,000 in care fees over their lifetime

There will be a lifetime cap of \$60,000 on care fees, so that no person will pay more than this amount for Home Care packages or residential care during their lifetime.

Home care packages, 2011-12 to 2021-22



During the consultation by Government on aged care reform older Australians expressed a desire to stay at home for as long as possible and preferably until their death.



Supporting Carers

Streamlining and expanding support for carers (\$54.8 million)

The National Carer Strategy contains six important priority areas for action:

- recognition and respect
- information and access
- economic security
- services for carers
- education and training
- health and wellbeing

Collectively, these priority areas outline how the contribution of Australia's carers will be better valued, supported and shared.

The Gillard Government understands the pivotal role that carers play in providing quality support to older Australians. Carers provide most of the care received by older Australians. Like any member of the workforce, these carers sometimes need to take a break and need to take care of themselves.

The Government already provides support for carers through a number of strategies. These include the National Respite for Carers Program and the National Carer Recognition Framework.

Through the aged care reform package, the Government will make it easier for carers to access respite and other carer support services when they need them. The Government will:

- expand access to respite services
- increase funding for carer counselling
- streamline funding arrangements for respite care
- provide carers with more choice and flexibility in the services they use.

These improvements will be delivered through:

- providing increased funding for respite services and counselling supported under the National Respite for Carers Program from 1 July 2012

- consolidating respite programs from 1 July 2014
- establishing a regional network of carer support centres from 1 July 2014
- further work to explore new models for carers to have greater choice in how they use their service entitlements
- incorporating the National Respite for Carers Program into the Commonwealth Home Support program from 1 July 2015 with real funding growth each year.

These initiatives deliver on the Government's election commitment to streamline respite arrangements and on its commitment under the National Carer Strategy.

Carers play a vital role in our community, but many of us do not realise the enormous contribution that they make to Australian society, or fully appreciate the challenges that they face every day.

The National Carer Strategy – the second element of the Australian Government's National Carer Recognition Framework, along with the Carer Recognition Act 2010 – strengthens our commitment to recognise and respond to the needs of carers so that they have rights, choices, opportunities and capabilities to participate in economic, social and community life.



In 2010, over one in eight Australians (2.87 million people) are estimated to be providing informal care.



Residential Care

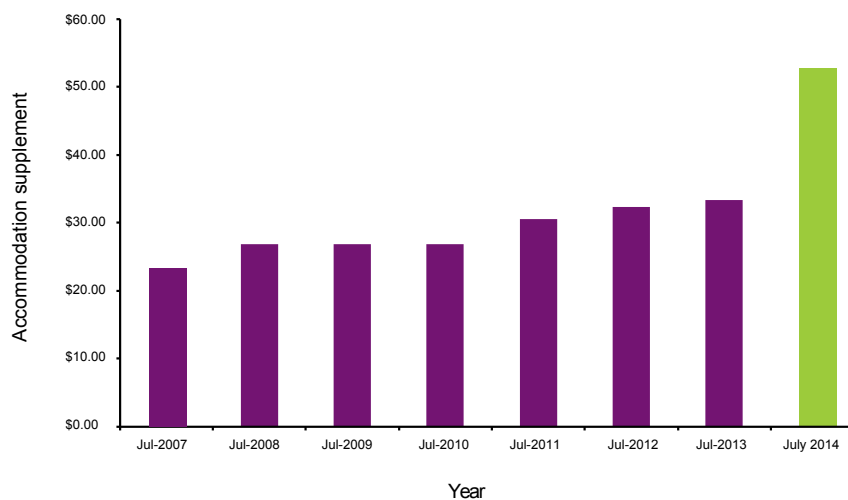
Better support to build more residential care facilities (\$486.9 million)

Almost 40 per cent of older Australians currently in residential aged care have paid a bond.

Although older Australians prefer to receive care at home for as long as possible there will also be an increasing demand for residential care. The Government is reforming aged care financing arrangements to give aged care providers the certainty they need so that more aged care homes can be built, and existing homes can be significantly refurbished.

The Government currently pays an accommodation supplement in respect of residents who cannot meet all of their own accommodation costs. From 1 July 2014, the maximum level of this supplement will be increased from \$32.58 to \$52.84. This recognises the true cost of providing aged care accommodation and will secure further building of facilities and provide a greater level of certainty for the industry. The increased accommodation supplement will apply to aged care homes that are built or significantly refurbished from 20 April 2012.

Maximum accommodation supplement July 2008 to July 2014



More consumer protection

The Government will also provide older Australians entering aged care homes with more flexibility and choice about how they pay for their accommodation costs. From 1 July 2014, all residents who can afford to, will have the choice of paying for their accommodation through a fully refundable lump sum or a rental style periodic payment, or a combination of both. Aged care providers will not be able to choose between care recipients on the basis of how they elect to pay for their accommodation. A new cooling off period will mean that residents will not need to decide how they intend to pay for their accommodation until they have actually entered care. Aged care providers will also be required to insure any lump sum bonds that they hold and will not be able to retain any component of the actual bond. This will give added reassurance to older Australians.

The current exemptions for accommodation payments within the Age Pension means test will be maintained. In addition, residents will be better protected by the new Aged Care Financing Authority, which will be required to approve the level of lump sum payment or equivalent periodic payment for each aged care home to ensure that these charges truly reflect the value of the accommodation services offered.

Greater choice and control (\$65.4 million)

The current split between low and high level care is outdated. Older Australians receiving low level care are currently required to purchase their own continence aids and walking frames, whereas this is the responsibility of the aged care provider for





Residential Care (continued)

older Australians receiving high level care. Older Australians receiving low level care have also had less access to subsidised nursing and therapy services. This distinction is not in line with the Aged Care Funding Instrument, which funds all care recipients according to their needs.

There is currently little scope for care recipients or their families to purchase additional amenities or supplementary care services from their residential care provider. Consumers are increasingly seeking to have the opportunity to purchase extras, such as more expensive food and entertainment options. The families of care recipients also sometimes want to purchase supplementary care services above those that are clinically necessary.

Following a review of the Schedule of Specified Care and Services, the Government proposes to allow two levels of additional charges for amenities and hotel type services over and above basic specified care and services. Under this arrangement, residents in all aged care homes would be able to purchase optional extra services, such as enhanced entertainment or lifestyle choices, for an additional fee. In addition, subject to approval by the Aged Care Financing Authority, homes will be able to offer a capped number of aged care places dedicated to the provision of services solely on an 'extra service' basis, which will offer residents a higher level of amenities and hotel-type services. All aged care homes will still be required to offer the option of a basic standard of services, in line with the specified care and services, to residents.

Following an initial focus on consumer directed care for care delivered in the home, it will be trialled in residential care.

Ensuring the sustainability of aged care services in regional, rural and remote areas (\$108.0 million)

In general, it is more expensive to deliver aged care services in regional, rural and remote Australia than in urban areas. To ensure access to these services for all older Australians wherever they live the Government provides a viability supplement to eligible providers, on top of other funding. The viability supplement is also paid to providers that care for specific groups of highly vulnerable older Australians, including Indigenous Australians and older people who are homeless or at risk of homelessness.

Since 1 January 2010, the Government has increased the level of the viability supplement by more than 40 per cent in recognition of the higher costs faced by these providers. As a result of the aged care reform package, the Government is projected to provide more than \$280 million in viability supplements to aged care providers over the next five years.

Aged care homes in regional, rural and remote areas can also face higher building costs than those in urban areas. The Government will continue to provide access to low cost finance to build or expand services in targeted areas through the one remaining round of the Zero Real Interest Loans Program. The Government is also streamlining its assistance to providers in these areas by combining its current aged care capital grants programs into a single Rural, Regional and Other Special Needs Building Fund. Around \$51 million will be available for the Fund each year.



The Productivity Commission report noted that the population in rural areas (including small towns) is ageing more rapidly than the population in major urban and regional centres.



Residential Care (continued)

Fairer means testing arrangements for residential aged care (-\$378.0 million)

Care fees in residential care:

- No one will pay a care fee greater than \$25,000 per annum
- No one will pay more than \$60,000 in care fees over their lifetime

In order to ensure the sustainability of the aged care system so that all Australians get the care they need, the Government will strengthen the means testing arrangements for people entering residential care from 1 July 2014. It will combine the current income and asset tests to ensure a consistent fees policy. This will address the issue of asset-rich, income-poor residents paying for all of their accommodation and nothing for care, and income-rich, asset-poor residents paying for their care but not for accommodation.

The treatment of the family home will not change. It will continue to be exempt from the aged care assets test if occupied by a spouse or other protected person. An annual cap of \$25,000 will apply to a resident's contribution to their care costs, together with a lifetime cap of \$60,000.

People in residential care on 30 June 2014 will continue under their current fee arrangement.

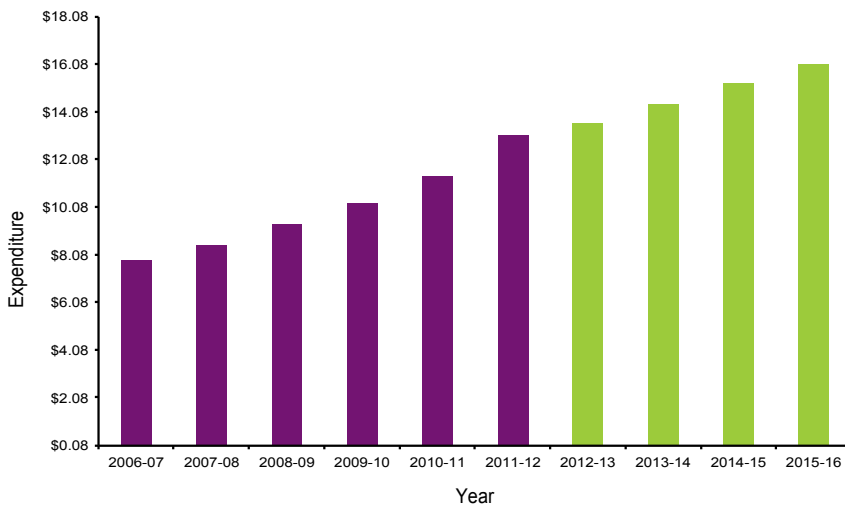


Improving the Aged Care Funding Instrument (-\$1.6 billion redirection)

The Government will refine the Aged Care Funding Instrument (ACFI) so that the funding claimed by aged care providers better matches the level of care being offered.

This will free up funds for much needed aged care reforms and allow the Government to better target these resources to the areas of aged care where they are most needed. In particular, an adequately skilled and qualified workforce is needed to deliver quality aged care in aged care homes and the community.

Estimated expenditure on aged care from 2011-12 to 2014-15 (\$ billions)





Based on estimated demand projections and assuming models of care are maintained, there will need to be approximately 827,100 aged care workers by 2050 (up from 304,000 in 2010)

Workforce

Addressing workforce pressures (\$1.2 billion)

An appropriately skilled and well qualified workforce is fundamental to the delivery of quality aged care across both the residential and home care sectors. The Government understands that to enable the aged care sector to cope with the growing number of older Australians, it is essential to build the capacity of the sector. This includes through better training, increased wages, changes to the workforce structure of the sector, better work practices and improved quality in delivery of care.

Aged care services continue to have difficulties in attracting and retaining sufficient numbers of skilled and trained workers. The turnover rate of workers in the aged care sector – 25 per cent - is higher than other comparable sectors. This has led to reduced productivity, higher training costs as well as negative impacts on the quality of care. Aged care needs to be promoted as a career of choice to allow Australia's aged care workforce to grow from 304,000 workers in 2010 to around 827,100 by 2050. To do this, qualifications, competency standards, access to career development and skills training need to be updated.

To achieve these outcomes, the Government will provide additional funding to aged care providers who take steps to improve the terms and conditions of their workers. A Workforce Compact, developed by an independently chaired Advisory Group in consultation with the sector, and endorsed by the Government will ensure that workforce reforms lead to improvements in terms and conditions for the aged care workforce, to generate better care and services for older

Australians. Due to the nature of the matters to be considered by the Advisory Group the Chair will be appointed by the Minister for Employment & Workplace Relations in consultation with the Minister for Mental Health and Ageing and the President of Fair Work Australia.

The Government is committing \$1.2 billion to implement the Workforce Compact over four years from July 2013 through changes in the Conditional Adjustment Payment. Employers will also be expected to contribute to the implementation of the Compact.

The key elements of the Workforce Compact will be to improve the capacity of the aged care sector to attract and retain staff through:

- higher wages
- improved career structures
- enhancing training and education opportunities
- improved career development and workforce planning
- better work practices

These improvements will be outlined through the Workforce Compact and provided through workplace bargaining to ensure benefits are delivered directly to workers.

A Conditional Adjustment Payment will also be introduced for Home Care packages and corresponding arrangements will be put in place for providers in the Commonwealth Home Support program through funding agreements.



During the consultation by Government on aged care reform older Australians stated that they want a skilled, dedicated workforce.



Consumer Support and Research

More support for consumer advocacy and community visitors (\$30.8 million)

- Maria, 90, has been receiving a Home Care package for a number of years and has few, if any visitors. Noting that Maria has become lonely and socially isolated, her aged care provider arranged for her to become part of the Community Visitors Scheme. She is now visited regularly by dedicated volunteers and has a support network in her later years. Further funding will ensure many more lives are enriched by the CVS.

Older people who receive aged care services need to maintain links with the community, have a greater say in the way their care is provided and also understand and exercise their rights. To provide timely access to advocacy support and education the Government is increasing funding to the National Aged Care Advocacy Program. This will drive quality improvement and reduce the need for regulatory intervention. The successful Aged Care Advocacy Program will be expanded by 20%.

Funding will also be increased for the Community Visitors Scheme (CVS). This will help lonely or socially isolated older people receiving aged care services to remain connected to the community.

The CVS will be extended to allow group visits, to leverage off new technology in home care environments and to target cohorts including culturally and linguistically diverse (CALD) groups, Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) community, veterans and Indigenous Australians

Supporting aged care research and evaluation (\$9.1 million)

There is limited publicly available data and evidence in aged care. This limits assessment and evaluations of the system and how it works with the health and community sector. It also means that older Australians receiving care and service providers may not be as well informed as they could be in making decisions about care and support needs.

The Government will increase the availability, accessibility and coordination of aged care data for the community by establishing a centralised data clearing house at the Australian Institute of Health and Welfare from 1 July 2013. It will also improve research and planning for needs of older Australians and their carers by expanding the Australian Bureau of Statistics' Survey of Disability, Ageing and Carers and conducting it every three years rather than every six years from 2014-15. These initiatives lay the foundation for improved knowledge about the characteristics and needs of older Australians needing care and support and the aged care system.





The Program of Experience in the Palliative Approach (PEPA) allows nurses, GPs and allied health workers to train in specialist palliative care services and palliative care workshops. The Government will expand PEPA to include aged care workers.

Better Health Care Connections

The Government has undertaken significant reform to our health system to bolster our primary care and preventative care services to keep people out of hospital, to help people stay well in their community and importantly to ensure the health and wellbeing of Australians as they age.

Building links between aged care and the health and hospitals system is a strong focus of the Government's health reforms. Many older Australians are in hospitals because they have nowhere else to go. A quarter of all aged care residents enter hospital every year. Approximately 30% of these admissions could be avoided if a GP or other primary health care professional was available.

Medicare Locals are a central component of the Government's primary health care reforms. Their roles include better linking aged care with GPs, nursing and other health professionals and hospitals; and identifying gaps in delivering primary care to residential and community aged care at the local level.

Better palliative care and support in aged care (\$21.7 million)

End-of-life care, or palliative care, is an issue of great importance to Australians as they age. The Government is acutely aware of the pressure and anxiety that comes with end-of-life considerations and the overwhelming desire for an individual's wishes to be respected. We are committed to ensuring older people and their families have the support and assistance to allow end of life planning to be about personal control and choice.

Aged care providers need to be appropriately skilled to look after people needing palliative care. The Government will provide direct access to specialist palliative care and advance care planning expertise through palliative care innovative advisory services.

This proposal aligns with the National Palliative Care Strategy, which aims to raise awareness of and information about palliative care and its benefits, and help build a skilled workforce across the health system to deliver quality palliative care.

Promoting better practice and partnerships (\$58.5 million)

The Government is introducing initiatives to encourage aged care providers to work with public and private health care providers and medical insurers to deliver short term, more intensive health care services. This will involve grants to develop models of service which will remove barriers including regulatory road blocks, and aged care funding adjustments. This will result in improved access to complex health care, including palliative and psycho-geriatric care.

The Government will support implementation of innovative ways of delivering aged care services, and support translation of research into everyday practice and actual care delivery. Innovations will be shared and promoted. Projects that promote innovation, improved care and better business practice in priority areas of care will be targeted. These include care for people with dementia, mental illness, and culturally and linguistically diverse backgrounds or other special needs, and palliative care.

Significant barriers exist for people receiving aged care, particularly people in residential care, to access primary health care. Multidisciplinary care – encompassing GPs, nurses, and other primary health care providers, specialists and aged care providers - will be increased. This includes telehealth trials and removing barriers to accessing primary care for people with particular needs, including Aboriginal and Torres Strait Islander people and those living in rural and remote areas.



Improving the palliative care expertise of aged care staff, will give older Australians with palliative care needs better quality care and reduce their use of hospital acute and emergency department beds.



Susan first noticed symptoms of dementia in her mother Natasha, 70, three years ago. But only recently, after years of confused suffering was Natasha diagnosed with dementia. This is set to change. With dementia diagnosis often taking three years, health practitioners will be supported to reduce the time between symptoms and diagnosis, meaning people like Natasha will get treated earlier and will be able to stay at home longer.

Tackling Dementia

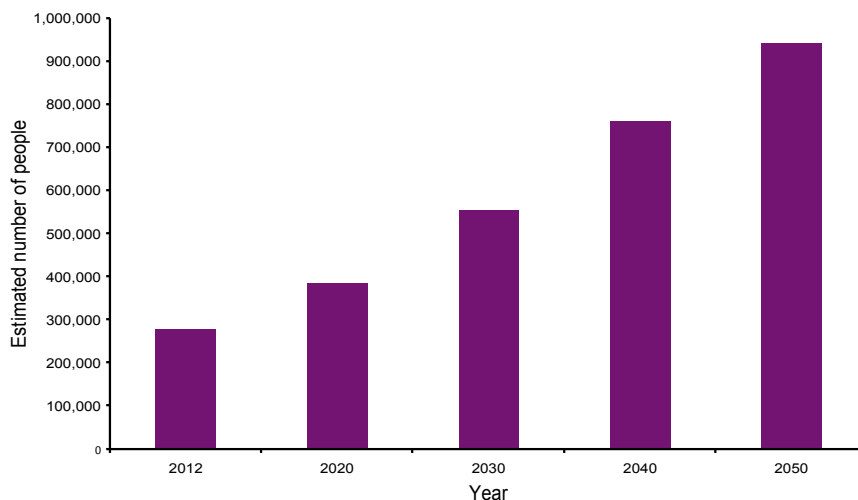
Dementia is predicted to become the leading cause of disability in Australia by 2016. For these reasons, the Government will take a proposal to the next meeting of Commonwealth, State and Territory Health Ministers that dementia be added to the existing list of eight National Health Priorities.

The Government understands the despair and confusion faced by dementia sufferers and their families. The prevalence of dementia is growing and will increase from around 257,000 people in 2010 to just over 981,000 in 2050, with the growth rate expected to peak between 2021 and 2030 as the baby boomers age.

Supporting people with dementia across the health system (\$41.3 million)

The Government will expand the Dementia Behaviour Management Advisory Services into acute and primary care settings with a particular focus on support for older Australians from culturally and linguistically diverse backgrounds and

Total Australian Dementia prevalence projections, 2012–2050



Source: Access Economics (2011), Dementia Across Australia: 2011-2050

Aboriginal and Torres Strait Islanders. This will help workers and health professionals to better care for people with behavioural and psychological symptoms of dementia. It will enable individuals with dementia to be cared for at home for a longer period of time.

Support for more timely diagnosis

There is also a critical need for more timely diagnosis to improve quality of life for people with dementia, provide earlier medical and social interventions and reduce hospital admissions. More appropriate management of behavioural changes as dementia progresses and improved legal, financial and care planning are also critical. Between 50 to 80 per cent of people with early stages of dementia are not being diagnosed in primary care. For those who are diagnosed, many do not receive a diagnosis until three years after they first notice symptoms. The Government will support primary health care providers to undertake more timely dementia diagnosis. GPs and practice nurses will receive much needed training and education programs and improved support to help them better diagnose dementia. This will reduce the period from symptom onset to diagnosis.

New Dementia Supplement

The Government is introducing a new Dementia Supplement to provide additional financial assistance for dementia care in recognition of the additional costs involved. There will be a significant increase in the number of people eligible for additional assistance as a result of this measure.



Marco, 84, is a full pensioner living with dementia and is receiving a Level B home care package. His care needs are met from a Government subsidy of \$13,406 per year and Marco's co-contribution of \$1,800 per year.

The new Dementia Supplement will make a big difference to Marco's life by increasing the level of Government subsidy for his care by \$1,341 per year.



Tackling Dementia (continued)

Better care for older Australians with behavioural problems associated with severe dementia in residential care (\$41.0 million)

A “Dementia Awareness in the Workplace” program will support employers and employees in improving awareness of the needs of younger people with dementia and assist in retaining employees with younger onset dementia in the workplace if they so wish.

Older people with severe behavioural and psychological symptoms of dementia experience difficulty in gaining access to appropriate care, and can experience a lack of understanding of their care needs by staff in residential aged care services. This can lead to unnecessary hospitalisations, excessive use of medication and additional strain on aged care staff, residents and their families.

The Government will therefore give providers an additional \$5,789 per year, on top of normal subsidies to support people with severe dementia. Staff will receive improved training, guidelines and procedures will be developed to ensure best practice by aged care providers.

Better care for older Australians with dementia in Home Care packages (\$123.3 million)

The Government will also provide additional financial assistance to people with dementia who are receiving Home Care packages through a new Dementia Supplement of 10% on top of the base funding for the package. This will significantly increase the number of people living in the community who will be eligible for this additional assistance.

Improving acute care services for people with dementia (\$39.2 million)

Often the specific needs of individuals with dementia are not recognised or addressed in hospitals, leading to longer stays than should be the case. The Government is allocating funding to develop and roll out systems to better support hospital patients with dementia. Staff will be trained to identify early signs of dementia particularly at the point of admission and be able to implement appropriate protocols.

Improved support for people with younger onset dementia (\$23.6 million)

There are approximately 16,000 people under the age of 65 living with younger onset dementia across Australia. There is low awareness, even among health professionals, that younger people may have dementia, resulting in poor access to care and social support. A lack of appropriate care facilities and services means that younger people are often moved between disability and aged care services.

The Government will improve care and support for people with younger onset dementia, their families and carers. It will expand the National Dementia Support Program to improve access to better coordinated services. A national network of specialist key workers will provide a single point of contact to assist younger people with dementia and their carers at every stage of the journey following diagnosis.



Currently 269,000 Australians are living with dementia

This figure is projected to rise to almost 1 million by 2050



Older Australians from Diverse Backgrounds

Ensuring older people from diverse backgrounds can access aged care services that are specific to their needs (\$24.4 million)

The number of older Australians from culturally and linguistically diverse backgrounds is projected to increase by over 40% between 2011 and 2026.

Older Australians with diverse needs continue to find it difficult to access information and services that are sensitive to their backgrounds and circumstances.

The Government is providing additional funding through the Aged Care Service Improvement and Healthy Ageing Grants Fund to improve the skills and knowledge of aged care providers to meet the care needs of diverse populations. This will include staff training, information sharing and access to expert assistance, with particular focus on the needs of culturally and linguistically diverse (CALD), sexually diverse and care leaver older Australians.

Ensuring culturally appropriate quality aged care services are available for Aboriginal and Torres Strait Islander people (\$43.1 million)

Demand for access to the National Aboriginal and Torres Strait Islander Flexible Aged Care program already far outstrips supply. Currently, many older Indigenous people have to re-locate large distances from family and home to access

residential aged care. Alternatively, they receive care within their community at a level that is well below what they need. With chronic renal, lung and heart disease prevalent amongst the elderly in most Indigenous remote communities, care is inadequate.

The Government will provide an additional 200 aged care places under this program, on top of the 675 places already funded through the program. This will allow significantly more older Indigenous people with complex high care needs to stay close to their home and country in culturally appropriate care. Services will be located in remote communities in both existing and new facilities.

More support for veterans in Home Care packages and residential aged care (\$114.8 million)

The behaviours associated with conditions such as post traumatic stress disorder require specific support and associated funding. From 1 July 2013, the Government will introduce a new funding supplement for veterans receiving aged care through a Home Care package or residential care, who have an accepted eligible mental health condition, to ensure they receive the appropriate care.





The Productivity Commission received submissions that raised the importance of people working in aged care needing to better understand the needs of people from sexually diverse backgrounds.

Older Australians from Diverse Backgrounds (continued)

Ensuring sexual diversity does not act as a barrier to receiving high quality aged care (\$2.5 million)

Many older lesbian, gay, bisexual, transgender and intersex Australians have experienced considerable discrimination over the course of their lives. It is important that their sexuality or gender identity are recognised and supported in delivering aged care services.

The Government will support training within the aged care sector that is sensitive to the specific needs of these older Australians. Aged care providers will be better equipped with the necessary skills to address their care needs. This will help ensure that sexual diversity does not act as a barrier to receiving high quality aged care in either community or residential settings.

More assistance for older people who are homeless or at risk of homelessness (\$7.3 million)

Evidence suggests that there is increasing demand from older people for housing and homelessness services. There has been a three-fold increase in rough sleepers over the past five years with people aged 55-64 and over 65 being the two age groups with the greatest percentage increase. There is a need to improve services for older people experiencing homelessness particularly in regional and remote areas where the incidence of older people who are homeless is highest.

The Government will expand the Assistance with Care and Housing for the Aged program. This program links older people with suitable accommodation and care services so that they can remain in the community rather than being inappropriately admitted to residential aged care.



16 aged care homes specialising in the care of homeless people have been paid a total of \$1.7 m in viability supplements in the first half of 2011-12.



Building a System for the Future

Key Milestones

1 July 2013

- My Aged Care website and a National Call Centre
- More Home Care packages
- Workforce Compact

1 July 2014

- New aged care financing arrangements
- The Australian Aged Care Quality Agency
- Rating system for residential aged care

2016-17

- Five year review will assess progress of the first phase of reform and the pathway ahead

Our plan is to create a 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. In planning this reform we have taken account of the needs of consumers, the business imperatives of providers and the Government's commitment to ensure the best possible systems and support for the future.

Aged care reform will be implemented in stages. This will enable consumers and providers to gain early benefits from key changes, while ensuring they have time to adapt and plan ahead for further reform.

There will be a major review after five years when we can assess how the system has changed and adapted, and the ability to make further changes.

Increasingly, the level and mix of services will be driven more by the people using the system and less by Government regulation. The role of Government will be more focused on ensuring fairness of access to aged care services and enhancing the quality. Aged care providers will have new opportunities to extend the services they provide to ensure a more consumer focused approach to business.

A carefully coordinated and structured approach to implementation, as provided for in this plan, will ensure this vision can be achieved within 10 years. Key decision points and reviews are clear and articulated to allow transparent and accountable steps towards the future.

Establishing an Aged Care Reform Implementation Council (\$15.2 million)

From 1 July 2012, a new Aged Care Reform Implementation Council will drive implementation and further development of aged care reform. It will report to the Minister for Mental Health and Ageing on progress twice a year and evaluate aged care reforms as they are implemented. The Council will work closely with the sector to assist in managing transitions under the reforms. The Council will be chaired by an eminent person and its membership will include industry, consumer and workforce stakeholders, and experts on ageing and aged care.

Aged Care Financing Authority (\$26.4 million)

The Productivity Commission's report identified a perceived lack of independence and transparency in aged care governance arrangements. A new Aged Care Financing Authority will provide independent advice on pricing and financing issues and represent taxpayers, aged care providers, consumers and aged care workers. It will consist of a committee of independent experts from industry and consumer groups, as well as government representatives.

The Authority will make recommendations about aged care subsidies and payments. It will also consider and approve higher fees for accommodation and extra services not covered by subsidies.



Objectives of the system

The Package will:

- Increase and reform the supply of aged care services to meet demand.
- Provide better information to consumers to allow greater choice and control.
- Address workforce issues in aged care.
- Improve the equity and sustainability of sector financing.
- Improve returns on investment in residential care to encourage capital investment.
- Support better links between aged care services and the wider health system.



Building a system for the Future (continued)

Building a gateway to aged care services (\$198.2 million)

There will be a major review after five years when we can assess how the system has changed and adapted.

The current aged care system can be very difficult for older people, their families and carers to understand. The sources of information available are wide and varied, often difficult to access and understand and do not support informed decision making.

Over time, the gateway will help people to easily access and understand information about options for care and will also help them to assess their care needs and their financial ability to contribute to the cost of that care.

As a start, a new My Aged Care website will be established to provide clear and reliable information. For the first time, people will know where to go to access information. Over time, the website will publish a ratings system of aged care homes so that people can make the most informed choice about their care by comparing services in their area.

A national call centre will also be established to improve the timeliness and consistency of information provided. The My Aged Care website and call centre will be the main entry point into the aged care system and over time will build to provide a comprehensive system of information enabling Australians to find the information they need.

Older Australians with very complex health and aged care needs will be better linked to care and services in the community. This linking service will ensure that people with

multiple needs are helped to access services in their local communities. This may include referrals to health, housing, disability services and financial advice as well as aged care services.

Greater transparency in the quality of aged care (\$16.6 million)

Older Australians and their families need to be able to access better, more transparent information to assist them make fundamental decisions. We also need to ensure the quality of services is more transparent.

We will give older Australians greater control and confidence in the quality of aged care services. Relevant and transparent national aged care quality indicators and a rating system will be developed and published on the My Aged Care website. The Aged Care Commissioner will have greater power to ensure the independence of the Aged Care Complaints Scheme process. This will improve consumer and industry confidence in complaints handling.

A new body will be established to accredit and monitor Australia's residential and Home Care providers. This will be the sole agency providers will deal with in relation to the quality assurance of the aged care services that they deliver. The Australian Aged Care Quality Agency will replace the Aged Care Standards and Accreditation Agency, thus emphasising the focus on monitoring quality.



During the consultation by Government on aged care reform older Australians told us they want an aged care system they can understand and use.



Positive Ageing Agenda for Australia

Advisory Panel on the Economic Potential of Senior Australians

The Panel: Everald Compton AM (Chair), Prof Brian Howe AO and Prof Gill Lewin

The ageing of Australia's population presents great opportunities for our community and economy if we properly harness the skills and experience of older Australians.

At a time when older Australians are living longer, healthier lives, their involvement in the community and workforce if they wish, should be seen as offering great benefits, rather than presenting problems.

As part of our plan to prepare for these major changes to our population, in March 2011 the Government established the Advisory Panel on the Economic Potential of Senior Australians. This Panel examined the opportunities for our country to benefit from the lifetime of knowledge and expertise that older Australians have built up.

The Panel presented its final report to Government in December 2011, and the Government's first stage response is designed to provide older Australians with more options and knowledge about how they can stay connected to the community.



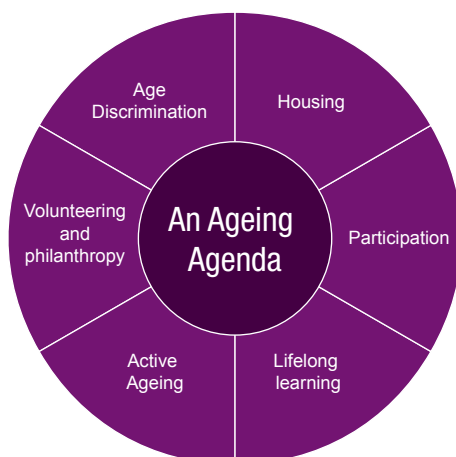
A Positive Ageing Agenda

The Government is creating policies to harness these demographic and societal shifts and aims to enable older Australians to live more active and financially secure lives in retirement. The Advisory Panel's Final Report highlighted the importance of taking a fresh approach in key areas, such as:

- reducing the prevalence of age discrimination in communities so older people can continue to participate in the workforce if they choose;
- encouraging lifelong learning and active ageing so people can be active and resilient, stay connected and increase their general wellbeing;
- good health and housing to allow Australians to maintain independence, and reduce isolation and disengagement.

The Government has put in place the building blocks to take this agenda forward, including establishing a Cabinet Minister responsible for Housing and Homelessness, the Liveable Housing Design initiative and a full-time Age Discrimination Commissioner.

Themes of the Advisory Panel's Final Report





New Steps to Realise the Potential of Senior Australians

New Initiatives

The Government response includes a number of specific new initiatives, such as:

- Supporting employers through the Corporate Champions initiative to recruit and retain an older workforce.
- A new \$1,000 jobs bonus for employers who recruit and retain a mature age job seeker.
- Expanding and rebranding the More Help for Mature Age Workers initiative to allow industries to benefit from improving the skills of their over 50s workforce.
- Extending the Career Advice Service for two years to ensure mature age people have access to free, professional career advice.
- Promoting lifelong learning through a new grants program to expand educational opportunities to senior Australians.
- Provide additional funding to the Age Discrimination Commissioner to address stereotyping and discrimination of older Australians.
- A new ongoing Advisory Panel on Positive Ageing to consult with communities and seniors on a range of issues and help drive the Government's ageing agenda.
- The Government will be reviewing whether existing Commonwealth laws ensure adequate liability protection for volunteers who wish to give back to the community.
- The Government will continue to engage with industry on issues surrounding the provision of travel insurance for senior Australians.

The Advisory Panel's seven themes:

- An **Active Ageing Agenda** will provide an overall strategy to maximise the potential of an ageing population.
- **Housing**, particularly home environments, are fundamental to older people's capacity to participate in society.
- As they reach retirement older workers may wish to **participate** in the workforce longer.
- **Lifelong learning** increases the employability and productivity of older workers.
- Senior Australians contribute the highest number of **volunteer** hours of any age group and make substantial contributions to **philanthropic** endeavours.
- **Age discrimination** and stereotyping of older people acts as a barrier to senior Australians realising their potential.



Aged Care Reform Measures

	2012-13 \$m	Forward Estimates					
		2013-14 \$m	2014-15 \$m	2015-16 \$m	4 year Total \$m	2016-17 \$m	5 year Total \$m
Gross Spends from Aged Care Reform Package (Themes)							
Staying at home	2.9	26.5	131.1	224.9	385.4	570.0	955.4
Commonwealth Home Support program	0.0	0.7	16.8	19.6	37.1	38.2	75.3
More Home Care packages	2.9	25.8	114.3	205.4	348.3	531.7	880.1
Supporting Carers	7.3	12.2	11.5	11.8	42.8	12.0	54.8
Streamlining and expanding support for carers	7.3	12.2	11.5	11.8	42.8	12.0	54.8
Residential Care	22.6	27.0	142.0	205.2	396.9	263.4	660.3
Better support to build more residential care facilities	0.1	0.5	109.7	164.4	274.7	212.2	486.9
Greater choice and control	1.9	5.3	10.7	18.7	36.6	28.7	65.4
Ensuring the sustainability of aged care services in regional, rural and remote areas	20.7	21.2	21.6	22.1	85.5	22.5	108.0
Workforce	1.8	110.5	232.0	372.8	717.1	471.7	1,188.9
Addressing workforce pressures	1.8	110.5	232.0	372.8	717.1	471.7	1,188.9
Consumer Support and Research	1.1	8.1	10.5	9.4	29.1	10.7	39.8
More support for consumer advocacy and community visitors	0.4	6.4	7.1	8.0	21.8	8.9	30.8
Supporting aged care research and evaluation	0.7	1.7	3.4	1.4	7.3	1.8	9.1
Better Health Care Connections	8.8	17.7	17.3	17.8	61.6	18.6	80.2
Better palliative care and support in the aged care system	1.2	5.0	5.1	5.2	16.4	5.3	21.7
Promoting better practice and partnerships	7.6	12.7	12.3	12.6	45.2	13.3	58.5
Tackling Dementia	15.5	57.9	58.6	62.7	194.6	73.7	268.4
Supporting people with dementia across the health system	8.1	9.2	8.1	7.9	33.3	8.0	41.3
Better care for older Australians with behavioural problems associated with severe dementia in residential care	0.6	9.5	9.9	10.3	30.3	10.8	41.0
Better care for older Australians with dementia in Home Care Packages	0.5	23.9	26.9	30.4	81.7	41.6	123.3
Improving acute care services for people with dementia	1.7	10.4	9.1	9.4	30.6	8.6	39.2
Improved support for people with Younger Onset Dementia	4.5	4.9	4.7	4.7	18.8	4.8	23.6
Older Australians from Diverse Backgrounds	8.3	36.2	42.7	49.6	136.8	55.2	192.0
Ensuring older people from diverse backgrounds can access aged care services that are specific to their needs	3.7	4.3	5.0	5.7	18.6	5.8	24.4
Ensuring culturally appropriate quality aged care services are available for Aboriginal and Torres Strait Islander people	2.9	6.2	9.0	12.5	30.6	12.6	43.1
More support for veterans in Home Care Packages and residential aged care	0.3	23.7	26.6	29.3	80.0	34.7	114.8
Ensuring sexual diversity does not act as a barrier to receiving high quality aged care	0.5	0.5	0.5	0.5	2.0	0.5	2.5
More assistance for older people who are homeless or at risk of homelessness	0.9	1.5	1.6	1.6	5.6	1.6	7.3

Aged Care Reform Measures (continued)

	2012-13 \$m	Forward Estimates					
		2013-14 \$m	2014-15 \$m	2015-16 \$m	4 year Total \$m	2016-17 \$m	5 year Total \$m
Building a System for the Future	52.6	65.7	48.5	52.9	219.6	36.8	256.4
Establishing an Aged Care Reform Implementation Council	6.2	6.1	1.5	0.8	14.6	0.6	15.2
Aged Care Financing Authority	4.1	5.7	5.8	5.4	20.9	5.4	26.4
Building a gateway to aged care services	35.4	50.7	38.5	43.9	168.5	29.7	198.2
Greater transparency in the quality of aged care	6.9	3.2	2.7	2.8	15.6	1.0	16.6
Total Gross spends from Aged Care Reform Package	120.9	361.7	694.3	1,007.1	2,184.1	1,512.2	3,696.2
Means Testing							
Fairer means testing arrangements for Home Care packages	36.2	24.6	-41.0	-79.8	-60.0	-123.0	-183.0
Fairer means testing arrangements for residential aged care	0.4	2.1	-66.3	-133.0	-196.8	-181.1	-378.0
Total for Means Testing	36.6	26.7	-107.4	-212.8	-256.8	-304.1	-561.0
Redirected aged care funding							
Transfer of places from residential care to Home Care	0.0	0.0	-32.5	-120.3	-152.8	-301.2	-454.0
Transfer of funding from residential care and Home Care*	0.0	-30.6	-33.8	-37.8	-102.2	-51.1	-153.3
Improving the Aged Care Funding Instrument	-50.1	-269.6	-365.4	-432.5	-1,117.5	-479.7	-1,597.2
Supporting Long Stay Older Patients Initiative - Redirection of funding	-37.5	-37.5	-37.5	-37.5	-150.0	-37.5	-187.5
Transfer of residential places to Aboriginal and Torres Strait Islander flexible care	-2.3	-5.4	-8.4	-12.2	-28.2	-15.2	-43.5
Moving call centre, assessment and the one stop shop measure to the Gateway	-12.4	-18.6	-30.2	-30.8	-92.0	-31.0	-123.0
Total redirected aged care funding	-102.3	-361.6	-507.8	-671.0	-1,642.7	-915.7	-2,558.4
Total Gross spends from Aged Care Reform Package	120.9	361.7	694.3	1,007.1	2,184.1	1,512.2	3,696.2
Total for Means Testing	36.6	26.7	-107.4	-212.8	-256.8	-304.1	-561.0
Redirected Aged Care Funding	-102.3	-361.6	-507.8	-671.0	-1,642.7	-915.7	-2,558.4
Net cost of Aged Care Reform Package	55.2	26.9	79.1	123.3	284.6	292.4	576.9

* Funds are transferred from residential care and Home Care to provide for new dementia payments and payments for veterans with accepted mental health conditions.

