Residential aged care in Victoria

Quick Guide

Research Note
No. 6, September 2020

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Acknowledgments
The author would like to thank Debra Reeves, Caley Otter, Meg Bosanko and Holly Mclean for their help in the preparation of this paper.

Suggested citation:

B. Huf (2020) *Residential aged care in Victoria*, Parliamentary Library and Information Service, Melbourne, Parliament of Victoria

Cover image source: freepik

ISSN 2204-4779 (Print) 2204-4787 (Online)
Research Note: No. 6, September 2020.

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Introduction

This Quick Guide provides a brief overview of the size, operation and regulation of residential aged care in Australia, as well as a brief summary of recent policy developments and the interim findings of the Royal Commission on Aged Care Quality and Safety, established in 2018. The paper focuses especially on the size and distribution of service providers across Victoria.

Residential care facilities in Victoria have been heavily impacted by the COVID-19 pandemic, linked with 381 of the 524 deaths recorded at 30 August 2020.[I] This Quick Guide provides context for these events, but does not discuss them in detail.

Aged care in Victoria: an overview

What is aged care?

There are three kinds of aged care catering for Australians who can no longer live without support:[2]

Home support	provides entry-level home help for older people and their carers. These services are provided through the Commonwealth Home Support Program (CHSP). At a more advanced level, Home Care Packages encompass four levels of coordinated packages from an approved home provider, offering ongoing personal and clinical care to assist people living at home longer.
Residential aged care	is provided on a permanent or respite (short-term) basis for people who need care that can no longer be provided in their own home. Services include accommodation, laundry and meals, nursing and some allied health services.
Flexible care	includes various forms of rehabilitation, restorative care, multi-service programs and other services subsidised by the Australian Government.

How many people are in residential aged care?

In 2018–19, the aged care sector in Australia provided services to over 1.3 million Australians.[3] The majority received home-based care and support, with 242,612 people receiving permanent residential aged care at some time during the year.

On 30 June 2019, there were 182,705 people receiving permanent residential care. This included 48,607 residents in Victoria. Nationally, the average age on entry was 82.3 years for men and 84.6 years for women, with an average completed stay of 34.4 months.

[I] Department of Health and Human Services [DHHS] (2020) *Coronavirus update for Victoria – 30 August 2020*, media release, 30 August; Department of Health (2020) 'COVID-19 cases in aged care services – residential care', Department of Health website.

[2] A. Grove (2019) *Aged care: a quick guide*, Canberra, Parliamentary Library of Australia.

[3] Data in this section from, Department of Health (2019) *2018–19: Report on the operation of the Aged Care Act 1997*, Canberra, Commonwealth of Australia, pp. 4, 44–45.

Who provides residential aged care, and where?

There are three kinds of aged care service providers operating in Australia:

- **not-for-profit**, including religious, charitable and community-based organisations;
- **private**, for-profit providers, including both family-owned and public companies; and
- **government providers**, including facilities operated by state or local governments.

At 30 June 2019, 873 such organisations were operating 2,717 residential aged care facilities across Australia with 213,397 operational places ('beds'). The occupancy rate was 89.4 per cent through 2018–19. This included 768 residential aged care facilities in Victoria, operating a total of 56,744 beds.[4]

The number of residential aged care service providers in Australia has decreased from 1,121 in 2010–11 to 873 in 2018–19. In the same period, operational residential care places have increased from 182,302 to 213,397 available places, reflecting a gradual consolidation of service providers.[5]

Not-for-profit services providers operate 55 per cent of residential aged care places in Australia:

Table 1. Operational residential aged care places by provider type, 30 June 2019[6]

State/ Territory	Not-for-profit	Private	Govt.	Total
NSW	45,288	25,419	765	71,472
Vic	21,445	30,166	5,133	56,744
Qld	22,439	17,303	1,133	40,875
WA	10,347	6,973	357	17,677
SA	11,407	5,941	1,027	18,375
Tas	4,266	787	57	5,110
ACT	1,884	701	0	2,585
NT	424	135	0	559
Australia	117,500	87,425	8,472	213,397
% Total	**55.00%**	**41.00%**	**4.00%**	**100.00%**

Victoria has a much higher proportion of private (53 per cent of total beds) and government (nine per cent) operated residential aged care places than other states.

However, types of aged care providers in Victoria are also clearly distributed by region:[7]

- 80 per cent of privately-operated places are in metro areas;
- 65 per cent of not-for-profit operated places are in metro areas; and
- 84 per cent of government-operated places are in regional areas.

Overall, 68 per cent of all operational places are in metro areas, and 32 per cent in regional areas.

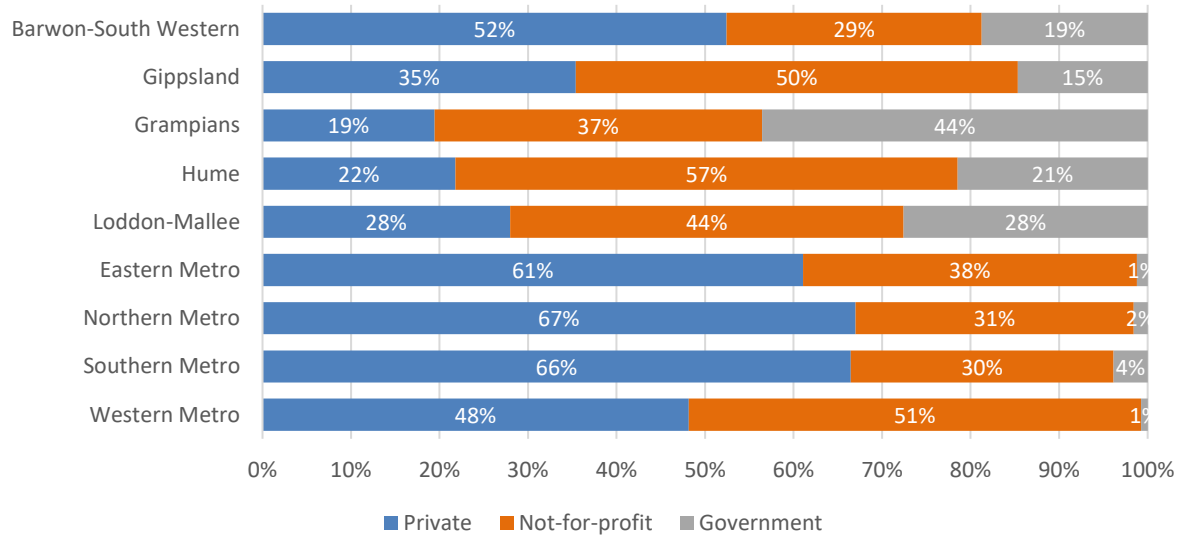
[4] ibid.; Australian Institute of Health and Welfare [AIHW] (2020) 'GEN Aged Care Data: GEN data: Services and places in aged care', AIHW website.
[5] Aged Care Financing Authority [ACFA] (2020) *Eighth report on the Funding and Financing of the Aged Care Industry*', Canberra, Commonwealth of Australia, p. 60.
[6] Department of Health (2019) op cit. Not-for-profit service providers includes religious, charitable and community organisations. Government includes state and local government service providers.
[7] Calculated from AIHW (2020) 'GEN Aged Care Data: GEN data: Services and places in aged care', AIHW website.

Figure 1. Aged Care Planning Regions, Victoria[8]

Table 2. Number of residential aged care operational places by organisation type, 30 June 2019[9]

Aged Care Planning Region	Private		Not-for-profit		Government		Total	
	Facilities	Places	Facilities	Places	Facilities	Places	Facilities	Places
Barwon	29	2,587	19	1,421	23	925	71	4,933
Gippsland	14	1,224	22	1,726	17	507	53	3,457
Grampians	5	527	15	1,001	45	1,180	65	2,708
Hume	8	669	25	1,740	22	658	55	3,067
Loddon-Mallee	11	1,054	24	1,676	31	1,039	66	3,769
Eastern Metro	76	7,132	56	4,405	5	140	137	11,677
Northern Metro	58	5,139	33	2,441	4	122	95	7,672
Southern Metro	96	8,938	49	3,992	11	517	156	13,447
Western Metro	31	2,896	38	3,073	1	45	70	6014
TOTAL	**328**	**30,166**	**281**	**21,475**	**159**	**5,133**	**768**	**56,744**

Figure 2. Proportion of private, not-for-profit and government beds by Victorian aged care region, 30 June 2019[10]



[8] Derived from Department of Health (2020) '2018 Aged Care Planning Region maps', Department website.
[9] Data from AIHW (2020) 'GEN Aged Care Data: Services and places in aged care', AIHW website.
[10] ibid.

There is also a clear distribution in the size of facilities across the aged care planning regions and types of service providers. About half of all places in metropolitan areas are in large, Size 6 facilities (101+ beds). Regional areas tend to have a higher proportion of places in mid-sized facilities.

Figure 3. Proportion of beds by facility size, per Victorian aged care region, 30 June 2019[11]

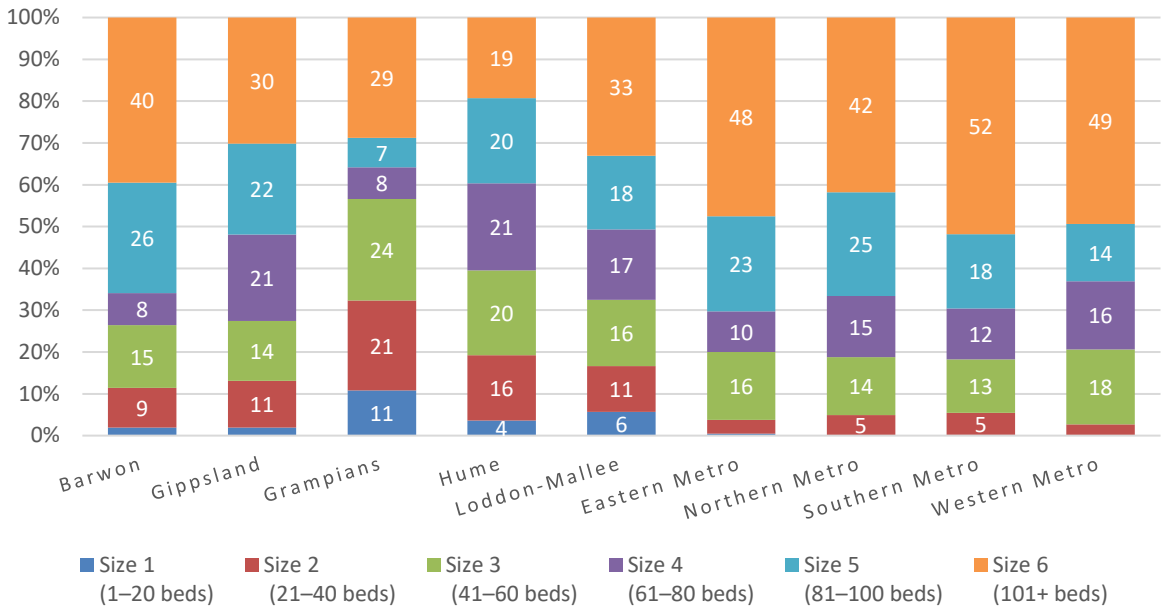


Table 3. Size of facility per Victorian aged care region, 30 June 2019[12]

Aged Care Planning Region		Size 1 (1–20 beds)	Size 2 (21–40 beds)	Size 3 (41–60 beds)	Size 4 (61–80 beds)	Size 5 (81–100 beds)	Size 6 (101+ beds)	Total
Barwon	Facilities	8	14	14	5	14	16	**71**
	Places	96	466	741	377	1304	1949	**4933**
Gippsland	Facilities	5	12	10	10	8	8	**53**
	Places	67	387	495	713	752	1043	**3457**
Grampians	Facilities	22	20	12	3	2	6	**65**
	Places	293	582	658	205	190	780	**2708**
Hume	Facilities	7	15	12	9	7	5	**55**
	Places	110	480	622	639	625	591	**3067**
Loddon-Mallee	Facilities	15	13	12	9	7	10	**66**
	Places	215	412	596	637	663	1,246	**3769**
Eastern Metro	Facilities	3	12	36	16	29	41	**137**
	Places	57	384	1898	1,133	2657	5548	**11677**
Northern Metro	Facilities	0	12	21	16	21	25	**95**
	Places	0	380	1060	1,122	1906	3204	**7672**
Southern Metro	Facilities	1	21	32	24	26	52	**156**
	Places	20	718	1719	1,637	2,385	6968	**13447**
Western Metro	Facilities	0	5	20	14	9	22	**70**
	Places	0	160	1079	983	822	2970	**6014**
TOTAL	**Facilities**	**61**	**124**	**169**	**106**	**123**	**185**	**768**
	Beds	**858**	**3,969**	**8,868**	**7,446**	**11,304**	**24,299**	**56,744**

[11] ibid.
[12] ibid.

There are also clear correlations between the size of facility operated by each type of service provider. Half of the places operated by private service providers are in Size 6 facilities, while around 40 per cent of not-for-profit places are also in Size 6 facilities. By contrast, around 40 per cent of government-operated places are in smaller, Size 2 facilities.

Figure 4. Size of facility by service provider type, Victoria, 30 June 2019[13]

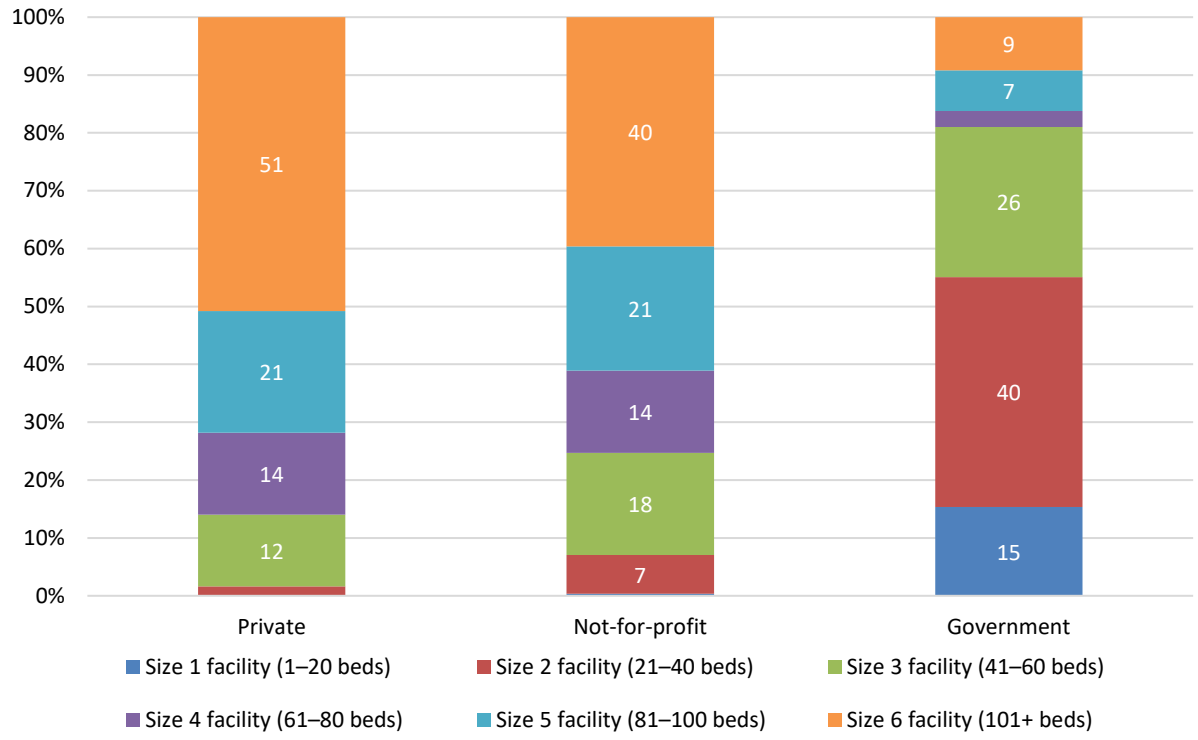


Table 4. Size of facility by service provider type, 30 June 2019[14]

Service Provider		Size 1 facility (1–20 beds)	Size 2 facility (21–40 beds)	Size 3 facility (41–60 beds)	Size 4 facility (61–80 beds)	Size 5 facility (81–100 beds)	Size 6 facility (101+ beds)	Total
For-profit	Facilities	0	14	70	60	69	115	**328**
	Beds	0	490	3748	4,262	6,339	15,327	**30,166**
Not-for-profit	Facilities	4	43	73	44	50	67	**281**
	Beds	71	1,439	3,788	3,043	4,603	8,501	**21,445**
Government	Facilities	57	67	26	2	4	3	**159**
	Beds	787	2,040	1332	141	362	471	**5,133**
Total	**Facilities**	**61**	**124**	**169**	**106**	**123**	**185**	**768**
	Beds	**858**	**3,969**	**8,868**	**7,446**	**11,304**	**24,299**	**56,744**

[13] ibid.
[14] ibid.

Overall, there is a clear contrast between metropolitan and regional areas in the distribution of provider type and size of facility. In Figure 5, the category shaded dark yellow represents the most common type of operational place in each aged care region. In metropolitan areas, places in privately-operated Size 6 facilities are most common. The distribution is more varied in regional areas.

Figure 5. Numbers of places per provider, per facility size, by Victorian aged care region, 2019[15]

Barwon - South Western	Govt	Not-for-profit	Private
Size 1 (1–20 beds)	96	0	0
Size 2 (21–40 beds)	237	191	38
Size 3 (41–60 beds)	147	213	381
Size 4 (61–80 beds)	75	0	302
Size 5 (81–100 beds)	172	454	678
Size 6 (101+ beds)	198	563	1,188

Hume	Govt	Not-for-profit	Private
Size 1 (1–20 beds)	90	20	0
Size 2 (21–40 beds)	400	80	0
Size 3 (41–60 beds)	102	400	120
Size 4 (61–80 beds)	66	351	222
Size 5 (81–100 beds)	0	544	81
Size 6 (101+ beds)	0	345	246

Northern Metro	Govt	Not-for-profit	Private
Size 1 (1–20 beds)	0	0	0
Size 2 (21–40 beds)	122	220	38
Size 3 (41–60 beds)	0	500	560
Size 4 (61–80 beds)	0	127	995
Size 5 (81–100 beds)	0	631	1,275
Size 6 (101+ beds)	0	933	2,271

Gippsland	Govt	Not-for-profit	Private
Size 1 (1–20 beds)	67	0	0
Size 2 (21–40 beds)	247	115	25
Size 3 (41–60 beds)	193	242	60
Size 4 (61–80 beds)	0	342	371
Size 5 (81–100 beds)	0	381	371
Size 6 (101+ beds)	0	646	397

Loddon - Mallee	Govt	Not-for-profit	Private
Size 1 (1–20 beds)	215	0	0
Size 2 (21–40 beds)	254	158	0
Size 3 (41–60 beds)	297	253	46
Size 4 (61–80 beds)	0	421	216
Size 5 (81–100 beds)	0	470	193
Size 6 (101+ beds)	273	374	599

Southern Metro	Govt	Not-for-profit	Private
Size 1 (1–20 beds)	20	0	0
Size 2 (21–40 beds)	194	271	253
Size 3 (41–60 beds)	113	378	1,228
Size 4 (61–80 beds)	0	834	803
Size 5 (81–100 beds)	190	535	1,660
Size 6 (101+ beds)	0	1,974	4,994

Grampians	Govt	Not-for-profit	Private
Size 1 (1–20 beds)	279	14	0
Size 2 (21–40 beds)	466	116	0
Size 3 (41–60 beds)	435	163	60
Size 4 (61–80 beds)	0	205	0
Size 5 (81–100 beds)	0	100	90
Size 6 (101+ beds)	0	403	377

Eastern Metro	Govt	Not-for-profit	Private
Size 1 (1–20 beds)	20	37	0
Size 2 (21–40 beds)	120	199	65
Size 3 (41–60 beds)	0	953	945
Size 4 (61–80 beds)	0	345	788
Size 5 (81–100 beds)	0	1,116	1,541
Size 6 (101+ beds)	0	1,755	3,793

Western Metro	Govt	Not-for-profit	Private
Size 1 (1–20 beds)	0	0	0
Size 2 (21–40 beds)	0	89	71
Size 3 (41–60 beds)	45	686	348
Size 4 (61–80 beds)	0	418	565
Size 5 (81–100 beds)	0	372	450
Size 6 (101+ beds)	0	1,508	1,462

[15] ibid.

How do governments regulate aged care?

The residential aged care system is primarily the responsibility of the Australian Government, which provides funding and makes policies for the sector. The *Aged Care Act 1997* (Cth) and accompanying Aged Care Principles provide the sector's regulatory framework, covering planning, user rights, eligibility, funding, quality and accountability. The Department of Health is responsible for the Act.[16]

The Aged Care Quality and Safety Commission is responsible for regulating aged care services.[17] Established on 1 January 2019, it combines the quality assessment and complaints functions of previous statutory entities. On 1 January 2020, the Commission also assumed the Department of Health's responsibilities for accrediting aged care providers and monitoring compliance.[18] The Aged Care Pricing Commissioner oversees service providers' applications to charge extra fees and accommodation payments that exceed regulated maximums.[19] State and territory governments are funded by the Australian Government to operate Aged Care Assessment Teams—known as the Aged Care Assessment Service in Victoria—that provide initial assessments and identify the care needs of older Australians.[20] The National Aged Care Advocacy Program provides support to older Australians and their carers.[21] State-run residential aged care facilities are also regulated by this federal system.[22]

From 1 July 2019, providers have been required to report performance data under the National Aged Care Mandatory Quality Indicator Program.[23] The three indicators are pressure injuries, use of physical restraint and unplanned weight loss. Since the mid-2000s, the Victorian Government has operated its own quality indicator program for state-operated facilities, measuring five indicators including pressure injuries, falls and unrelated fractures, use of physical restraint, use of nine or more medicines, and unplanned weight loss.[24]

How is residential aged care funded?

Residential aged care funding consists of two streams: operational funding and capital funding. Operational funding supports day-to-day services, such as care, accommodation and living expenses. These costs are financed by a combination of resident contributions and Australian Government subsidies. Capital funding supports the construction of new facilities or the refurbishment of existing ones. Capital projects are funded by a combination of equity and retained earnings, loans and endowments, accommodation payments from residents and Australian Government grants.[25]

Table 5 details the types and amounts of funding for residential aged care in 2018–19. Legislation limits how each revenue source may be spent. Most significantly, lump-sum residence accommodation payments are strictly designated for capital funding under the *Aged Care Act 1997*.[26]

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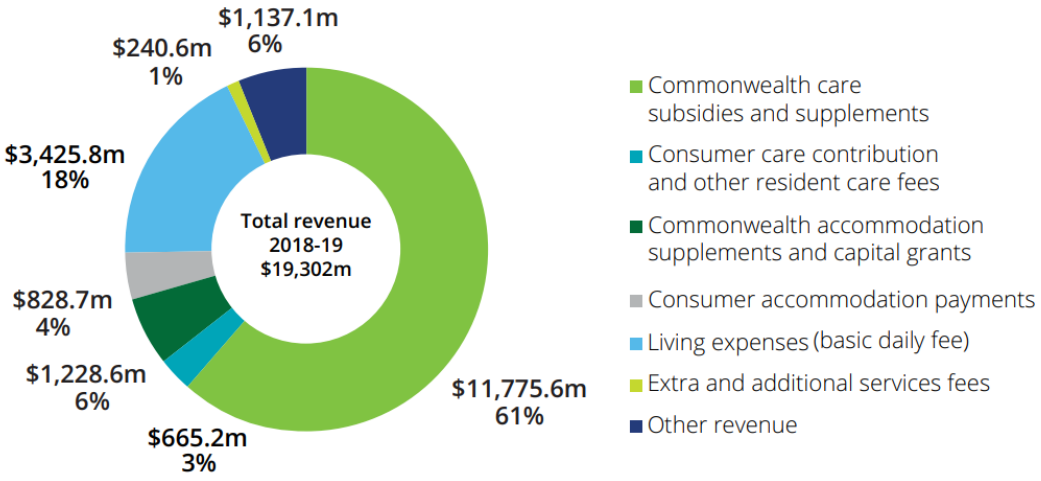
[16] Grove (2019) op. cit.
[17] For an overview of responsibilities, see: Productivity Commission (2020) 'Chapter 14: Aged Care Services', *Report on Government Services*, Canberra, Commonwealth of Australia.
[18] A. Grove (2019) 'Improving Aged Care', *Parliamentary Library Briefing Book*, Canberra, Parliamentary Library of Australia; Aged Care Quality and Safety Commission (2019) 'Commission Act and Rules', ACQSC website.
[19] Aged Care Pricing Commissioner (2018) 'The Aged Care Pricing Commissioner', ACPC website.
[20] DHHS (2020) 'My Aged Care assessment services', DHHS website; Productivity Commission (2020) op. cit.
[21] Department of Health (2020) 'National Aged Care Advocacy Program', Department of Health website.
[22] M. Bachelard (2020) 'Who is responsible for aged care homes?', *The Age*, 30 July.
[23] Department of Health (2020) 'National Aged Care Mandatory Quality Indicator Program', Department website.
[24] DHHS (2015) *Quality indicators in public sector residential aged care services: Resource materials January 2015 edition*, Melbourne, Victorian Government. For comparisons of the Victorian and federal indicator programs, see: PWC (2019) *Development of Residential Aged Care Quality Indicators*, Department of Health, Canberra.
[25] ACFA (2020) op. cit., p. 66.
[26] Aged Care Act 1997 (Cth), s 52N-1.

Table 5. Government and residential contributions: types and amounts, 2018–19[27]

Contribution type	Description	Cost details	Revenue ($m)
Government contributions			
Basic care subsidy	A payment to support the cost of providing personal and nursing services for permanent residents. It is calculated based on the assessed need of each permanent resident, as determined by the provider, by applying the Aged Care Funding Instrument (ACFI). The Commonwealth determines the level of payments on behalf of residents by setting the prices and rules for claiming ACFI care subsidies.	In 2018–19, a facility's average claim per resident, per day, ranged from less than $70 per day to over $210. The median average a facility claimed was $190 per day.	$11,286.2
Respite subsidy	A payment to support the cost of providing personal and nursing services for respite consumers.	ACAT assessments determine whether low- or high-level care is needed, with payment amounts for each set by the Commonwealth.	$383.0
Accommodation supplements	Paid by the Commonwealth to assist with the accommodation costs of permanent residents who do not have the means to meet all of the cost of residential accommodation payments.	In 2018–19, 48 per cent of residents were supported, either fully or partially.	$1,158.6
Capital grants	Available for services that target communities and geographic areas where there may be insufficient access to capital from other sources.		$70.0
Total government contributions in 2018–19 (including $105.6m in other supplements)			**$13,004.3**
Resident contributions			
Basic daily fee	A contribution towards living expenses, such as meals, laundry services and utilities. The maximum basic daily fee is $52.25.	Price is set at a maximum of 85 per cent of the single basic age pension.	$3,425.8
Means-tested care fee	A contribution some residents make towards their care costs (personal and nursing) based on their assessable income and assets. The means-tested care fee ranges between $0 to $259.15 per day.	Caps apply. The maximum an aged care home can charge is $28,087.41 per year, or $67,409.85 in a lifetime.	$586.0
Accommodation payments	Daily payments for accommodation in an aged care facility. This fee can be paid upfront when a resident takes a room, known as a refundable accommodation deposit (RAD), or paid as rent which attracts an interest rate, known as a daily accommodation payment (DAP), or a combination of both. These payments are refundable and may only be used for capital expenditure.	The average value of RADs held by providers in 2018–19 was $318,000. The Government limits the maximum RAD at $550,000, which may be exceeded with approval from the ACPC.	$828.7
Extra service fees	Residents in aged care facilities with extra service status may be asked to pay for significantly higher standards of accommodation, food and non-care services. These vary from facility to facility.		$118.4
Additional service fees	Paid for non-extra service facilities that are above those that providers are legislated to deliver. Must be agreed between the resident and provider.		$122.2
Total resident contributions in 2018–19 (including $79.2m in other fees)			**$5,160.3**
Other income (interest, donations, asset sales, capital gains)			$1,137.1
TOTAL Residential Aged Care Revenue 2018–19			**$19,301.6**

[27] Details from: ACFA (2020) op. cit., pp. 67–103. Latest prices available at My Aged Care (2020) 'Aged care home costs and fees', My Aged Care website; Department of Health (2020) 'Aged Care Funding Instrument (ACFI) Monthly Reports: April 2020', Department of Health website.

Figure 6. Proportions of total residential care provider revenue, 2018–19 ($m)[28]



The Australian Government spent $19.9 billion on aged care in 2018–19. This included $13 billion on residential aged care, or 65 per cent of total Commonwealth aged care spending.[29]

As a proportion of total residential aged care revenue, the Commonwealth Government contributed 67.4 per cent of total service provider funding. Residents contributed 26.7 per cent ($5.2 billion). Basic subsidies comprised by far the greatest portion of the Australian Government's contribution (87 per cent).[30]

The federal government spent $3.46 billion in Victoria, the second-highest amount of all states and territories, behind New South Wales.[31]

How are the number of beds in residential aged care determined?

Aged care places are currently allocated to providers who are approved to operate aged care services under the Act, rather than directly to consumers. The Australian Government uses a population-based planning ratio ('target provision ratio') to determine the number of subsidised residential care places and home care packages. Based on the number of people aged 70 and over, this formula is designed to allow the overall supply of services to increase in line with the ageing population, while also helping control federal expenditure on aged care.[32]

Each financial year, this formula is used to allocate new residential care places to service providers through a competitive Aged Care Approvals Round (ACAR). In the 2018–19 ACAR, 13,500 new residential care places were allocated, which represented an increase of 36 per cent on the 9,911 ACAR places allocated in 2016–17.[33]

The first planning target was set in 1985 at 100 operational residential care places per 1,000 people aged 70 and over. The ratio has been successively increased, and in 2012 was adjusted to increase progressively to 125 operational places per 1,000 people aged 70 or older by 2022. While the majority

[28] ACFA (2020) op. cit., p.72.
[29] Department of Health (2019) op. cit., p. 10.
[30] ACFA (2020) op. cit., p. 73.
[31] Department of Health (2019) op. cit., p. 46.
[32] ACFA (2020) op. cit., p. 19.
[33] ibid., p. 21.

of these places will be allocated to the residential aged care segment, the balance is being readjusted to provide a greater number of home care places. Residential places are being reduced from 86 to 78 places per 1,000 people aged 70 and over in this period, and home care places increased from 27 to 45 places per 1,000 for people aged 70 and over.[34]

Over the past decade, several major reviews have recommended the ratios and ACAR system be abolished or modified in favour of a consumer-demand driven system (see below).

Who works in residential aged care facilities?

The Department of Health conducts a periodic National Aged Care Workforce Census and Survey.[35] The most recent, in 2016, identified key characteristics of the residential direct care workforce:[36]

- 87 per cent are female, with a median age of 46 years;
- 70 per cent of staff are Personal Care Attendants (PCA);[37]
- 32 per cent are born overseas;
- 78 per cent are employed on a permanent and part time basis; and
- 10 per cent of the workforce are casual or contract employees (down from 19 per cent in 2012).

The survey also found that 28.5 per cent of full time equivalent (FTE) direct care staff were either nurses or allied health professionals, down from 31.8 per cent in 2012.

The *Aged Care Act 1997* does not specify a minimum ratio of staff to residents, nor does it prescribe the mix of qualifications to be held by care staff, but only that providers 'maintain an adequate number of appropriately skilled staff to ensure that the care needs of care recipients are met'.[38] In Victoria, the ratio of direct care workers—meaning both nurses and PCAs—to patients fell from 0.82 in 2012 to 0.70 in 2016, the greatest fall of any state.[39]

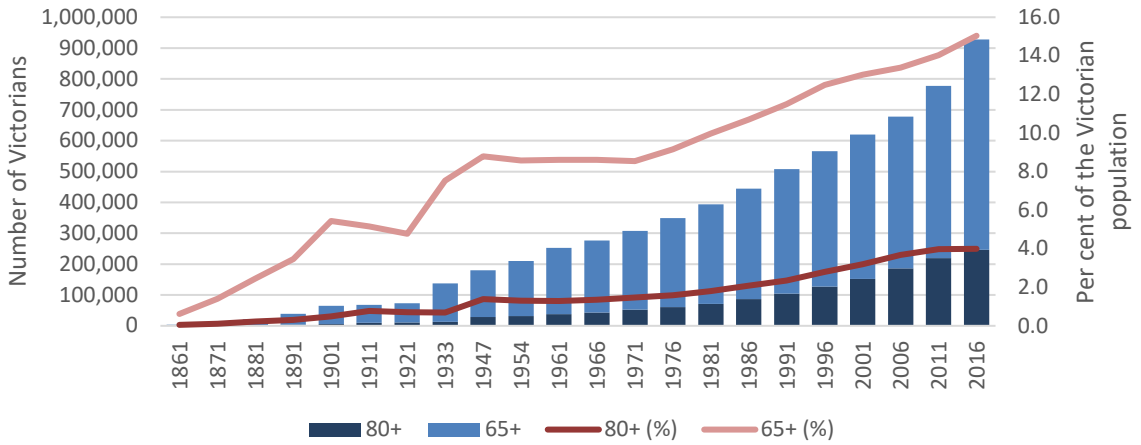
Several recent unsuccessful attempts have been made to introduce legislation to regulate these ratios.[40] An Aged Care Workforce Strategy Taskforce was established in 2017 and reported in 2018 with 14 recommendations, including workforce investment, career pathway development, leadership, and strategies for attracting and retaining skilled workers.[41]

A brief history of residential aged care

Over the past 40 years, aged care has emerged as an important policy area as Australia's population has become significantly older. Between 1986 and 2016, as Victoria's overall population increased by about 50 per cent, the number of Victorians aged 65 and over nearly doubled and those aged 80 and over almost tripled (see Figure 7).

[34] ibid.
[35] Including in 2003, 2006, 2012 and 2016.
[36] Department of Health (2017) *The Aged Care Workforce, 2016*, report prepared by K. Mavromaras et al., Canberra, Commonwealth of Australia.
[37] Distinguished from registered nurses, enrolled nurses and allied health professionals.
[38] Aged Care Act 1997, s 54-1(b).
[39] Department of Health (2017) op. cit., p. 52.
[40] Grove (2019) 'Improving Aged Care', op. cit.
[41] Aged Care Workforce Strategy Taskforce (2018) *A Matter of Care: Australia's Aged Care Workforce Strategy*, Canberra, Department of Health.

Figure 7. Victorians who are aged 65 or older and aged 80 or older, 1861–2016[42]



Presently, people aged over 65 make up about 15 per cent of Victoria's total population. By 2056, the Victorian Government anticipates this will be as much as 21 per cent.[43]

Background

Prior to the establishment of formal aged care, older people without family support relied on institutions such as asylums or hospitals operated by colonial and then state governments. Since federation, the Commonwealth Government has increasingly assumed responsibility for providing direct support for older people, beginning with the old age pension in 1908.[44] State and territory governments, meanwhile, retained significant health care and public housing responsibilities.[45]

The Commonwealth first became involved in financing accommodation for poorer older people with the *Aged Persons Homes Act 1954* (Cth).[46] This legislation established subsidies for religious and charitable organisations to build homes for older people, with distinct funding levels for high-level 'nursing home' care and low-level 'hostel care'. State governments also continued to provide limited forms of accommodation.[47]

In 1963, following changes to the *National Health Act 1953* (Cth), the Commonwealth Government also made funds available to assist in providing care services for non-profit and for-profit organisations operating nursing homes. Commonwealth funding for aged care infrastructure expanded again in 1969 under the *State Grants (Nursing Home) Act 1969* (Cth), under which the Commonwealth Government made grants to state governments to build nursing homes as cheaper alternatives to hospitals. Under these programs, the number of nursing home beds doubled between 1963 and 1972, shouldering the Commonwealth Government with a large fiscal responsibility.[48] Services, such as Senior Citizen Centres

[42] Derived from Australian Bureau of Statistics (2019) *Australian Historical Population Statistics, 2016*, cat. no. 3105.0.65.001, Canberra, ABS, Tables 2.5 and 2.6.
[43] Department of Environment, Land, Water and Planning (2019) *Victoria in Future 2019: Population Projections 2016 to 2056*, Melbourne, Victorian Government, p. 8.
[44] P. Jalland (2015) *Old Age in Australia: A History*, Melbourne, Melbourne University Press, especially chapter 1.
[45] For a brief history of aged care generally, see: Royal Commission into Aged Care Quality and Safety (2019) *Interim Report: Neglect, Volume One*, Canberra, Commonwealth of Australia, pp. 42–45, 67–81.
[46] National Heath Act 1953 (Cth).
[47] H. Kendig and S. Duckett (2001) *Australian directions in aged care: the generation of policies for generations of older people*, Sydney, Australian Health Policy Institute, p. 6.
[48] S. Hodgkin & A. Mahoney (2020) 'The aged care sector: Residential and community care' in E. Willis, L. Reynolds & T. Rudge (eds), *Understanding the Australian Health Care System*, Chatswood, Elsevier, pp. 121–135.

and Meals on Wheels, were also introduced from the late 1960s to reduce the need for residential care. Likewise, an early version of the carer's payment was introduced in 1972.[49] Public scrutiny of aged care scandals also dates from this period, with allegations of ill-treatment in nursing homes. Several reviews criticised the quality of care in nursing homes and the adequacy of regulations.[50]

Forty years of reform: demographic and budgetary pressures

Aged care has undergone major changes since the 1980s, as Australian governments faced increasing issues of accessibility, affordability, quality and cost containment. Three rounds of major reform have been conducted: in the mid-1980s to restructure funding and promote at-home care; in the late 1990s to limit government expenditure and increase consumer co-payments; and in the 2010s to harmonise funding between high and low care and make the system more market responsive.[51]

When the Hawke Government began to overhaul aged care in 1985, Australia had one of the highest rates of residential care in the world, with some 140 beds per 1,000 Australians aged over 75 years.[52] Home and community care services were provided from 1985 under the Home and Community Care (HACC) program, which was funded by the Australian Government and administered by the state and territory governments. This program initiated an enduring strategy to prevent premature entry into residential care.[53] At this time, the Commonwealth Government also began setting targets to ration the beds that would be subsidised as a proportion of Australia's older population.[54]

Further reviews in the 1990s recommended unifying the two-tiered hostel and nursing home system to make residential care more efficient, standardise funding for providers, strengthen regulatory requirements and increase choice in care. Criticisms included the inadequate supply of home and community-based services, a lack of coordination, inefficiencies in the system and the unequal distribution of services across geographical areas.[55]

Aged Care Act 1997 (Cth)

Many of these recommendations culminated in the *Aged Care Act 1997* (Cth), which reframed residential aged care in more overt, market-orientated terms. Nursing home and hostel funding was unified into a single system, with a single resident classification scale distinguishing between 'high' and 'low' care needs to determine the level of subsidy which applied to residents at all residential care facilities. Other key features included reducing providers' reliance on the Australian Government for capital funding by enabling for greater resident contributions in the form of lump sum 'accommodation bonds', as well as income-testing the residential care benefit.[56] Regulatory requirements were relaxed

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[49] R. Le Guen (1993) *Residential care for the aged: An overview of Government policy from 1962 to 1993*, Canberra, Department of the Parliamentary Library, p. 7.

[50] For example, see: House of Representatives Standing Committee on Expenditure (1982) *In a Home or At Home: Accommodation and Home Care for the Aged*, Parliamentary Paper No 283/1982, Canberra, Australian Government Publishing Service.

[51] S. Duckett & S. Wilcox (2015) *The Australian Health Care System*, Melbourne, Oxford University Press, p. 340.

[52] Le Guen (1993) op. cit., p. 1.

[53] Home and Community Care Act 1985 (Cth). See also: Senate Select Committee on Private Hospitals and Nursing Homes (1985) *Private Nursing Homes in Australia: their conduct, administration and ownership*, Parliamentary Paper 159/1985, Canberra, Australian Government Publishing Service.

[54] Le Guen (1993) op. cit., pp. 13–14.

[55] See, especially: Department of Community Services and Health (1986) *Nursing homes and hostels review*, Canberra, Australian Government Publishing Service; R. Gregory (1993) *Review of the Structure of Nursing Home Funding Arrangement*, Canberra, Department of Human Services and Health.

[56] Kendig & Duckett (2001) op. cit., p. 13; G. Thompson (1997) *The Impact of Accommodation Bonds and Commonwealth cuts to capital funding on nursing home access and standards*, Internship Report, Melbourne, Victorian Parliamentary Library, pp.7–8.

in favour of making funding conditional on new accreditation standards that were designed to improve the quality of facilities.[57] The broad architecture created with this legislation remains in place today.[58]

The 1997 reforms were followed by scandals. The most notorious incident was in 2000, at Melbourne's Riverside Nursing Home, where investigations found 57 residents had been bathed in a weak kerosene solution to treat scabies.[59] In 2004, the Campbell Review was commissioned to assess the quality of aged care since the introduction of the accreditation system. It found that while quality of life was high across residential care, there were no nationally consistent measures and called for a 'more rigorous mechanism' for monitoring quality across the system.[60] A decade later, the 2017 Carnell-Paterson Review made similar recommendations.[61] Only in 2019 was mandatory quality indicator monitoring implemented, while a review process of the Standards still has not been implemented.[62]

Living Longer Living Better

A third round of reforms were initiated with the Gillard Government's 2013 *Living Longer Living Better* (*LLLB*) package. This package followed three major developments.[63] First, a 2010 Intergenerational Report highlighted changing trends in the number of older people relative to the working population, foreshadowing issues with the funding base for aged care.[64] Second, in 2011 the Commonwealth Government assumed complete responsibility for the HACC program, now renamed the Commonwealth Home Support Program, giving it full responsibility for aged care.[65] Third, in 2011 the Productivity Commission reported on the sustainability of the system 1997 changes. This report found the system was difficult to navigate, had limited consumer choice, variable quality, inconsistent subsidies and co-contributions, and a workforce and skills shortage exacerbated by low wages.[66]

The *LLLB* package reflects responses to these challenges. The aged care sector is now presently part way through reforms that commenced in 2013, implemented through multiple pieces of legislation.[67] In 2016, the Australian Government tasked an Aged Care Sector Committee to outline an *Aged Care Roadmap* to further implement the Productivity Commission's 2011 recommendations and 'achieve a sustainable, consumer driven and market-based system'.[68]

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[57] Royal Commission (2019) op. cit., p. 71.
[58] ibid., p. 46.
[59] (2002) 'Kerosene bath nurses banned', *The Age*, 29 March.
[60] Campbell Research & Consulting (2007) *Evaluation of the impact of accreditation on the delivery of quality of care and quality of life to residents in Australian Government subsidised residential aged care homes*, Canberra, Commonwealth of Australia, p. xiv. See also: Senate Community Affairs References Committee (2005) *Quality and equity in aged care*, Canberra, Commonwealth of Australia.
[61] K. Carnell & R. Paterson (2017) *Review of National Aged Care Quality Regulatory Processes*, Canberra, Commonwealth of Australia, pp. 101, 147.
[62] Royal Commission (2019) op. cit., p. 73.
[63] D. Tune (2017) *Legislated Review of Aged Care 2017*, Canberra, Commonwealth of Australia, pp. 24–26.
[64] The Treasury (2010) *Australia to 2050: future challenges, 2010 Intergenerational Report*, Canberra, Commonwealth of Australia.
[65] See: Council of Australian Governments (2011) *National Health Reform Agreement*, Canberra, COAG. The transfer occurred for all states on 1 July 2012, except for Victoria (transferred on 1 July 2016) and Western Australia (1 July 2018).
[66] Productivity Commission (2011) *Caring for Older Australians*, Canberra, Commonwealth of Australia, p. xxv.
[67] Royal Commission into Aged Care Quality and Safety (2019) *Navigating the Maze: An overview of Australia's current aged care system*, Background Paper 1, Canberra, Commonwealth of Australia, p. 1.
[68] Aged Care Sector Committee (2016) *Aged Care Roadmap*, Canberra, Department of Health, p. 2.

Since 2013, changes have included:[69]

- expanding the programs delivered in people's homes;
- creating a single-entry point into the aged care system through the *My Aged Care* website;
- changes to means testing for fees and supplements for residential care;
- reintroducing accommodation payments (RADs, formerly known as bonds) for all types of residential care;
- removing the distinction between high- and low-level care funding and making the Aged Care Funding Instrument (ACFI) more flexible in assessing the needs and government subsidy for each permanent resident;
- the creation of the Aged Care Quality Agency (since replaced by the Aged Care Quality Commissioner, in 2019);
- enabling providers to charge residents for additional services not licensed as an extra service;
- expediting the process for transferring operational bed places between aged care providers;
- the introduction of the National Quality Index Program to improve standards-monitoring.

Consumer-driven reform or marketisation?

This recent suite of reforms has been summarised in an Australian Government review of the 2013 legislation (the 2017 Tune Review) as moving towards a 'consumer demand-driven system' of aged care.[70] The stated aim of this agenda is to increase consumer choice by making it easier for providers to enter the system, which will drive 'responsiveness and competitiveness' among providers to deliver quality and innovative care, working within 'an agile and proportionate regulatory framework'.[71]

According to the Tune Review, the major impediment to this agenda remains the ACAR system, which creates a 'supply-constrained system where the government controls the number, funding level and location of residential aged care places'.[72] By contrast, in a consumer demand-driven system, which has already been implemented for home and community care, once a consumer is assessed as needing care, they would receive appropriate funding and could obtain services from a provider of their choice. They would also be able to choose how, where and what services would be delivered.[73] 'Uncapping' the supply of beds—and deregulating the amount providers can charge for an RDA—are touted as likely to increase choice, competition and standards.[74]

Aged care sector advocates generally support market-orientated reform. They also note significant risks, including the creation of queues for preferred services, crowding out services to vulnerable and remote groups, the creation of oligopolies, limited consumer information and increased disruption.[75]

More overt critics have described the recent changes as reflecting the 'marketisation' of social services.[76] The 1997 changes, for example, have been critiqued as repositioning residential aged care

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[69] For an overview, see, R. de Boer & P. Yeend (2013) 'Aged Care (Living Longer Living Better) Bill 2013', Bills Digest no. 106, Parliamentary Library of Australia; A. Grove (2016) *Aged care: a quick guide*, Canberra, Parliamentary Library of Australia; A. Grove (2016) 'Aged Care Amendment (Red Tape Reduction in Places Management) Bill 2015', Bills Digest, Parliamentary Library of Australia.

[70] Tune (2017) op. cit., p. 33.

[71] Aged Care Sector Committee (2016) op. cit., p. 3.

[72] Tune (2017) op. cit., p. 34.

[73] ibid., pp. 34–35.

[74] ibid., pp. 6, 13–14.

[75] Leading Age Services Australia (2019) *LASA response to the discussion paper: proposed alternative models for allocating residential aged care places*, Response to consultation conducted by UTS, 13 September.

[76] J. Henderson & E. Willis (2020) 'The Marketisation of Aged Care: The Impact of Aged Care Reform in Australia', pp. 249–67 in F. Collyer & K. Willis (eds?), *Navigating Private and Public Healthcare: Experiences of Patients,*

as a welfare service rather than a health service, enabling means-testing of resident contributions, increased outsourcing of provision to profit-orientated private providers and cost-savings by replacing nursing staff with low-skilled care workers.[77] More general criticism has been aimed at the rhetoric of 'choice', which conflates the aspiration for dignified age care with consumer rights, and of the capacity of a market-driven system to deliver adequate, quality and accessible services.[78]

Other authorities have voiced related concerns. A 2017 Australian Law Reform Commission report questioned the applicability of market mechanisms to aged care.[79] Similarly, the 2017 Carnell-Paterson Review concluded that 'the rationale for regulation of residential aged care quality is that the market is an inadequate mechanism to ensure the safety and wellbeing of highly vulnerable residents'.[80] However, as the current Royal Commission into Aged Care Quality and Safety recently reported, reviews of aged care since 1997 have mostly 'not questioned the evolution of the aged care system into one more reliant on "market forces" or re-examined the institutional structures through which aged care is provided'.[81] In their 2019 interim report, the Royal Commissioners noted:

> many older people are not able to meaningfully negotiate prices, services or care standards with aged care providers. The notion that most care is "consumer-directed" is just not true. Despite appearances, despite rhetoric, there is little choice with aged care. It is a myth that aged care is an effective consumer-driven market.[82]

The increase in private providers also means for-profit entities are receiving increasing amounts of public funds. In 2018, the Tax Justice Network Australia alleged instances of tax avoidance by some of the largest private providers in Australia.[83] A 2018 Senate Economics Reference Committee investigated these claims. While unable to conclude with certainty private providers were engaging in improper financial practices, the Committee expressed concern over these entities' financial opacity.[84] Metropolitan not-for-profit providers have also come under scrutiny. In a submission to the Royal Commission, the Centre for International Corporate Tax Accountability and Research called for greater accounting transparency by entities receiving public funds, alleging large not-for-profit and private providers are 'generating substantial incomes' despite reporting annual losses.[85]

Doctors and Policy-Makers, Singapore, Palgrave Macmillan; B. Davidson (2018) 'The Marketisation of Aged Care in Australia', pp. 101–116 in D. Cahill & P. Toner (eds?), *Wrong Way: How Privatisation & Economic Reform Backfired*, Melbourne, La Trobe University Press.

[77] J. Angus and R. Nay (2003) 'The paradox of the Aged Care Act 1997: marginalization of nursing discourse', *Nursing Inquiry*, 10(2), pp. 130–138; Henderson & Willis (2020) op. cit., p. 254.

[78] Henderson & Willis (2020) op. cit., p. 257; R. Baldwin, L. Chenoweth & M. dela Rama (2015) 'Residential Aged Care Policy in Australia–Are we learning from evidence?', *Australian Journal of Public Administration*, 74(2), pp. 128–141; R. Baldwin, L. Chenoweth, M. dela Rama & Z. Liu (2015) 'Quality failures in residential aged care in Australia: The relationship between structural factors and regulation imposed sanctions', *Australasian Journal on Ageing*, 34(4), pp. E7–E12.

[79] Australian Law Reform Commission (2017) *Elder Abuse – A National Legal Response*, Sydney, Commonwealth of Australia, pp. 106–109.

[80] Carnell & Paterson (2017) op. cit., p. v.

[81] Royal Commission (2019) *Interim Report*, op. cit., p. 80.

[82] ibid., p. 10.

[83] Australian Tax Justice Network (2018) *Tax avoidance by for-profit aged acre companies: profit shifting on public funds*, Commissioned by the Australian Nursing & Midwifery Federation.

[84] Senate Economics References Committee (2018) *Financial and tax practices of for-profit aged care providers*, Canberra, Commonwealth of Australia.

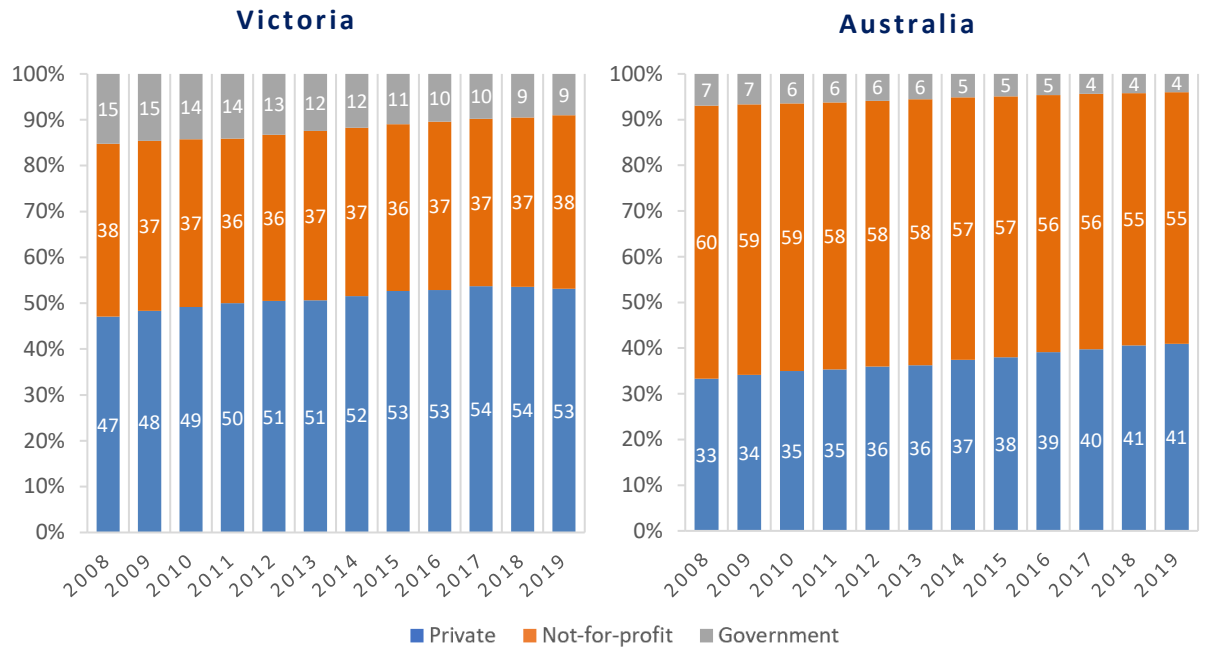
[85] Centre for International Corporate Tax Accountability and Research (2020) *Caring for Growth: Australia's largest non-profit aged care operators*, Submission to the Royal Commission on Aged Care, July.

The growth of private providers and large-scale facilities

One clear outcome of these changes is the increase of private providers in the residential aged care system. Market analysts Grant Thornton found merger and acquisition transactions in aged care facility ownership in the 18 months after the 2013 LLLB reforms began were almost equal to the number of transactions over the preceding five years. Ninety-two per cent of the beds transacted were acquired by for-profit organisations in the period analysed (2008 to 2015), including 60 per cent by private equity firms or investment managers.[86] Since 2015, private providers have been successful in gaining around two-thirds of allocated residential care places in the ACAR system.[87]

This trend is especially prevalent in Victoria. The number of private service providers has grown from operating 47 to 53 per cent of operational beds in Victoria between 2008 and 2019, maintaining a market-share well above the national average (Figure 8).

Figure 8. Percentage of total beds operated by provider-types, Victoria vs Australia, 2008–19[88]



The expansion of private residential aged care places has been accompanied by a growth in the size of aged care facilities. Where only one in five beds (21 per cent) were in a Size 6 facility (101+ beds) in 2008, in 2019 well over a third (42 per cent) were in such facilities. During the same period, beds in Size 3 facilities (41–60 beds) declined, from 30 to 15 per cent of total places (Figure 9).

This growth of Size 6 facilities has been especially prevalent among private service providers. In 2008, places in private Size 3 facilities (41–60 beds) were the most common type of private bed, housing 28 per cent of privately-operated beds. Places in private Size 6 facilities represented 26 per cent of private beds. In 2019, places in private Size 6 facilities increased to represent over half of all private beds, while places in Size 3 facilities declined to account for just 12 per cent of all private beds (Figure 10).

[86] Grant Thornton (2015) *Growing with Age: Dealtracker for the Aged Care Sector*, Insights Report, Grant Thornton Australia.
[87] ACFA (2020) *Eighth report* , p. 21.
[88] Data from AIHW (2020) 'GEN Aged Care Data: GEN data: Services and places in aged care', AIHW website.

Figure 9. Percentage of beds by facility size in Victorian residential aged care, 2008–19[89]

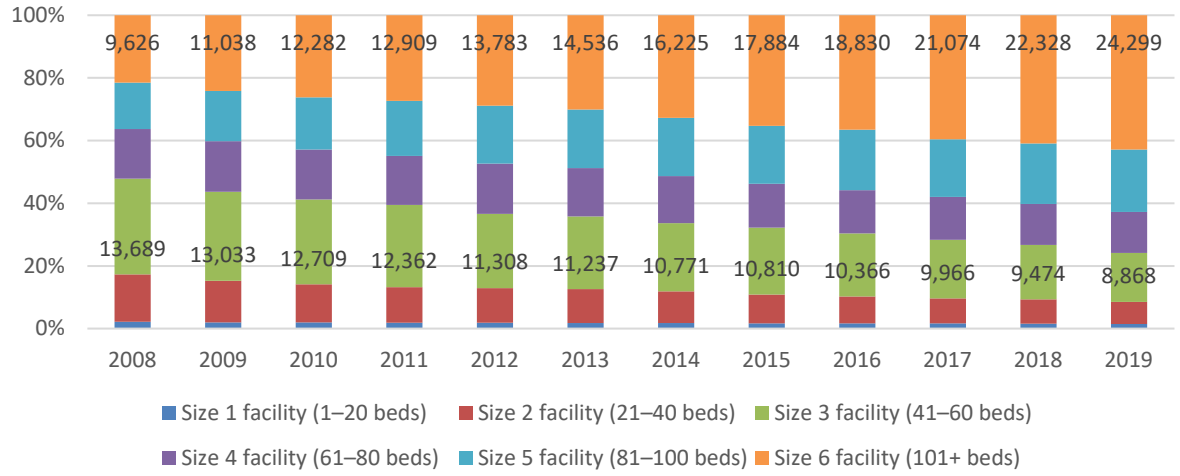
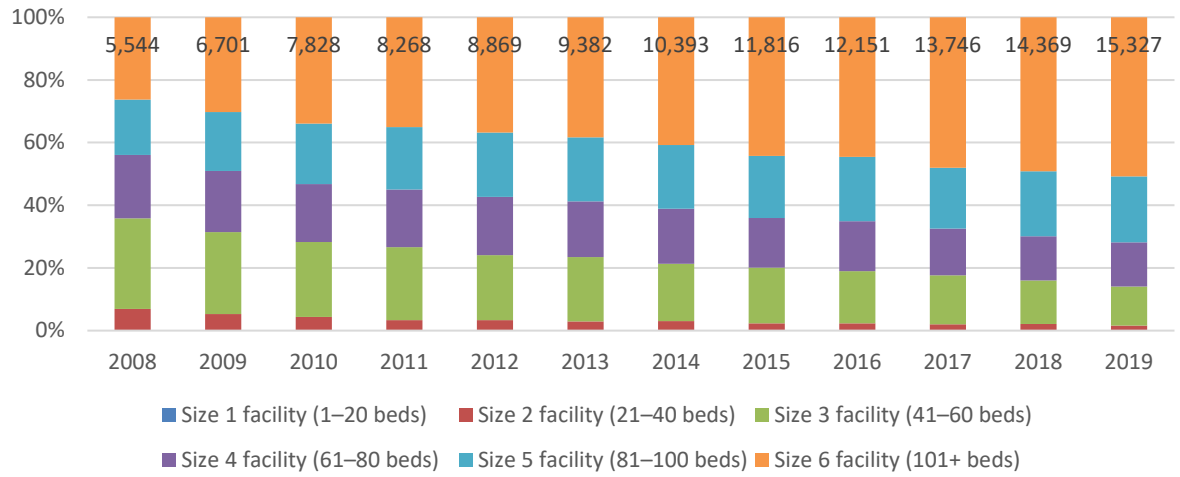


Figure 10. Percentage of privately-operated beds per facility size, Victoria, 2008–19[90]



Not-for-profit providers have experienced a similar trend. In 2008, Size 3 facilities represented 33 per cent of all not-for-profit beds, while Size 6 facilities represented 20 per cent. In 2019, Size 3 facilities housed 17 per cent of all not-for-profit beds, while Size 6 facilities had increased to 39 per cent.

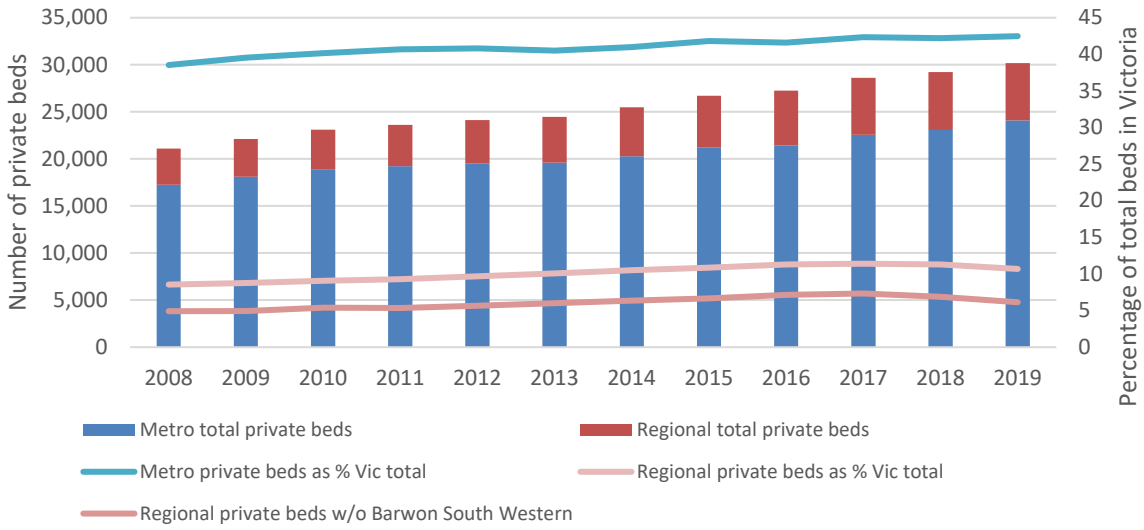
Overall, places in privately operated Size 6 facilities have become the most common form of residential aged care in Victoria. In 2008, privately operated places in Size 3 facilities (41–60 beds) were the most common type of residential aged care place in Victoria, representing 13 per cent of all operational beds in Victoria. Beds in privately-operated Size 6 facilities were the next largest, representing 12 per cent of operational beds. In 2019, beds in this category accounted for 27 per cent of all places in Victorian residential aged care, while places in private Size 3 facilities accounted for six per cent of total beds.

These changes have had clear regional trends. Between 2008 and 2019, the number of private places in metro facilities grew from representing 38.5 to 42.5 per cent of all Victorian beds, and 56 to

[89] Data from AIHW (2020) 'GEN Aged Care Data: GEN data: Services and places in aged care', AIHW website.
[90] ibid.

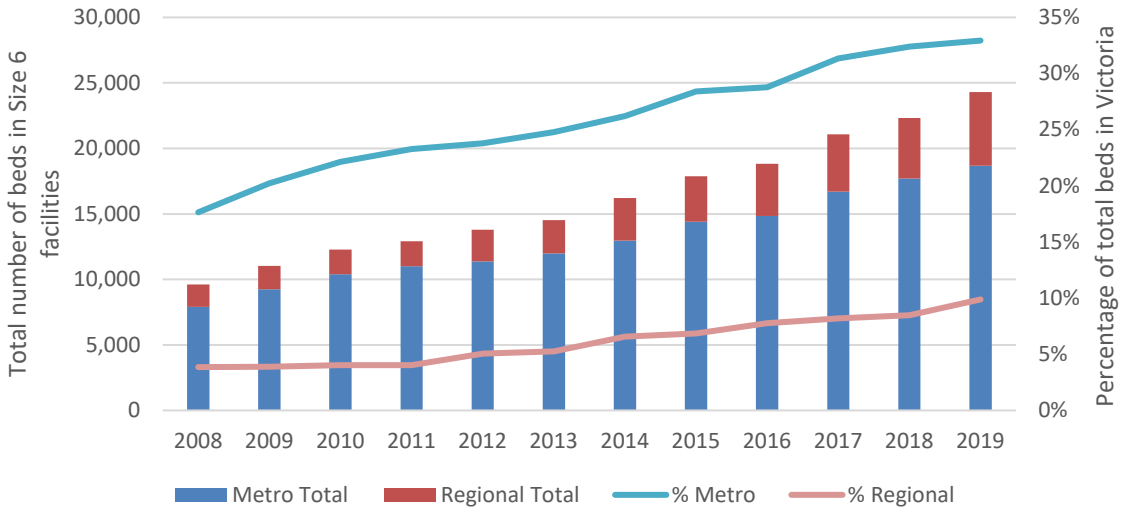
62 per cent of all metro beds (Figure 11). Eastern Metro experienced the largest growth, where privately operated beds grew from representing 46 to 61 per cent of all places in that region.[91]

Figure 11. Total number of privately-operated beds, and privately-operated beds as percentage of total Victorian places, metro vs regional residential aged care areas, Victoria, 2008–19[92]



Outside Melbourne, between 2008 and 2019 the number of private places in regional areas grew from representing 8.5 to 10.6 per cent of all beds in Victoria, and 27.4 to 33.8 per cent of all beds in regional areas. Among regional areas, Barwon-South Western experienced the largest growth, where privately operated beds grew from representing 42 to 52 per cent of all beds in that region. Without including Barwon-South Western, private places in regional areas grew from representing 4.9 to 6.1 per cent of all Victorian beds, or 21.8 to 26.7 per cent of all beds in regional areas (Figure 11).[93]

Figure 12. Total number of places in Size 6 facilities (101+ beds) and places in Size 6 facilities as a percentage of total Victorian beds, metro vs regional residential aged care areas, Victoria, 2008–19[94]

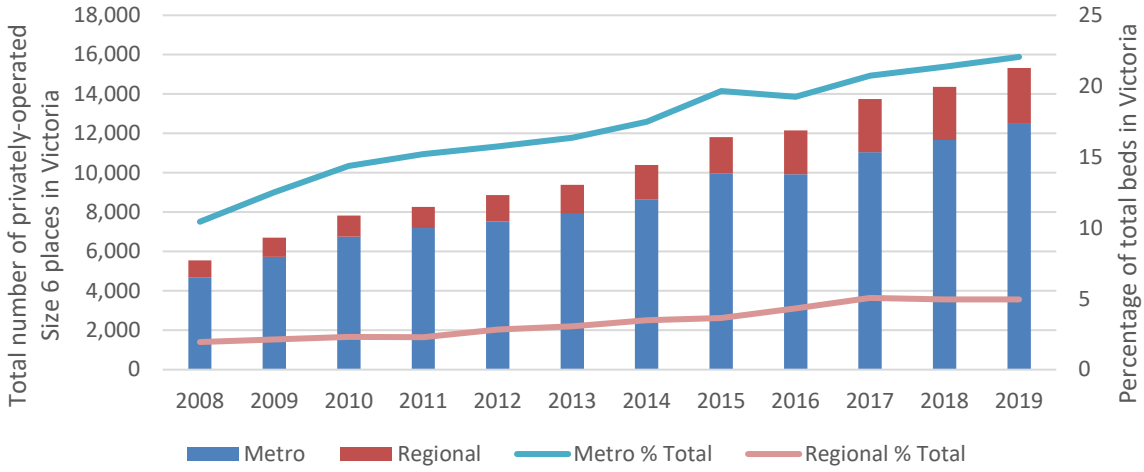


[91] ibid.
[92] ibid.
[93] ibid.
[94] ibid.

The growth of Size 6 facilities (101+ beds) has been pronounced in both metropolitan and regional areas. Between 2008 and 2019, places in metropolitan Size 6 facilities grew from representing 17.6 to 32.9 per cent of all beds in Victoria, and 25 to 48 per cent of all beds in metropolitan regions. In the same period, places in regional Size 6 facilities grew from representing 3.8 to 9.8 per cent of all beds in Victoria, or 12.3 to 31.2 per cent of all beds in regional areas (Figure 12).

Of all types of residential aged care places, those in privately-operated metro Size 6 facilities have experienced the most significant increase. Between 2008 and 2019, places in these facilities grew from representing 10.4 to 22 per cent of all residential aged care beds in Victoria. Privately-operated places in Size 6 facilities in regional areas grew from representing 1.9 to 4.9 per cent of all beds in Victoria.

Figure 13. Total number of privately-operated places in Size 6 facilities (101+ beds) and as a percentage of total Victorian places, metro vs regional residential aged care areas, Victoria, 2008–19[95]



Recent inquires

As indicated above, the aged care system has come under constant scrutiny, with more than 35 major public reviews conducted over the past 40 years.[96] This has included 20 such inquires since the passing of the 1997 legislation.[97] These reviews have included, but not been limited to, multiple inquiries into areas including: funding, pricing and prudential arrangements; long-term strategies for Australia's ageing population; effectiveness of standards, accreditation and regulation; workforce training and skills; dementia; and the adequacy of residential care for young people.[98]

Victorian Inquiries

Reflecting its diminished role in aged care services since the *2011 National Healthcare Agreement*, the Victorian Parliament has not conducted a major inquiry into aged care for almost a decade. The last

[95] ibid.
[96] Royal Commission (2019) *Interim Report*, op. cit., p. 67.
[97] J. Phillips, D. Parker & N. Woods (2018) 'We've had 20 aged care reviews in 20 years – will the royal commission be any different', *The Conversation*, 20 September.
[98] For an overview, see: Royal Commission into Aged Care Quality and Safety (2019) *A History of Aged Care Reviews*, Background Paper 8, Canberra, Commonwealth of Australia.

was a 2010–11 Legislative Council Economy and Infrastructure References Committee Inquiry into Primary Health and Aged Care.[99] The Committee focused on data and quality reporting. It recommended that a pilot program initiated by the Victorian Department of Health in 2006 to collect data on the incidence of pressure ulcers, falls and use of physical restraints, medication usage and unplanned weight loss in state-run facilities, be publicly reported and assess whether data collection was improving the quality of care.[100] These recommendations provided the basis for the current Quality Indicators in Public Sector Residential Aged Care Services program.

Prior to the 2011 inquiry, the Victorian Auditor-General conducted periodic inquiries into public sector aged care facilities, as did a 2001 Ministerial Advisory Committee.[101] Recently, several Victorian MPs have utilised the Parliamentary Library Internship Program to investigate what role the Victorian Government might play in developing facilities specifically for culturally and linguistically diverse communities, especially the Victorian Chinese community.[102]

Royal Commission into Aged Care Quality and Safety (2018–20)

The quality and standards of residential aged care have again come under intense scrutiny in the form of the Royal Commission into Aged Care Quality and Safety. Announced in September 2018, the Royal Commission follows several reviews into aged care safety after reports of an increasing number of injuries to residents in aged care facilities.[103] Allegations of significant mistreatment and poor standards at the Makk and McLeay nursing home at Oakden in South Australia, a state-run facility, led to the Carnell-Paterson Review, which recommended the establishment of the Aged Care Quality and Safety Commission and the creation of a National Quality Indicators Program. Separate inquiries were also conducted by both the House of Representative and the Senate.[104] The same week the Royal Commission was announced, ABC's *Four Corners* program presented a two-part series, 'Who Cares?', highlighting instances of isolation and neglect in the lives of those living in residential aged care facilities.[105]

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[99] Legislative Council Economy and Infrastructure References Committee (2011) *Inquiry into Primary Health and Aged Care*, Final report, Melbourne, The Committee, December.

[100] ibid., pp. 70–1.

[101] Auditor-General of Victoria (1993) *Aged Care: Special Report No. 25*, Melbourne, Government Printer; Auditor-General of Victoria (2006) *Condition of public sector residential aged care facilities*, Melbourne, Government Printer; Ministerial Advisory Committee (2001) *High care residential aged care facilities in Victoria*, Melbourne, Department of Human Services.

[102] J. Holland (2017) *Supporting Diversity: The importance of funding ethno-specific care facilities for the Chinese community in Victoria*, Internship Report, Melbourne, Victorian Parliamentary Library; N. Parkinson (2019) *Caring for Carers: How the Victorian Government can improve respite care's accessibility for culturally and linguistically diverse (CALD) carers of older people*, Internship Report, Melbourne, Victorian Parliamentary Library.

[103] R. Haupt (2019) *The Royal Commission into Aged Care Quality and Safety: a quick guide*, Parliamentary Library of Australia.

[104] Carnell & Paterson (2017) op. cit.; House of Representatives Standing Committee on Health, Aged Care and Sport (2018) *Report on the Inquiry into the Quality of Care in Residential Aged Care Facilities in Australia*, Canberra, Commonwealth of Australia; Senate Community Affairs References Committee (2019) *Effectiveness of the Aged Care Quality Assessment and accreditation framework for protecting residents from abuse and poor practices, and ensuring proper clinical and medical care standards are maintained and practised,* Final Report, Canberra, Commonwealth of Australia.

[105] S. Scopelianos (2019) 'The Royal Commission into Aged Care Quality and Safety explained', *ABC News*, 11 February.

The Royal Commission delivered an interim report in October 2019, pointedly titled *Neglect*. The interim report sketched several major issues, including:

- a system that is difficult to navigate, with an internet interface (the My Aged Care system) that can be confronting for older citizens and a lack of easily accessible public information about whether providers deliver on their advertised promises;
- that older people and their loved ones do not know what to look for when choosing a home;
- there are no measures available to quantify the extent of substandard aged care;
- a fundamental lack of transparency, with very little information available to the public about the performance of service providers, the number of complaints against them, assaults in their service and staff numbers all unpublished; and
- a workforce under pressure where 'intense, task-driven regimes govern the lives of both those receiving care and those delivering it', with severe difficulties in recruiting and retaining staff, poor pay conditions, stymied innovation, patchy education and training, no defined career path for staff and deficient leadership.[106]

The Royal Commissioners stated:

> As a nation, Australia has drifted into an ageist mindset that undervalues older people and limits their possibilities. Sadly, this failure to properly value and engage with older people as equal partners in our future has extended to our apparent indifference towards aged care services. Left out of sight and out of mind, these important services are floundering. They are fragmented, unsupported and underfunded. With some admirable exceptions, they are poorly managed.[107]

The Royal Commission is due to deliver its full report on 26 February 2021.[108] The Royal Commissioner has stated that, due to a lack of time and resources, the inquiry will not be directly reporting on residential aged care in response to the COVID-19 pandemic.

Residential aged care and COVID-19

Cases of COVID-19 in Victorian aged care facilities

Along with meat processing, call centres and distribution centres, aged care facilities have been at the centre of several major outbreaks in Australia. The first case was at BaptistCare's Dorothy Henderson Lodge in early March, with significant outbreaks at Anglicare's Newmarch House in western Sydney in April, and multiple outbreaks in Victorian facilities through June, July and August 2020.[109]

On 30 August 2020, the Commonwealth Department of Health reported that, since 22 January 2020, there had been a total of 1,870 confirmed COVID-19 cases for people living in Australian Government-subsided residential aged care facilities, including 412 deaths. This included 1,807 cases and 381 deaths in Victoria.[110]

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[106] Royal Commission (2019) *Interim Report*, op. cit., pp. 1–10.
[107] ibid., p. 1.
[108] This was extended from 12 November 2020, to accommodation the COVID-19 pandemic. See, Royal Commission into Aged Care Quality and Safety (2020) 'Letters Patent – 25 June 2020', Royal Commission website.
[109] H. Alexander (2020) '"No one knows where it came from": Inside Australia's first COVID-19 cluster', *Sydney Morning Herald*, 10 May; D. Crowe (2020) 'Newmarch House report finds "confusion" and "conflict" in virus response', *Sydney Morning Herald*, 24 August.
[110] Department of Health (2020) 'COVID-19 cases in aged care services – residential care', Department of Health website.

On 30 August 2020, the Victorian Department of Health and Human Services reported 1,277 active COVID-19 cases relating to Victorian aged care facilities.[111] Those with the highest cumulative cases linked with the facilities, including both residents and staff, are as follows:

Table 6. Active residential aged care outbreaks, highest cumulative cases in Victoria, at 30 August[112]

Facility	Number of linked cases	Location	Operation type
Epping Gardens Aged Care	212	Epping	Private
St Basil's Homes for the Aged	203	Fawkner	Not-for-profit
BaptCare Wyndham Lodge Community	178	Werribee	Not-for-profit
Estia Aged Care Facility	161	Ardeer	Private
Kirkbrae Presbyterian Homes	140	Kilsyth	Not-for-profit
Cumberland Manor Aged Care Facility	123	Sunshine	Private
Twin Parks Aged Care	119	Reservoir	Private
Outlook Gardens Aged Care	115	Dandenong North	Not-for-profit
Japara Goonawarra Aged Care Facility	114	Sunbury	Private
Estia Aged Care Facility	112	Heidelberg	Private

Pandemic planning for residential aged care

Several agreements are in place outlining federal and state responsibilities. The *Australian Health Sector Emergency Response Plan for Novel Coronavirus* outlines the roles of federal, state and territory health departments and non-government agencies, including quality standards and agreements that states and territories will establish systems to protect people in aged care.[113] States and territories have issued aged care plans or directions for COVID-19, including Victoria's Coronavirus *(COVID-19) Plan for the Victorian Aged Care Sector*, which advises on the preparedness, prevention and case management of COVID-19 outbreaks.[114]

In response to the Victorian aged care outbreaks, on 27 July 2020 the federal and Victorian governments jointly established the Victorian Aged Care Response Centre to coordinate resources, located at Victoria's State Control Centre in Melbourne.[115] This response builds on advice, funding and processes, such as limiting visitor numbers, implemented earlier in the pandemic.[116]

The Royal Commission and COVID-19

On 10 August 2020, Counsel Assisting, Peter Rozen, told the Aged Care Royal Commission that the 'COVID-19 pandemic has exposed all of the flaws of the aged care sector which have been highlighted

[111] DHHS (2020) *Coronavirus update for Victoria – 30 August 2020*, media release, 30 August.
[112] ibid.
[113] Department of Health (2020) *Australian Health Sector Emergency Response Plan for Novel Coronavirus (COVID-19)*, Canberra, Commonwealth of Australia; A. Grove (2020) *COVID-19 and aged care: a quick guide*, Canberra, Parliamentary Library of Australia.
[114] DHHS (2020) *Coronavirus (COVID-19) Plan for the Victorian Aged Care Sector*, version 4 (updated 20 August) Melbourne, Victorian Government. This document is adapted from the Communicable Diseases Network Australia (CDNA) national guidelines: Coronavirus Disease 2019 (COVID-19) Outbreaks in Residential Care Facilities, and the Commonwealth Infection Control Expert Group: COVID-19 Infection Prevention and Control for Residential Care Facilities.
[115] Minister for Aged Care and Senior Australians (2020) *Victorian Aged Care Response Centre*, media release, 27 July. See also, Department of Health (2020) 'Victorian Aged Care Response Centre', Department website.
[116] For an overview of earlier responses, see: Grove (2020) op. cit.

during this Royal Commission'.[117] Mr Rozen added: 'As well as low staff numbers and a casualised workforce they [the submissions] refer to inadequate training on infection control and inadequate access to and training in the proper use of personal protective equipment'.[118] On 12 August , Professor Joseph Ibrahim, a specialist in geriatric medicine at Monash University, told the Royal Commission that the Australian Government had given the aged care sector insufficient attention in its planning for coronavirus.[119]

On 24 August, research conducted for the Royal Commission was released showing Australia 'could immediately establish independent, transparent, routine monitoring and public reporting of many aspects of aged care quality outcomes similar to leading countries'.[120] For example, Canada reports on 19 quality indicators in residential care, Denmark on 23 indicators and the Netherlands on 32 indicators on all forms of long-term care, New Zealand on 31 quality and safety indicators in residential aged care, and Sweden on 28 quality and safe indicators for both in-home and residential aged care. The research listed and highlighted Victoria's Public Sector Residential Aged Care Services Quality Indicators which measure five indicators in public-sector residential facilities.[121] By comparison, the Australian Government has no care quality outcome reporting for home care and reports on only three indicators for residential care under the National Aged Care Mandatory Quality Indicator Program.[122]

[117] Auscript (2020) Transcript of Proceedings, Royal Commission into Aged Care Quality and Safety, 10 August.
[118] ibid; M. Grattan (2020) 'Federal departments had no specific COVID plan for aged care: royal commission counsel', *The Conversation*, 10 August.
[119] Auscript (2020) Transcript of Proceedings, Royal Commission into Aged Care Quality and Safety, 12 August.
[120] Royal Commission into Aged Care Quality and Safety (2020) *Australia far behind in monitoring aged care quality*, media release, 24 August.
[121] Royal Commission into Aged Care Quality and Safety (2020) *International and National Quality and Safety Indicators for Aged Care*, conducted by The Registry of Senior Australians, South Australian Health and Medical Research Institute, Research Paper 8, Canberra, Commonwealth of Australia, pp. 16–69.
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