

# AGED CARE FACT SHEET

November 2012

**Australian aged care policy is on the brink of reform. The Australian Government's recently announced 10 year plan to re-shape aged care follows the release of a 2011 Productivity Commission Report, which highlighted the challenges for aged care policy flowing from Australia's ageing demographic.**

The Australian Bureau of Statistics reports that Australian Government spending on aged care will rise from 0.8% of GDP in 2009-10 to 1.8% in 2049-50. The main contributor will be growth in residential aged care costs, which reflects the impact of the quadrupling of the number of Australians aged 85 years or over by 2050.



Aged care in Australia is provided on a needs basis. Eligibility is determined by Aged Care Assessment Teams. All levels of government, consumers and the non-government sector have a role in funding, service provision and administration of aged care, mostly financed by the Australian Government.

This fact sheet aims to provide some key information about aged care policy and the sector to help anchor dialogue about this issue. The focus is on people aged 70 years and over.

## Delivery structure

There are three service streams in Australia's aged care system:

- Residential care is for frail older people who can no longer live in their own homes.
- Community care is for people still living in their own home who receive in-home care and support from approved providers.

- Flexible care addresses the needs of people, in either a residential or community care setting, in ways other than the care provided through mainstream channels.

## Aged Care Reform

In April 2012, the Australian Government announced a \$3.7 billion aged care reform package.

The Living Longer. Living Better plan included:

- An increased number of Home Care Packages from 60,000 to 100,000;
- A rise in aged care facility places from 191,000 to 221,000;
- An increased range of options to pay for these aged care places (lump sum, periodic payments or both);
- The development of an Aged Care Workforce productivity strategy; and
- Projected savings of \$1.6 billion from changes to the Aged Care Funding Instrument.

## Key statistics

### Aged Care

- About 80 per cent of aged care and support is provided in the home by informal carers, including partners, family, friends and neighbours.
- More than one million Australians over the age of 70 access some form of government-subsidised aged care services (about one in four people aged over 70 years).
- The total number of operational aged care places across the aged care system at 30 June 2011 was 247,379 – an increase of 4.3 per cent over the previous year. This included 185,559 residential care places, 58,471 community care places and 3,349 transition care places.<sup>1</sup>
- By 2050, more than 3.5 million Australians are expected to use aged care services each year.<sup>2</sup>

### Residential Care

- About 13 per cent of people over 70 years of age live in a residential care facility.<sup>3</sup>
- One third of all men and half of all women will go into permanent residential care at some point in their later lives.

- The average age of entry to permanent residential care is 82 for both men and women.<sup>4</sup>
- About 70 per cent of people in residential care receive high-level care.
- Around 70 per cent of residents are female and 55 per cent are aged 85 years or older.
- In 2010-11, the average accommodation charge for new residents was estimated to be \$25.14 per day. The average accommodation bond agreed with a new resident in 2010-11 was estimated at \$248 850.<sup>5</sup>
- In 2010-11 aged care providers received government funding of \$7.954 billion.<sup>6</sup>
- As at June 2011, there were 2760 government subsidised aged care homes, compared to 2773 in 2010 and 2830 in 2008.<sup>7</sup>
- Occupancy rates have consistently been between 92 and 94 per cent over the past six years.

### Community and Flexible Care

In 2009-10 more than 610 000 people aged 70 years or over received Home and Community Care (HACC) services.

In 2010-11, the HACC program was a joint federal and state initiative. It was managed and delivered by the state governments with 60 per cent of the funding provided by the federal government.

Total combined Australia and state and territory government funding for HACC in 2010-11 was \$2.107 billion.<sup>8</sup>

Around 70 000 people received more intensive packaged community care at home.<sup>9</sup>

At 30 June 2011, there were nearly 20,000 operational flexible care places.<sup>10</sup>

### About CEPAR

Based at the University of New South Wales (UNSW) with nodes at the Australian National University (ANU) and The University of Sydney, the ARC Centre of Excellence in Population Ageing Research (CEPAR) is a unique collaboration bringing together academia, government and industry to address one of the major social challenges of the twenty first century.

**To find out more about CEPAR visit [www.cepar.edu.au](http://www.cepar.edu.au)**

1 2010-11 Report on the Operation of the Aged Care Act 1997

2 Productivity Commission Report, *Caring For Older Australians*, August 2011

3 Productivity Commission Report, *Caring for Older Australians*, August 2011

4 2008, Department of Health and Ageing Report, *Ageing and Aged Care in Australia*

5 2010-11 Report on the Operation of the Aged Care Act 1997

6 2010-11 Report on the Operation of the Aged Care Act 1997

7 Report on the Operation of the Aged Care Act 1997, 2010-11; ROACA 2009-10; ROACA 2007-8

8 2010-11 Report on the Operation of the Aged Care Act 1997

9 Productivity Commission Report, *Caring For Older Australians*, August 2011

10 2010-11 Report on the Operation of the Aged Care Act 1997