A guide to improve aged care services for your community

Building capacity for the emerging aged care needs of culturally and linguistically diverse communities
Disclaimer:

Outcomes Plus and the Commonwealth of Australia give no guarantee that adherence to this guidance material will result in a successful allocation of aged care places and/or a capital grant from any Aged Care Approvals Round.

This Guide does not constitute legal, financial or other advice and is a general guide only. You should independently determine the relevance of the information to your own circumstances and seek your own professional advice to determine how the aged care legislation and other applicable laws apply to your circumstances.

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This document is current as at 22 April 2015. Amendments to the legislation and/or changes to departmental procedures may change references listed in this document.

A current version of the *Aged Care Act 1997* can be accessed on the Comlaw website.
A guide to improve aged care services for your community
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Acknowledgements

The Australian Government Department of Social Services (DSS)* engaged Outcomes Plus Pty Ltd to undertake this project to build capacity for the emerging aged care* needs of Culturally and Linguistically Diverse (CALD)* communities.

Outcomes Plus Pty Ltd have prepared this resource following consultations, training workshops and writers workshops with CALD communities and organisations in each capital city.

Outcomes Plus Pty Ltd and the Australian Government would like to acknowledge the generous support received from the many organisations that assisted in the preparation of this reference document.

In particular, we would like to thank:

- **Partners in Culturally Appropriate Care (PICAC)** in every state and territory.
- Alzheimer’s Australia.
- Australian Population & Migration Research Centre at the University of Adelaide.
- Council on the Ageing (COTA).
- Federation of Ethnic Communities’ Councils of Australia (FECCA)*, the state and territory **Ethnic Communities Council (ECC)** and migrant resource centres.

We would also like to express our appreciation to the many CALD organisations and community groups that have generously given their time to help us to understand the specific issues and concerns of their communities in accessing aged care services*.

*see explanation in Glossary, Section 15
1 Using this guide

This Guide to improve aged care service for your community (Guide) is the second part of a reference document prepared specifically for CALD communities in Australia.

The purpose of this Guide is to assist CALD communities to have greater access to home care* and residential aged care* in Australia. CALD organisations can use this Guide as a reference to apply to become an approved provider* and to directly deliver aged care services to their respective communities.

The structure of this Guide guides readers through a step-by-step process in applying to become an approved provider under the Aged Care Act 1997 (the Act)* and to complete an Aged Care Approvals Round (ACAR)* application. In covering these two areas, the Guide also looks at related issues such as demographics and partnership arrangements.

For CALD organisations who do not want to become an approved provider and provide aged care services, there is information about other ways to help improve a community’s access to aged care services, such as partnering with existing approved providers.

This Guide is written in sections with:

- Objectives – that outline what you will learn by reading the section.
- Key messages – that highlight important points in the section.
- Asterisks (*) – that tell you a word or phrase is explained in the Glossary*.
- GO TO> signs – that tell you where you can find further information either in this Guide or in other places.

The material in this Guide has been prepared to assist all prospective providers of aged care services particularly those representing CALD communities seeking to address their emerging aged care needs.

As you read the contents page, you may see a section that is of particular interest to you – go to that section straight away if you want to, you do not have to read the sections in order.

*see explanation in Glossary, Section 15
2 The aged care industry in Australia

The objectives of this section are to introduce the Australian:

- Aged care legislative framework
- *Aged Care Act 1997* (the Act)
- Aged care statutory bodies
- Aged care changes

In Australia, there are different types of aged care services:

1. Home care delivered in a person’s home and predominantly subsidised by the Australian Government under the Act.

2. Residential aged care delivered in an *aged care facility* and predominantly subsidised by the Australian Government under the Act.

3. *Community care programmes* delivered in a person’s home or in a community setting, and jointly funded by state/territory governments and the Australian Government.

4. Other services delivered in a person’s home or a residential facility that are privately funded.

Changes were announced in the 2015-16 Budget to ensure the aged care system in Australia continues to meet the needs of an ageing population. Home Care Providers will benefit from reduced red tape as they will not have to apply for home care packages through the annual Aged Care Approvals Round after 2015.

This *Guide* is about home care places and residential aged care places (1 & 2 above) administered by DSS. To provide these types of aged care services (with some funding from the Australian Government and from care recipients), you will need to comply with the process outlined under the Act.

This *Guide* will help your community group or organisation to understand the requirements of the Act. It outlines a process for you to follow to provide aged care services i.e. becoming an aged care approved provider and applying for home care places and residential aged care places.

*see explanation in Glossary, Section 15

2.1 Legislative framework

In Australia, *approved providers of home and residential aged care* have to meet legislative requirements that cover different parts of their operations.

These legislative requirements are set out in the:

- *Aged Care Act 1997* (the Act)

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1 *Note: Community care programmes, such as Home and Community Care (HACC)*, National Respite for Carers Programme (NRCP), Day Therapy Centres (DTC), Assistance with Care and Housing for the Aged (ACHA) programme have been consolidated to form the Commonwealth Home Support Programme (CHSP)*, which commenced on 1 July 2015 in most states, as part of the changes to aged care.
Aged Care Principles 2014* (the Principles)
Aged Care (Transitional Provisions) Act 1997

To gain approved provider status, acquire government funded places and operate places, a detailed knowledge of these legislative requirements is essential.

Most references in this Guide will be to the Act and the Principles, which describe the arrangements for access to aged care, aged care funding and approved provider responsibilities.

The table below summarises the Principles, their purpose and their reference to the Act.

Table 1: The Principles, their purpose and their reference to the Act (as at 22 April 2015)

<table>
<thead>
<tr>
<th>Aged Care Principles</th>
<th>Purpose</th>
<th>Aged Care Act 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountability Principles</td>
<td>Sets out accreditation assessor’s right of access to services, Minister’s and Secretary’s right to information (including financial reports) and requirements for new staff before they can be employed.</td>
<td>Chapter 4</td>
</tr>
<tr>
<td>Allocation Principles</td>
<td>Outlines the process to allocate, transfer and relinquish places.</td>
<td>Chapter 2 Part 2.2</td>
</tr>
<tr>
<td>Approval of Care Recipients Principles</td>
<td>Covers the conditions relating to care recipient* eligibility to receive funded aged care services.</td>
<td>Chapter 2 Part 2.3</td>
</tr>
<tr>
<td>Approved Provider Principles</td>
<td>Outlines the matters the Secretary of the Department of Social Services* must consider before approving an organisation to deliver aged care services under the Act.</td>
<td>Chapter 2 Part 2.1</td>
</tr>
<tr>
<td>Classification Principles</td>
<td>Sets out the procedure for determining the classification level* (and therefore the subsidy) for a care recipient.</td>
<td>Chapter 2 Part 2.4</td>
</tr>
<tr>
<td>Committee Principles</td>
<td>Outlines the matters relating to the functions of the Aged Care Financing Authority.</td>
<td>Chapter 7 Section 96-3</td>
</tr>
<tr>
<td>Complaints Principles</td>
<td>Outlines the process for managing and resolving consumer complaints.</td>
<td>Chapter 6 Parts 6.4A and 6.6</td>
</tr>
<tr>
<td>Aged Care Principles</td>
<td>Purpose</td>
<td>Aged Care Act 1997</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td><strong>Extra Service Principles</strong></td>
<td>Outlines the criteria for granting extra service status and setting applicable fees.</td>
<td>Chapter 2 Part 2.5</td>
</tr>
<tr>
<td><strong>Fees and Payments Principles</strong></td>
<td>Covers the setting of home care and residential care fees including <em>accommodation payments</em>; includes prudential and governance standards expected of service providers.</td>
<td>Chapter 3A Parts 3A.1, 3A.2 and 3A.3</td>
</tr>
<tr>
<td><strong>Grant Principles</strong></td>
<td>Outlines the criteria for determining grants.</td>
<td>Chapter 5 Parts 5.1, 5.5, 5.6 and 5.7</td>
</tr>
<tr>
<td><strong>Information Principles</strong></td>
<td>Outlines the criteria for disclosing confidential information.</td>
<td>Chapter 6 Part 6.2</td>
</tr>
<tr>
<td><strong>Quality of Care Principles</strong></td>
<td>Covers the care and services that must be provided; includes <em>Home Care Standards</em> and <em>Accreditation Standards</em>.</td>
<td>Chapter 4 Part 4.1</td>
</tr>
<tr>
<td><strong>Records Principles</strong></td>
<td>Covers the retention of records by service providers.</td>
<td>Chapter 6 Part 6.3</td>
</tr>
<tr>
<td><strong>Sanctions Principles</strong></td>
<td>Outlines the responsibilities of <em>key personnel</em> and the administration of <em>sanctions</em> on service providers.</td>
<td>Chapter 4 Part 4.4</td>
</tr>
<tr>
<td><strong>Subsidy Principles</strong></td>
<td>Covers service provider eligibility for and calculation of subsidies.</td>
<td>Chapter 3 Parts 3.1, 3.2 and 3.3</td>
</tr>
<tr>
<td><strong>User Rights Principles</strong></td>
<td><em>Outlines the responsibilities of approved providers and the rights of care recipients.</em></td>
<td>Chapter 4 Part 4.2</td>
</tr>
</tbody>
</table>

*see explanation in Glossary, Section 15

### 2.2 Objectives of the Aged Care Act 1997

Chapter 1 Division 2, of the Act, clearly outlines the objectives of the legislation. The objectives are the foundation of the Act and the reason for its existence.

This Guide refers to these objectives, particularly the assessment process for becoming an approved provider and acquiring aged care places.
Before using this **Guide**, it is worthwhile reflecting on these objectives to gain a broad understanding of the purpose of the legislation and the type of responsibilities and obligations an approved provider is expected to adopt. This background information will give readers a context for thinking about their community’s aged care needs.

The objectives of the Act are (paraphrased) as follows:

a) To provide for funding of aged care that takes account of:
   
   i. The quality, type and level of care.
   
   ii. Access to care that is affordable and appropriate to the needs of people.
   
   iii. Appropriate outcomes for care recipients.
   
   iv. Accountability of the providers of the care.

b) To promote a high quality of care and accommodation.

c) To protect the health and wellbeing of recipients.

d) To ensure that aged care services are targeted towards people with the greatest needs.

e) To facilitate access to aged care, regardless of race, culture, language, gender, economic circumstance or geographic location.

f) To provide **respite** for families and others who care for older people.

g) To encourage diverse, flexible and responsive aged care services that are appropriate, and that facilitate independence and choice.

h) To help care recipients enjoy the same rights as all other people in Australia.

i) To plan effectively for the delivery of aged care services that:
   
   i. Promote the targeting of services to areas of the greatest need.
   
   ii. Avoid duplication of these services.
   
   iii. Improve the integration of the planning and delivery of aged care services with the planning and delivery of related health and community services.

j) To promote **ageing in place** through the linking of care and support services to the areas where older people prefer to live.

In reflecting these objectives, due regard must be had to:

a) The limited resources available to support services and programmes under the Act.

b) The need to consider equity and merit in accessing those resources.

*see explanation in Glossary, Section 15
2.3 Aged care statutory bodies and offices.

Under the Act, there are statutory bodies and positions relevant to aged care. The table below summarises these bodies and offices in relation to the Principles.

Table 2: Statutory bodies and offices in relation to the Principles

<table>
<thead>
<tr>
<th>Statutory Body or Office</th>
<th>Relevant Principles</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged Care Commissioner*</td>
<td>Accountability Principles</td>
<td>Addresses complaints against providers or the Aged Care Quality Agency.</td>
</tr>
<tr>
<td></td>
<td>Complaints Principles</td>
<td></td>
</tr>
<tr>
<td>Aged Care Financing Authority*</td>
<td>Committee Principles</td>
<td>Provides advice on funding and financing of aged care services.</td>
</tr>
<tr>
<td>Aged Care Pricing Commissioner*</td>
<td>Fees and Payments Principles</td>
<td>Approves certain accommodation payments and extra service fees.</td>
</tr>
<tr>
<td>Australian Aged Care Quality Agency*</td>
<td>Accountability Principles</td>
<td>Accredits service providers, offers education for service providers about the Aged Care Quality Standards.</td>
</tr>
<tr>
<td></td>
<td>Complaints Principles</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quality of Care Principles</td>
<td>Deals with complaints referred from DSS.</td>
</tr>
</tbody>
</table>

This information will assist organisations to understand the regulatory framework. However, at this point in the process, it is not critical for organisations wanting to apply for places to have a detailed understanding of these statutory bodies and offices.

*see explanation in Glossary, Section 15

2.4 Aged care changes

Since the introduction of the Act in 1997, there have been numerous investigations and reports about the aged care industry in Australia by the responsible Minister, the Productivity Commission and private organisations such as the Myer Foundation.²

The key changes recently enacted into legislation include:

- Creating a national Commonwealth Home Support Programme (CHSP)* that streamlines a number of previous programmes into one programme.
- Changing low and high care home care places to four new levels.
- Removing the distinction between low and high level care in residential aged care.
- Introducing Consumer Directed Care (CDC)* for home care.
- Implementing pricing controls on accommodation payments.
- Increasing accommodation subsidies for people of limited financial means.
- Funding workforce training.
- Creating measures to make access and understanding of the aged care system easier.

In addition to these amendments were specific funding changes to cope with increasing numbers of people requiring aged care in the home or in a residential aged care facility. This was supported by changes in means testing of fees so that care recipients who can afford to do so, pay more for the cost of their care.

Aged care may be subject to further reform and funding changes in the future, as the size and structure of Australia’s ageing population changes.

*see explanation in Glossary, Section 15

2.5 Key messages

The key messages from this section are:

- This Guide covers home care places and residential aged care places.
- The aged care industry legislative framework includes the Act, the Principles and the Aged Care Act Transitional Provisions.
- There are currently 16 Principles.
- The objectives are the basis for the Act – they are essential reading.
- Statutory bodies and offices are part of the legislative framework.
- Recent aged care changes are the start of long-term changes offering aged care recipients greater choice and flexibility, and asking them to pay more for their care if they have the ability to do so.
3 Options for meeting a community’s aged care needs

The objectives of this section are to:

• Outline the range of options available to CALD communities to meet their aged care needs.

• Introduce the decision-making tree (Figure 1).

The decision about how a CALD community might have better access to aged care services is a complex one that will require much time and research. There are many ways to meet the aged care needs of a CALD community.

You can:

• Assist existing approved providers to deliver culturally appropriate services that will meet the needs of your community.

• Develop a formal partnership to improve access to culturally appropriate care* with:
  
  o other CALD community group/s or organisation/s;

  and/or

  o existing service providers.

• Apply to become an approved provider and deliver aged care services directly to your community.

If you decide to assist an existing approved provider then you are not required to become an approved provider or to apply through the ACAR.

The flowchart in Figure 1 outlines the decision process and the steps to access aged care services, which include:

• Understanding the aged care needs of your community.

• Identifying the preferred approach to meeting these needs.

• Encouraging an existing approved provider to deliver services.

• Developing a formal partnership to deliver services.

• Delivering services directly to your community.

• Submitting an ACAR application.

*see explanation in Glossary, Section 15
### Key messages

The key messages from this section are:

- Meeting the aged care needs of a community is a process that requires a considered approach.
- Your organisation does not need to deliver aged care services directly to achieve good community outcomes.

**Figure 1: Options for meeting your community’s aged care needs**
Figure 1 outlines options for meeting a community’s aged care needs. The figure lists five steps starting with the question of how best to address aged care needs, which leads to quantifying this need, which leads to identifying current service delivery, which leads to determining service delivery gaps and then identifying how to meet this need.

At the end of these five steps, there are three options.

Option one involves encouraging an existing approved provider/s to deliver services, agreeing on community priorities and maintaining a relationship with the approved provider/s.

Option two involves developing a formal partnership with other CALD organisations or community groups or an existing approved provider, negotiating an agreement and working with this partner to expand services to your community.

Option three involves delivering services directly to your community, developing a business plan and applying to become an approved provider.

With option one and two, your organisation would support an ACAR application as required.

With option three, your organisation would compete in the ACAR.

The following pages of the Guide will go through this process in detail.

4 Understand the aged care needs of your community

The objectives of this section are to:

- Outline the importance of research and data in quantifying the aged care needs of your community.
- Highlight the need to be aware of the aged care services currently being provided that your community can or does access.
- Determine if there is a deficiency in aged care services for your community – does your community want or need something else?

4.1 Quantify the need for aged care services

Good research and data collection will define a community’s aged care need.

Sometimes people think that aged care services are needed for a particular community because of their own personal experience caring for their parent/s or relative/s. Sometimes this experience can be shared by a number of families within a community.

While this personal experience is important, research and data collection present stronger evidence that will better support applications for aged care service funding.
Research and data collection that supports personal experience includes:

- Australian Bureau of Statistics (ABS)* demographic data* about people most likely to want or need aged care services.
- Data on people over 80 years old provides a picture of immediate need.
- Data on people over 70 years old.
- Projections about the increase in the number of older people in the next 10 – 20 years that identifies CALD groups relevant to your community.
- Information about local services from the local Aged Care Assessment Team (ACAT) or Aged Care Assessment Service (ACAS)* or other health or community service providers that identifies particular CALD groups relevant to your community.
- Surveys of your community and information collection, for example from existing aged care services or governments.
- Research from governments and universities, for example population planning and migration data.
- Formal feedback from aged care services, network meetings, specialist agencies such as PICACs or a peak body* such as the ethnic communities council in your state/territory.
- Waiting list information from your own organisation with information about special needs for older people and phone log requests.

Assessment of your findings against the Australian Government’s planning ratio* will provide the actual evidence in identified service gaps in specific regions. The Australian Government’s planning ratio is 125 aged care places per 1,000 people aged 70 years and over, comprising 80 residential aged care places and 45 home care places by 2021-22. The Australian Government determines the number of places to be allocated each year in order to meet this ratio.

This research and data collection will help you to identify how your community accesses these services and how these services provide culturally appropriate care.

*see explanation in Glossary, Section 15

4.2 Identify current level of service delivery

A new aged care service will want to complement and not duplicate existing aged care services. So it is important to know who is providing what and to whom.

Scope the delivery of aged care services (home care and residential care) in the geographical location/s where the older members of your community live.
Develop a picture of these service providers such as:

- The number of home care places and/or residential places they provide – do they already provide culturally appropriate care to CALD communities? Do they have the capacity to expand these services?
- The service delivery philosophy – how well does this fit with your community’s philosophy?
- Their networking – are they connected to major aged care organisations? How influential are they in these networks?

The Government-funded My Aged Care website lists aged care services. Existing approved providers may also list services which are targeted towards CALD communities.

4.3 Determine gaps in service delivery

The conclusion many CALD organisations may come to is that there are only a few or no approved providers of aged care that are sensitive to the needs of their community – that there is a gap in service delivery.

If a gap is identified, quantify the gap. Is it large enough now, and in the future, to warrant a new/separate service or can it be managed through other aged care channels.

If a gap is identified, you can use its size and scope to help identify your preferred approach to filling it and determining how these needs can best be met.

4.4 Key messages

The key messages from this section are:

- Research and data:
  - Is needed to support personal experience that there is a need for aged care services in a community.
  - Can be obtained for free from a range of places.
  - Needs to include your broader community, not just the people close to your organisation.
- Know who is providing what type of aged care service to your community.
- Prove that there is a service gap that your organisation can fill.
5 Demographic information

The objectives of this section are to:

- Introduce the Australian census data and population statistics.
- Look at how this data can inform decisions about where aged care services are required, to meet CALD community need.
- Provide examples about the type of information you can generate from census data.

5.1 Australian census data and population statistics

Governments, corporations, universities and non-government organisations use demographics or population studies to:

- Develop policy
- Make service delivery decisions
- Understand population groups and local communities
- Determine future service needs

Demographics are based on factors such as:

- Age
- Cultural diversity
- Economic status
- Employment
- Gender
- Income level
- Level of education
- Sex

Demographic trends are important because the size and characteristics of population groups change as a result of economic, cultural, social and political circumstances.

The ABS currently conducts the Australian Census of Population and Housing every five years.

This census is the most comprehensive collection of demographic factors for every member of the Australian population. It measures the number and key characteristics of people present in Australia on census night and of the dwellings in which they reside.

This crucial information provides policymakers and organisations at all levels of government with a solid and reliable database on which to base their decision making. Australian census information informs most of the research and community information in government reports and websites, and some of the media.
Census data is the most widely available and comprehensive source of population data in Australia. A reliable source of additional data not available in the Australian census (about health, disease prevalence, hospital use and service use) is the Australian Institute of Health and Welfare.

Census data provides insight into:

- Cultural and linguistic diversity
- Demography
- Education
- Household information
- Housing
- Income
- Labour
- Providing care or needing assistance relating to a disability.

Analysis of this census data at geographic levels can help CALD communities work out where aged care services might be lacking or in demand.

### 5.2 Census data and CALD community aged care needs

The Australian Population and Migration Research Centre (APMRC) at the University of Adelaide has undertaken this analysis and has produced data sets based on the aged care planning regions (ACPR)*.

APMRC used the following key variables to determine CALD community aged care needs:

- English language proficiency
- Living alone
- Needing or providing assistance for core activities associated with disability or aged related illness

A wider range of variables could be selected and cross tabulated to extract data required for specific needs and analysis.

Table 3 outlines how defining your interest will make it easier to use available demographic data.

In this example, the demographic data you need is for:

- German-born people
- Aged 60+ who live alone in the inner Brisbane region of Queensland
• Using the most recent Census data (2011)

Table 3: Defining interest to use demographic data

<table>
<thead>
<tr>
<th>Question</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is your topic or subject area of interest?</td>
<td>A specific birthplace group, such as people born in Germany.</td>
</tr>
<tr>
<td>Who or what is your key population? (be specific about age, sex, geographical location)</td>
<td>People aged over 70 years.</td>
</tr>
<tr>
<td>What are you trying to find out about this issue or group?</td>
<td>Social isolation.</td>
</tr>
<tr>
<td>Are you interested in information relating to a specific timeframe? For example, population data for 80+ year olds would help determine if there was an immediate need for aged care services.</td>
<td>Current information, not historical.</td>
</tr>
</tbody>
</table>

Cross-tabulating or combining data can refine analysis to assist in defining the true need for services.

For example, to determine the need for translation services within a community (e.g. Italian community), we could refer to the data on the number of overseas born population born in Italy. However, there would be a proportion of those who were born in Italy who do not require assistance with translation, so our analysis could be refined by cross-tabulating the subset of the population that was born in Italy with English language proficiency (e.g. those who speak English ‘Not well’ and/or ‘Not at all’). This would provide a clearer picture of the extent of need for translation services.

The population data about CALD communities linked to this Guide uses two overarching variables:

• Age – data was extracted for people aged, both:
  o 70 years and over, to define future need
  o 80 years and over, to define immediate need

• Country of birth – a list was compiled of all countries of birth in the Australian census and, from this list, countries considered to be ‘culturally and linguistically diverse’ were used.
Using these two variables, the top 30 birthplace groups for each state and territory in Australia were compiled. This ensured that baseline data used to explore additional variables related directly to the CALD older population only.

Additional 2011 Australian Census variables were chosen to indicate potential aged care service need:

- Lives alone
- Need for assistance with core daily activities
- Speaks a language other than English and speaks English not well or not at all

If you wish to undertake further analysis, the ABS provides a powerful tool, TableBuilder, to analyse census data. It should be noted that TableBuilder requires the user to have a certain level of computer skills. The level will vary depending on the types of data you are interested in obtaining.

The population data linked to this Guide uses population numbers, not total population proportions because service delivery relies on knowing the number of people needing a service, not the proportion of a population.

For example, it is more useful to know that 98 of the 200 Polish speaking people in Canberra have limited English proficiency and may require a translation service than it is to know that almost 50 per cent of the Polish population needs translation assistance. While 50 per cent of the population sounds a lot, in this example the number is less than 100 people.

It is important to understand the limitations about what the Census can tell us.

Characteristics at the individual level contain variables such as age, income or language spoken. While characteristics at the household/dwelling level contain variables such as internet connection or number of motor vehicles, the data between the two levels cannot be linked.
For example, to explore older people and their use of the internet, we can determine the number of households with people aged 70 years and over, but we cannot determine if these people are the actual household user/s of the internet.

The census cannot link data connecting individuals living in separate households.

For example, it is not possible to link information/data about older parents with their children or other family members residing in separate households.

So while we may know that living in Newcastle there are:

- 430 Italian born people aged 70 years and over.
- 625 people who have a parent of Italian descent.
- But we don’t know if they are related to each other.

Other limitations include an individual’s previous occupation where the individual is retired. However, a cross-tabulation of the appropriate characteristics/variables can provide a ‘best guess’ picture of the retired population.

For example, if we were to combine data on people aged 70 years and over with the variable of ‘not currently in the labour force’ we could assume that most of this population is retired.

Essentially, while the census is extremely powerful and able to provide a great deal of data it is limited to the census form questions – it cannot answer queries beyond these questions.

The ABS takes great precautions to ensure that in publicly providing this data individuals cannot be identified. Therefore, much of the household and individual data cannot be linked. Another important privacy consideration relates to working with small numbers generated during analysis. Small numbers generated at a geographic level run the risk of identification so, to ensure confidentiality, statistic randomisation occurs for small figures. Therefore, tables or cells containing small numbers (less than 20) may not be accurate and can vary, depending on when the data was extracted.

*see explanation in Glossary, Section 15

5.3 Key messages

The key messages from this section are:

- There is free data that CALD communities can use to begin to determine the location of aged care services to meet their community needs.
- While census data is very useful for helping to work out where aged care services are needed, there are limitations as to what data can be generated.
- Cross-tabulation of data is also useful.
- Census data protects privacy.
6 Identify your community’s preferred approach to meeting its needs

The objectives of this section are to:

- Clarify the range of suitable options available to meet a community’s aged care needs.
- Stimulate your thinking about what is the best option for your community.

You can meet the needs of your community in different ways. The research and data you collect will help your community group or organisation to:

- Identify the number of people likely to need/access a service. A low number may mean it isn’t viable to operate a service for only a few people.
- Encourage or help existing approved providers to meet the needs of your community by talking to these approved providers and agreeing on your community’s aged care needs.

OR

- Develop a formal partnership to improve access to culturally appropriate aged care services such as:
  - Other CALD community group/s or organisation/s.
  - Existing approved providers.

OR

- Apply to become an approved provider and deliver aged care services directly to your community.

Before examining these options, your community group or organisation will need to assess the resources you might need for each option. These resources might include property, staff, reporting systems, skills and finance.

Assistance may also be obtained from the local PICAC office in each state and territory. PICACs are funded by the Australian Government to assist aged care providers deliver culturally appropriate care.

6.1 Encouraging or helping existing approved providers

Existing approved providers may need support from CALD community groups or organisations to provide culturally specific aged care services.

Encouraging or helping existing approved providers to meet the needs of your community could include:

- Helping to recruit appropriate care workers.
- Marketing specific aged care services to your community.
• Providing support to the approved providers in its ACAR application for home care places and/or residential aged care places specifically for your community.

• Fundraising by your community for expenditure items.

This approach may expand the delivery of services to your community, however, your organisation may have limited influence over how the services are operated.

If an approved provider asks for your support to expand their services and/or to apply for additional home care places and/or residential aged care places, it is important to have an agreement that explains your expectations of the approved provider and how future relationships will be managed.

Case study – developing trust between an existing approved provider and the Spanish community:

An unusual situation arose with an existing approved provider, who had approached the Spanish community about setting up a service specifically for their community. Initially the community’s involvement and interest in the residential home was limited, however after educating community members (particularly older people and their families) about the benefits of living in a residential aged care facility, people’s perception slowly started to change.

Spanish community representatives did this by talking to small groups of people, meeting with them individually and organising a tour for older members of the community and their families.

A couple of people finally decided they would move into the facility. Spanish community representatives started discussions with the approved provider about organising a Spanish TV channel and offered to pay. The facility manager was happy to meet and discuss this idea, and was happy for Spanish speaking volunteers to spend time with older community members. But the facility manager was very slow to act. Nothing seemed to be happening.

This changed with the commencement of a new facility manager. The Spanish community met with the new facility manager and provided information about how to organise the Spanish TV channel as well as the costs. The new facility manager was very positive and true to his word. The Spanish TV channel was made available at the facility, which in turn brought the Spanish community together – they could chat, laugh and share stories in their own language.

The Spanish community started to feel that the facility cared about them.
The Spanish community started referring older members of the community and their families to the facility. They also made a commitment that they would visit the facility once a month and bring Spanish food, sweets, drinks and entertainment to enjoy. Older members of the community started talking to community representatives about what they missed or wanted, about special occasions where they could sing, dance and laugh together. The churros that were personally made by the community were a big hit.

While the Spanish community initially funded the cost of the activities (from their limited budget), the approved provider began to fund a number of activities because of the positive reaction by the Spanish, and by the non-Spanish residents who also enjoyed participating.

6.2 Partnering with other organisation/s

There is an opportunity to partner with other organisation/s if your organisation does not have the funds or the resources to deliver aged care services directly. The process for partnering is considered in more detail in Section 7.

6.3 Delivering aged care services

A community group or organisation may form the view that the best way to meet their community’s aged care needs is to establish a home care service or residential care facility.

This may take the form of ethno-specific services, culturally related services (based on religion or language) or multicultural services that deliver culturally appropriate care to a range of communities in a specific geographical location.

For organisations wanting to become an approved provider and directly deliver care, delivering home care places can be a logical starting point, because it can be a good way to build up organisational capacity. Over the last few ACARs there has generally been more competition for home care places than residential aged care places, making acquiring home care places harder to achieve.

CALD organisations that already operate community-based services, such as Australian Government funded Commonwealth Home Support Programme (CHSP)*3, may be able to extend their business and apply to become an approved provider to deliver home care places.

Residential care requires land and a much larger investment: for example, a typical 90 place aged care facility in 2014-15 will cost around $19 million (plus land).

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*3 Note: Community care programmes, such as Home and Community Care (HACC)*, National Respite for Carers Programme (NRCP), Day Therapy Centres (DTC), Assistance with Care and Housing for the Aged (ACHA) programme have been consolidated to form the Commonwealth Home Support Programme (CHSP), which commenced on 1 July 2015 in most states, as part of the changes to aged care.
CALD organisations can access funding (via capital grants*) from the Australian Government on a competitive basis to build a facility. Organisations are expected to contribute the maximum amount possible taking into account a realistic assessment of funding raising capacity and income/asset tested fees that residents will be required to pay. However, this funding will rarely cover the full cost of developing a new facility and there is strong competition for these funds. Capital grants are offered through the ACAR. You will need to be an approved provider to receive a capital grant.

Before deciding to apply to become an approved provider or entering a memorandum of understanding (MoU)*, you will need to develop a business plan*.

This business plan should cover the first few years of the service’s operation and should address issues such as how many care recipients the service will have, how the business will operate and future income and expenditure.

*see explanation in Glossary, Section 15

**GO TO> Section 10.7 Business plan, for more information**

Establishing your own service is a big undertaking but there are many stories of CALD organisations who have successfully established aged care services.

### 6.4 Combining options

Depending on the size, care needs and location of your community it may be appropriate to combine some of the above options to best meet the needs of your community.

For example, based on your research findings and resources, your best option may be to establish a home care service rather than a residential aged care service. In this case you could become an approved provider of home care services and consider entering into a partnership with an approved provider of residential care.

### 6.5 Key messages

The key messages from this section are:

- Think about what each of the options involve.
- Understand the capability of your community to take on these options.
- Decide what would be best for your community – each community’s needs will be different.

### 7 Partnering with other organisation/s

The objectives of this section are to:

- Explain how partnerships or collaborations might achieve better outcomes for CALD communities.
• Assist CALD organisations to select an appropriate partner organisation.
• Outline a process for preparing a partnership agreement.
• Provide a partnership checklist.

This **Guide** defines ‘partnership’ as a process in which two or more organisations or groups work together to achieve a common goal, and do so in such a way that they achieve more effective outcomes than by working separately.

While the **Guide** uses the expression ‘partnership’ it must be recognised that this covers a diverse range of collaborative relationships that may extend from ‘one-off’ or short-term cooperative arrangements on a single issue through to longer term formal relationships between organisations.

There is no one partnership model that can be universally applied. Communities will need to make strategic and pragmatic judgements about the partnership required to best meet the needs of their community, given the resources and leverage available to their organisation.

### 7.1 Partnerships are often not between equals

CALD organisations must have a clear and realistic understanding of what being in a partnership means in terms of the decision-making process. If one partner is contributing the majority of the resources and carrying the majority of the risk, it is reasonable that this partner will expect to have a greater say in the partnership outcomes. As a result, the other partner may have to accommodate these decision making and governance processes.

Whatever the power relationship, any partnership must be underpinned by respect between the partners. Without respect it is unlikely that a partnership will achieve its full potential and it is unlikely the relationship will be maintained in the longer term.

### 7.2 Selecting a partner

Sometimes there will be two or more CALD community groups or organisations who can work together to deliver aged care services.

Sometimes there are existing approved providers who provide or are interested in providing home care and/or residential aged care services for older people from CALD communities. It is quite common for this to occur, often in collaboration with local CALD organisations.

There may also be CALD providers who are interested in extending their delivery to other CALD communities.

Whatever your organisation decides, there are some simple measures to observe before committing to the partnership.
7.2.1 Research

You should research your prospective partner before deciding to enter into a formal arrangement. You can do this by many different means including:

- Talk directly with your prospective partner and ask them about their objectives so you can learn more about their values and culture, and how they may be compatible with your organisation.
- Ask other communities about their experience with this prospective partner.
- Investigate the financial health of your intended partner, especially if you are considering a long-term commercial relationship.
- Ask your prospective partner for referees who can attest to their conduct.
- Obtain a copy of your prospective partner’s annual report* for information about their recent projects, their people and their financial status.
- Obtain copies of your prospective partner’s credit rating from a reputable credit rating agency – the Australian Securities and Investments Commission (ASIC)* makes this information available.
- Confirm your prospective partner’s background details from the ASIC website.

*see explanation in Glossary, Section 15

7.2.2 Consider the alternatives

Before taking the next step towards a partnership with your selected partner, research your alternatives. Consider:

- What sort of agreements have other organisations achieved?
- Are there other agencies that might be a better choice?

The important thing to remember is that you should not feel afraid or intimidated to shop around to get the best outcome for your CALD community.

There are many outstanding examples of partnerships between CALD organisations and existing approved providers, and between other CALD organisations that are approved providers – we capture some of these in the case studies.

7.3 Forming a partnership

Before entering into a partnership it is important for your organisation to have a clear sense of why it is entering into a partnership and exactly what it hopes to gain from this partnership, for your community.

There are many potential elements to any partnership agreement – some of these are discussed below.
7.3.1 Purpose
Be clear about what your organisation needs or expects from the partnership and ensure that these expectations are shared in your organisation. Document the agreed purpose.

7.3.2 Roles and responsibilities
Ensure your organisation understands and agrees what it will contribute to the partnership (such as fundraising) and the contribution of your prospective partner (such as carers who have appropriate training in culturally appropriate care and/or who speak a specific language).

Be realistic about what your organisation can contribute to the partnership and don’t over-promise. If there are risks involved in meeting your organisation’s commitments, explain this to your partner organisation.

Make sure the terms of the agreement are flexible if either organisation cannot meet certain obligations. Importantly, the agreement should have sufficient flexibility to accommodate changing circumstances.

7.3.3 Decision process
The partnership agreement should clearly articulate the decision-making process and identify the right people with the appropriate authority.

If both (or all) organisations have their own decision-making/governance processes, establish how these processes will fit together to achieve mutually acceptable and timely decisions. At the outset there needs to be recognition of and honesty around differences (including real or perceived differences in power). Failure to do this may result in the partnership ending.

7.3.4 Other considerations
There are many other considerations that might go into a partnership agreement depending on the nature of the arrangement. Some examples include:

- How communications will occur between the partners and with external parties (such as government, your community, the broader public).

- The disclosure of, or access to, confidential information (with consideration and compliance of Privacy Laws).

- How you will evaluate the progress and success of the partnership and, based on this, how you will make changes to the agreement in the future.

- How you will deal with disagreements between the partners and an exit strategy if differences cannot be resolved.

It is recommended that you consult a lawyer to draft or understand these obligations. Don’t feel obliged to address all of these issues if you think they are not relevant; add other issues if you feel they are relevant. Importantly, investigate the financial health of your intended partner, especially if you are considering a long-term commercial relationship.
Case study – a partnership for new multicultural home care places:

A group of CALD providers met to talk about establishing a partnership. Three models were considered. The model chosen was to develop an independent not-for-profit entity with the purpose of delivering aged care services to CALD communities.

Members from the group met regularly, working through values, principles, goals and service structures. While other organisations also showed interest, to progress the process, the group decided to defer this interest until after the constitution was adopted.

Member organisations wanting to move forward as part of a consortium received Board* approval and signed a MoU. A consultant was hired to assist members tackle the more difficult issues and to establish a strategic plan; a barrister was employed to help develop the constitution.

The consortium decided to apply for home care places under their new name. As the consortium was not a legal entity at the time, they nominated an organisation, with legal entity, as the lead agency.

In the 2014 ACAR, the lead agency received its first home care allocations. The consortium is now working to expand its membership and grow its services.

*see explanation in Glossary, Section 15

7.4 Form of agreement

An agreement with a partner organisation is often put in writing as a letter of intention or a formal obligation. The form of the agreement depends on the partners and their need to be legally bound to the terms of the agreement. Examples of these are a service agreement* or a MoU.

Some potential partners may seek to have you enter into a confidentiality agreement* either prior to or as part of the partnership agreement. This is not uncommon in commercial transactions and may be appropriate, however you should consider carefully whether this will adversely affect your ability to consult with or to inform your community.

Use the partnership checklist below to see if you have covered all aspects of the intended arrangement. Importantly, seek expert legal or strategic advice – it may save you a lot of time and money in the longer term.

*see explanation in Glossary, Section 15

7.5 Partnership checklist

There are a number of useful tools available to assist with the partnership decision-making process.
For example, VicHealth has produced ‘The partnerships analysis tool – A resource for establishing, developing and maintaining partnerships for health promotion’ and a checklist that CALD organisations can adapt to suit their purpose. The rated response to checklist questions helps to establish the partnership need.

You may wish to review other state/territory government websites as they may also have valuable resources. The Not-For-Profit Law Information Hub provides legal information for community organisations in Victoria and NSW.

There may also be other relevant documents in your state/territory.

The following checklist has been reproduced from a paper prepared by Fauna & Flora International entitled Guidance for Working with Other Organisations.

The paper outlines the range of issues to consider about partnerships.

7.5.1 Identifying

- Is the decision to work with the organisation/s based on adequate knowledge and consideration of all potential collaborators? For example, what other organisations work in the area/sector, why is this the most appropriate organisation to work with at this time and on this project?

- Is the project within the Board or Committee approved objectives of all organisations? If not, is the rationale for engagement sufficiently justifiable? For example, there may be strategic or ethical reasons for an organisation to work on an issue not directly within its objectives.

- Do potential partner organisations have the necessary skills or the means to develop/access these skills (for example, by contracting expertise), and a good reputation or track record?

- Have the benefits and costs of working jointly been fully considered? For example, benefits include the capacity to deliver on a larger scale and securing or developing additional skills or resources; costs may include more extensive consultation and decision making processes.

- Are there any risks in working in partnership with the organisation/s? For example, loss of autonomy or reputation, shift in focus of either organisation.
7.5.2 Building

- Do all partners share a good understanding of the context and issues being addressed, and appreciate the mandate and values of other partnership organisations? This is particularly important when working with organisations from other sectors.

- Are the aims and objectives of the partnership defined and agreed?

- Has an implementation plan been agreed?

- Have partners identified and found ways to mobilise the resources needed?

- Are the roles and responsibilities of each organisation clearly defined and agreed? This could include, for example employment and/or management of staff; financial management and reporting; project management and reporting; day-to-day administrative tasks. This list is not exhaustive. Other issues may also be relevant depending on the partner organisations and the project.

- Are the expectations of each partner organisation clear and realistic?

- Does each partner have the necessary skills and resources to enable them to fulfil their roles and responsibilities effectively? If not, have strategies been developed to address skills/resource gaps?

- Have time and resources been budgeted for partnership management? This includes, for example, regular meetings and communication.

- Has the partnership agreed how to present itself (for example, individually, as collaborating organisations, or as a partnership) to various stakeholders (community members, local government institutions, donors, non-government organisations) that have an interest in the work?

- Has an agreement been prepared and signed by all partners?

7.5.3 Managing and maintaining

- Is the structure and processes of the partnership appropriate? For example, is the decision-making process timely, equitable and transparent? Is the management structure appropriate? Is there a process for resolving conflict?

- Do the partners communicate at appropriate times (not too little and not too often) and in appropriate ways (face-to-face meetings, telephone, email)?

- Are meetings managed well (focused, appropriate and interesting) and documented as appropriate?

- Are issues requiring resolution dealt with promptly?

- Are all organisations sharing and learning from each other’s successes and mistakes?
7.5.4 Reviewing

- Has a time period been agreed after which the partnership will be reviewed? This will help to ensure that all organisations are fulfilling their obligations, that expectations are being met and that the partnership is delivering effectively.

- Is the partnership achieving its objectives? To what degree are the outcomes sustainable? Has a method been devised to monitor and measure the effectiveness of the partnership and its activities? An assessment of the partnership could be built into project/programme reviews and evaluations.

7.5.5 Revising and renegotiating

- During the course of the relationship, particularly following a review, the structure or processes of the partnership may need to be revised. If so, it will be useful to reconsider the points outlined in this checklist.

7.5.6 Exiting

- Has the lifespan of the partnership been agreed? Is it linked to or likely to extend beyond, a specific project or funding period?

- Have the circumstances under which the relationship may be ended early, been agreed and outlined in the agreement? This could, for example, include changes in the wider environment (such as new legislation, political issues, economic issues), resolution of the key issue the partnership was addressing, changes in funding, unfulfilled obligations, poor accountability and reporting.

- Has a minimum notice period been agreed?

- Has ownership of any jointly held assets (including intellectual property) been agreed?

7.6 Key messages

The key messages from this section are:

- Partnerships have clear advantages for CALD organisations that lack the resources and/or the skills to provide aged care services directly to their community.

- Be clear about why your organisation is considering a partnership arrangement and what it expects to achieve as a result.

- There can be risks in partnerships – do your homework before entering into any agreement, and if uncertain seek legal advice.

8 Delivering services directly to your community

The objective of this section is to:

- Outline the steps an organisation should follow to become an aged care approved provider funded by the Australian Government.
8.1 Deciding to apply to become an approved provider

Many CALD organisations seek greater access for their communities to culturally appropriate care. This might be achieved by operating culturally specific aged care services for their own community or by finding others who can help them achieve this goal.

Becoming an approved provider requires careful consideration and planning. Organisations may benefit by considering a partnership or collaborative arrangement with an existing approved provider or another CALD organisation with similar values to their own.

This Guide looks at both strategies.

To receive Australian Government subsidies to provide aged care services, the service must be operated by an organisation that has been approved by the Australian Government and has an allocation of ‘places’ that care recipients can occupy.

To apply to become an approved provider of aged care services under the Act, DSS must assess the applicant and its proposed key personnel (Board or Committee members and managers) as suitable to provide aged care services.

The decision to apply to become an approved provider of aged care services is a comprehensive process that requires an understanding of the legislative environment and the gathering of appropriate resources along the way.

The process for becoming an approved provider is dealt with in Section 9.

A process for becoming an approved provider of aged care services is suggested below. This process may not be appropriate in all cases but it demonstrates some of the decision-making requirements.

8.2 Step 1 – Establish a steering committee of community representatives

It is important at the outset that CALD organisations engage their community in the initial decision process and seek their feedback. The steering committee may comprise members of your organisation’s Board or Committee of Management or it might also include other interested people willing to devote time to the project.
A project backed by the community improves the project’s chances of success. It may also prove helpful in any future marketing or fundraising campaigns.

Case study – establishing a steering committee of community representatives:

In 2012 a cultural centre funded by the Department of Foreign Affairs encouraged members to establish a charity fund to support their ageing members, a need that had been evidenced by ABS data. At the same time, a social worker from the community was working on this issue and had concluded that older community members’ aged care needs were not being met by existing approved providers.

Consequently, the social worker, five business owners and a lawyer established an incorporated association*. For two years, the association worked hard to fundraise.

In early 2014, the association organised a community consultation about the needs and interests of their older members; 120 people attended. Later that year the association officially launched an organisation to provide respite services, which volunteers operate one day a week.

The association is now considering funding options to expand services and to employ a dedicated worker.

Case study – establishing a steering committee of community representatives:

One way in which the 450 members of a Burmese community stay in touch with each other is through monthly picnic gatherings and the work of their president. The community has successfully established a steering committee of four key community representatives who distribute information and provide feedback to the fifteen older members of their community.

The steering committee is in a good position to identify and plan for the emerging aged care needs of their community.

*see explanation in Glossary, Section 15

8.3 Step 2 – Prepare a business plan

A business plan is a document that describes your business, its objectives, strategies, target market and financial forecasts. It is a blueprint to your business’ future.

The plan is important on many levels, in particular it:

- Demonstrates to the Board or Committee that there is a strategy to deliver aged care services and that the costs and risks have been assessed.
- Can be promoted to stakeholders in the community.
- Can be used (in part) to support an application for places.

In aged care, the business plan would typically deal with the following six issues.
8.3.1 Summary of the aged care business
This information comes from the research you have already completed and includes details about:

- What the aged care business is intending to provide (home care, residential care).
- The geographic area your organisation intends to cover.
- The size of services your organisation will deliver – the size will need to consider the financial viability of the business: if it is too small it may not be financially viable in the long term.

8.3.2 Entity that will operate the business
The appropriate legal entity for not-for-profit CALD organisations is usually an incorporated association or a company limited by guarantee*.

For-profit organisations may need to consider a private company or trust to operate their proposed aged care business.

*see explanation in Glossary, Section 15

8.3.3 Personnel to be involved in the business
Critical to the plan will be the engagement of a Chief Executive Officer (CEO) or manager who has the appropriate skills and experience to manage the business. The business plan will also need to identify the process and cost of recruiting staff to operate the service on a day to day basis.

8.3.4 The market and the expectations of the service
The business plan will need to consider where the aged care service market is located and the process for attracting future care recipients. Marketing through the local community may be cost effective but there are other ways such as general advertising, fundraising and promotional events.

8.3.5 Plans for business development and expansion
Most businesses will commence on a small scale or as an initial start-up. The business plan will need to outline:

- Who will be responsible for growing the business and how this growth will be achieved (e.g. through the ACAR).
- How the recording and reporting systems will be established and the people responsible (e.g. CEO).
- How a property will be acquired or how the organisation will construct a residential facility.

8.3.6 Finance and funding
The plan will outline how the business is to be funded. This could be from a number of sources including:

- Initial fundraising and donations.
• Borrowing.
• Capital from an existing business.
• Forecast cashflows from the operation of a proposed or existing business.

8.4 Step 3 – Activate the business plan
If your organisation is already an approved provider, the first step in activating the business plan may be a decision to submit an application in the next ACAR.

Organisations may decide that they do not have the resources to immediately operate an aged care business and choose to undertake a long-term fundraising strategy.

Many of the tasks outlined above may require outside expertise. Your organisation may need to consider engaging the services of an industry expert.

8.5 Key messages
The key messages from this section are:

• Becoming an approved provider is a comprehensive process and requires time and resources.
• Organisations may need help to step through the approved provider process.
• A well-developed business plan is essential.

9 Completing an approved provider application
The objectives of this section are to:

• Outline the approved provider process.
• Provide guidance to people wanting to complete the approved provider form.
• Provide references to the Act that applicants need to familiarise themselves with to draft a comprehensive response.

9.1 Criteria for approval
There are four primary requirements to become an approved provider:

• The applicant is an incorporated body – this includes entities set up under statute, public and private companies and associations whether incorporated under federal or state/territory legislation.
• The applicant is suitable to provide aged care services.
• None of the key personnel are disqualified individuals (see Section 9.2.2).
• The application is made on the approved form.
Applicants can apply separately for home, residential or flexible care through this process.

9.2 The application

To apply to become an approved provider it is necessary to use the approved form from DSS.

The form asks questions about the suitability of the applicant (the organisation) in relation to:

- The applicant’s previous role in providing aged care services.
- The applicant’s approved provider status having been revoked or refused.
- Sanctions that have been imposed on the applicant.
- The applicant’s involvement in receivership, voluntary administration or liquidation.
- The applicant’s breaches of statutory obligations.
- The applicant's involvement in criminal activity.

Applicants must provide a national company criminal history check and a police check for all key personnel. These checks must be less than 90 days old. The Australian Federal Police (AFP) or an accredited CrimTrac agency provide these checks at a small cost.

Flexible care is an aged care service that addresses the needs of care recipients in alternate ways to home care and residential care. It is not part of the ACAR and is not covered by this Guide.
The remaining questions in the form relate to the applicant’s experience and understanding of aged care services and the obligations of operating an aged care service.

In answering the questions the applicant should frame the answers, where applicable, in terms of its suitability to provide the type/s of care sought in the application. Applicants with documentation that support claims made, such as reports that indicate the organisation has complied with the Home Care Standards, should attach this to the application.

9.2.1 Understanding the approved provider application – the organisation

Set out below are some examples of the questions that may be asked and some guidance about responding to them.

**Describe the applicant’s experience, if any, in providing aged care services under the Act, or care services in other supported environments or in any other sector.**

This example question asks for information about the applicant’s suitability in providing aged care services (or any type of care in a ‘supported environment’).

Many CALD organisations will not have provided aged care services previously so the response should outline other business experience.

This business experience could be in a:

- Related aged care industry ‘supported environment’ where older people are assisted with their needs (day care, flexible care, HACC programmes, privately funded home care, retirement villages, sheltered housing or supported residential services).

- Non-related care industry ‘supported environment’ where people are assisted with their needs (disability care or child care).

- Discipline relevant to providing aged care services, where general business experience can be demonstrated in one or more of the functions undertaken by a service provider such as:
  - Accounting
  - Building and project management
  - Business management
  - Consulting
  - Finance
  - Government
  - Health
  - Information technology
  - Legal
  - Real estate
Of particular interest to DSS is the use of Trust Funds in aged care. Where the proposed provider is the Trustee, the Department will need to understand details of the Trust to ensure that Australian Government subsidies for care recipient are suitably protected and can be accountably used to provide the funded care and services.

Reference:

- The Act, Chapter 2 Division 8
- Approved Provider Principles, Chapter 7
- Quality of Care Principles
- Sanctions Principles

Case study – developing an experienced Board:

An organisation is a culturally specific approved provider that delivers services to over 350 Dutch speaking older people and their carers. A key strategy for the organisation has been the development of a Board with an extensive range of experience, skills and knowledge. The current Board skill-set includes people from diverse industries such as accounting and finance management, aged care (CALD specific), commerce, economics and marketing, logistics, nursing, psychology, social policy development, and special education.

The specialist knowledge, understanding and skills of management and staff assist in delivering excellent outcomes for their community.

Case study – establishing an incorporated association:

In the early 1980s, members of a CALD community identified a need for a culturally appropriate residential aged care service to support their ageing community members. Community members were invited to public meetings, which were very well attended; there was strong support to work towards the establishment of a retirement village.

An interim committee was formed, became an incorporated association and developed a business plan. After some time and much searching, a suitable site was found at a reasonable price. With community support, council approval and enough funds to purchase the land (raised by selling debentures and small fundraising events) they could implement their business plan.

Having regard to the care type(s) the applicant is applying for, describe how it will provide this service(s) under the Act.

This example question seeks a number of different components and can be broken down into topics that cover what you will do. These components could include:

- Brief overview of the service to be established and its objectives.
- Intended service delivery model.
- How will you employ staff/management with the skills and experience needed to provide aged care services?
- How widely will your service be delivered?
- What recording and reporting systems will you establish to comply with the requirements of the Act and the Home Care Standards and/or Accreditation Standards?
- Understanding of the Principles, cross referenced to aspects of service delivery that relate to those Principles.
- Developing policies, procedures and processes or a continuous improvement* system, as required by the Quality of Care Principles.
- Establishing CDC, care recipient agreements and other safeguards as outlined in the User Rights Principles.
- Charging fees and accommodation payments as covered in the Fees and Payments Principles.

Take care not to duplicate information you provide in other responses; keep the response balanced with respect to each aspect of service delivery.

Reference:
- The Act, Chapter 4
- Fees and Payments Principles
- Quality of Care Principles
- User Rights Principles

*see explanation in Glossary, Section 15

Describe the applicant’s experience, if any, in the implementation of good practice principles in providing aged care services under the Act, or in care services in other supported environments or in any other sector.

The wording of this example question relies on the applicant to explain their experience in implementing or maintaining systems of good practice (sometimes referred to as ‘best practice’). Examples include:

- How the applicant has acquired knowledge about good practice through published literature, education, professional development or partnerships.
- Promoted good practice within the organisation including audits, surveys, research and innovation.
- Incorporate the results of an evaluation into policies and procedures to enhance operational process.
- Recruited management and staff who have the skills and knowledge to implement ‘good practice’.
- Best practice award nominations or prizes.
Once again, it is important to respond to this question in terms of the applicant’s experience. If the applicant and its key personnel have no experience in providing aged or other care services, or services in supported environments, the question can be answered with reference to experience in another industry.

Reference:

- The Act, Chapter 4
- Quality of Care Principles
- User Rights Principles

Having regard to the care type(s) the applicant is applying for, describe how it will implement good practice principles in the delivery of aged care services under the Act.

The wording of this example question is very similar to the question above, except it requires a response that looks to future aged care service delivery rather than past experience.

Drawing on your response to the previous question and past experience, outline your proposed aged care service plans, which could include:

- Proposals to fund additional training or better practice research.
- Engaging staff or management with specific technical skills.
- Specialising in specific types of care.
- Using continuous improvement and audit processes to guide future practice.
- Commitment to continuous education, including:
  - Membership/association with professional bodies.
  - Subscriptions to aged care related journals.

Reference:

- The Act, Chapter 4
- Quality of Care Principles
- User Rights Principles

Describe the applicant’s experience, if any, in human resource management in providing aged care services under the Act, or in care services in other supported environments or in any other sector.

This example question requires a response about the applicant’s human resources* management experience, regardless of whether this was in aged care or another industry. Areas to cover could include:

- Staff recruitment and management in an existing business.
- Resource capabilities such as the human resources used to operate the current business, skills developed, past success/achievements.
• Implementing policies and procedures.
• Implementing induction, training, education, professional development and supervision processes.
• Managing staff and complying with legislation.

Reference:
• The Act, Chapter 4
• Quality of Care Principles
• User Rights Principles

*see explanation in Glossary, Section 15

Describe how the applicant will implement effective and efficient human resource management practices in the delivery of aged care services under the Act.

The wording of this example question is very similar to the question above, except it requires a response that looks to future aged care human resource management practices rather than past experience (in aged care and other businesses).

Drawing on your response to the previous question and past experience, outline your proposed aged care service plans, which could include identifying or outlining:

• The people who will perform the required tasks, their skills and experience (or the skills and experience of the people you will employ to perform the required tasks).
• How the applicant will implement human resource policies and procedures.
• How the applicant will establish systems for staff contracts, job descriptions, task lists and other documents necessary to manage human resource practices.
• Staff induction, training, education, professional development and supervision processes.
• Managing staff and complying with legislation.
• Particular software systems (if any) the applicant will use (if known) or the type of system it will implement.

Reference:
• The Act, Chapter 4
• Quality of Care Principles
• User Rights Principles
Describe the applicant’s experience, if any, in meeting relevant Standards in providing aged care under the Act, or in care services in other supported environments or in any other sector.

This example question requires the applicant to draw on their experience (in aged care and other businesses) to demonstrate how they have operated a quality system*. A quality system is a collection of business processes focused on achieving your quality policy and quality objectives i.e. what your customer wants and needs. It could be expressed as the organisational structure, policies, procedures, processes and resources needed to implement quality management.

For an aged care business, the Standards are summarised in the *Quality of Care Principles*. For other businesses, the standard adopted could be a general standard such as the International Organization for Standardization (ISO) or a specific standard such as the National Safety and Quality Health Service Standards applicable to healthcare in Australia.

Some organisations may introduce quality standards in their business based on other guidelines. Essentially, the response should demonstrate experience in operating formal quality systems.

Reference:
- The Act, Chapter 4
- *Quality of Care Principles*
- *User Rights Principles*

*see explanation in Glossary, Section 15

Having regard to the care type(s) the applicant is applying for, describe how it will meet the relevant Standards of care that are set out in the Act.

The wording of this example question is very similar to the question above except it requires a response that looks to future aged care practices rather than past experience (in aged care or other businesses).

Drawing on your response to the previous question and past experience, outline your proposed plans to meet the required Standards.

The response is quite straightforward if the applicant already provides other types of care. If however, the applicant has not previously operated in aged care or a similar environment, the applicant will need to outline the process for how the quality systems will be established, which should include:

- Engaging a person or consultant with experience in meeting the required Standards.
- Implementing appropriate systems.
- Complying with the Act, in particular, the *Quality of Care Principles*. 
Having regard to the care type(s) the applicant is applying for, describe its understanding of the obligations and responsibilities of approved providers under the Act and how these will be met.

Approved provider obligations and responsibilities are numerous and wide reaching. As a minimum, your response should recognise this and provide relevant examples. These obligations generally relate to matters outlined under the Act such as:

- Standard of care provided to care recipients.
- Care recipient agreements and charging fees.
- Respect for care recipient rights.
- Documenting and claiming subsidies.
- Prudential requirements relating to refundable accommodation payments, insurance, liquidity and solvency.

This list is not exhaustive. It indicates the sort of matters your response should consider.

Reference:

- The Act, Division 9 and Chapter 4
- Accountability Principles
- Investigation Principles
- Quality of Care Principles
- Residential Care Subsidy Principles
- User Rights Principles

Describe what steps the applicant will implement to ensure the ongoing suitability of its key personnel.

Approved providers have an obligation to ensure that the organisation’s key personnel are not disqualified individuals (refer to section 10A-1 of the Act) and are suitable to provide care (refer to section 8-3 of the Act).

This example question requires the applicant to demonstrate what arrangements will be in place to meet this obligation. In doing so, the applicant will need to demonstrate an understanding of the Sanctions Principles.

Examples may be:

- What are the policies and practices at the time key personnel are recruited?
• What governance arrangements are in place to ensure ongoing suitability of key personnel?

It is important for the approved provider to continually monitor the suitability of key personnel. Please note there may be situations where key personnel could be impacted by their role as key personnel of other aged care providers. Take this into account when responding to this question.

Reference:
• The Act, Division 10A, Division 54 and Division 63
• Quality of Care Principles
• Sanctions Principles

Describe the applicant’s experience, if any, in ensuring that care recipients’ rights are protected under the Act, or in care services in other supported environments or in any other sector.

This example question deals with the applicant’s history of protecting care recipient rights in aged care or in another industry. These rights are far reaching and include:

• Appropriate charging of care recipient fees or accommodation payments.
• Security of tenure for home care places or residential aged care places.
• Written agreements for services including extra services*.
• Protecting privacy.
• Resolving complaints.
• Advocacy for care recipients needing assistance.

If the applicant lacks experience in this area, it is still important to at least demonstrate an understanding of the legislative requirements.

Reference:
• The Act, Chapter 4
• User Rights Principles

*see explanation in Glossary, Section 15

Having regard to the care type(s) the applicant is applying for, describe how it will ensure that care recipients’ rights are protected under the Act.

The wording of this example question is very similar to the question above except it requires a response that looks to future aged care practices rather than past experience (in aged care or other businesses). This includes:

• Procedures the applicant will implement to ensure care recipients are charged appropriate care fees or accommodation payments.
• How the applicant will:
  
  o Give care recipients security of tenure for a home care place or residential aged care place.
  
  o Ensure it prepares written agreements for services including extra services, that comply with the Act.
  
  o Protect care recipient privacy.
  
  o Ensure care recipients, family, carer or advocate can make a complaint and the procedures the applicant will implement to ensure the complaint is processed and resolved in a way satisfactory to all parties.
  
  o Ensure care recipients needing assistance have access to advocacy services including assistance or involvement from family members or external parties.

Reference:

• The Act, Chapter 4

• User Rights Principles

If the applicant is reliant on other organisations for financial support or provides them with financial support please explain its relationship with them.

This example question requires the applicant to provide the audited financial statements of their organisation.

For organisations that have not had an external audit requirement, consider providing:

• Un-audited financial statements (including management accounts in no particular format).

• Letters from financiers offering or confirming lines of credit for future construction or general business purposes.

• Agreements with other organisations to provide financial help – refer to the nature of the relationship with the organisation providing support (such as parent company of applicant, controlled entity of applicant, member, financier).

• Evidence that the organisation offering financial support has the financial capacity to deliver the support (e.g. audited financial statements).

Reference:

• The Act, Division 8

• Approved Provider Principles
Having regard to the care type(s) the applicant is applying for, describe its plan for sourcing funding to deliver aged care services under the Act.

The size and type of funding is likely to differ according to the type of care provided. For example, home care will probably require a small investment to set up offices, service administrative and systems requirements. However, residential aged care may require the applicant to borrow a significant proportion of the finance requirements from a bank or other lender. The applicant’s plans in this instance may involve securing funding from a financier that involves security arrangements over the proposed property (for example, a mortgage) from which the service is to be delivered.

The example question requires a response about the plan to source funds – lines of credit are not required to be confirmed or in place at the time of making the application.

Reference:

- The Act, Division 8
- Approved Provider Principles

Describe the applicant’s methods and record, if any, of financial management in providing aged care services under the Act, or in care services in other supported environments or in any other sector.

Financial management is a key requirement for every business, not just aged care. Every applicant that has previously conducted a business should be able to answer this question outlining issues such as:

- Past business experience, pointing out key financial success features (note: this experience could, for example, be restricted to operating a CALD organisation for the benefit of members).
- Reporting systems implemented to measure and monitor financial results (such as monthly financial statements, budgets, variance analysis, cashflow forecasts).
- Organisational experience negotiating or acquiring external funding and meeting financier regular reporting requirements.
- Major building projects experience, controlling cashflow and budgets.
- Operating a government funded business including meeting reporting and audit requirements.
- Implementing organisational governance policies (such as borrowing limits, delegation authorities, gearing limits and other key benchmarks mandated by the Board or Committee).
- Other financial measures related to operating a business (such as Board reporting, government grant or subsidy expenditure acquittal).

Reference:

- The Act, Chapter 2 Division 8 and Chapter 4
• Approved Provider Principles
• User Rights Principles

Having regard to the care type(s) the applicant is applying for, describe the methods it will use, in order to ensure sound financial management in the delivery of aged care services under the Act.

The wording of this example question is very similar to the question above except it requires a response that looks to future aged care financial management practices rather than past experience (in aged care or other businesses).

Your response should include the items noted above.

Reference:
• The Act, Division 8 and Chapter 4
• Approved Provider Principles
• User Rights Principles

Having regard to the care type(s) the applicant is applying for, describe any other relevant experience it may have that may assist in delivering this service(s) under the Act.

This is a catchall example question designed to elicit information not otherwise covered in your response to the previous questions. If there is anything else you want to convey about your business experience in aged care or any other business, this is the place to detail that information. Generally, no further information is required unless the applicant believes it can clarify or strengthen its response.

An example of other relevant experience could include details of a service agreement, collaborative arrangement or similar relationship that the applicant has with an existing approved provider to assist in establishing or operating an intended service.

Reference:
• The Act, Chapter 2 Division 8
• Approved Provider Principles

9.2.2 Understanding the approved provider application – key personnel

Definition:

The key personnel of an approved provider are defined as people responsible for:

• The executive decisions of the entity.
• Having the authority or responsibility for (or significant influence over) planning, directing or controlling the activities of the entity.
• The nursing services and operations of the entity.

This definition is intended to be fairly wide; it could include Board members or employees of a management company*. 

*
A person’s title is generally a good guide but not the only test you can apply, when determining if a person should be included as key personnel. To make this decision, please refer to Section 8-3A of the Act.

**Skills and experience**

In applying for approved provider status, key personnel must complete a separate Section 3 of the Application for Approval to Provide Aged Care form. **Note:** it is important that each person completes their own form, and the information is not replicated.

Things to consider in a Section 3 response are detailed below.

**Personal particulars**

The personal particulars example questions can only be answered by each individual. They are mainly questions of fact relating to each key personnel, not in relation to the organisation the person may represent. Responses are required for questions related to name and address, experience in aged care, sanctions or criminal charges and insolvency.

Describe the skills, qualifications and experience you possess and how they will be applied in your role with the applicant to assist it with the delivery of aged care services under the Act.

Every person has different skills, experience and qualifications in aged care or another industry. Each key person is asked to outline their skills, experience and qualifications, and how they might relate these to their role in the proposed aged care organisation.

It is important to understand that key personnel do not need to:

- Possess skills in every different aspect of aged care.
- Have direct experience in aged care, but they must have experience that can translate to the provision of aged care.

The response to this example question requires the demonstration of general business or care experience. This could be in one or more of the functions undertaken by a service provider such as:

- Accounting
- Building and project management
- Business management
- Consulting
- Domestic, personal or clinical care
- Finance
- Government
- Health
- Information technology
• Legal
• Real estate
• Social work

The response should directly link the person’s skills and experience to the role the person is expected to undertake in the aged care organisation.

Reference:
• The Act, Chapter 2 Division 8
• Approved Provider Principles

Having regard to the care type(s) the applicant is applying for and your role with that organisation, describe how you will assist it to meet the obligations and responsibilities of approved providers under the Act.

Key personnel obligations and responsibilities are numerous and wide reaching.

Reference:
• The Act, Chapter 2 Division 9 and Chapter 4
• Accountability Principles
• Complaints Principles
• Quality of Care Principles
• Subsidy Principles
• User Rights Principles

Describe your understanding of, and experience with, meeting relevant standards in the aged care or any other sector.

The response to this example question is similar to previous questions for the applicant or organisation, except this response is for individual key personnel.

For an aged care business, the Standards are summarised in the Quality of Care Principles.

Key personnel who work in aged care will be familiar with the concept of Standards, and be able to respond by referring to meeting the Home Care Common Standards or the Accreditation Standards.

However, an individual with no aged care experience can demonstrate understanding of compliance requirements under the Act, particularly in relation to the Quality of Care Principles and User Rights Principles. This does not mean the individual knows and understands every provision in the legislation. It just means they understand how compliance works in terms of the aged care industry.

It is permissible to seek the opinion of experienced professionals including management and staff who have an in-depth knowledge of the Standards.
Having regard to the care type(s) the applicant is applying for and your role with that organisation, describe how you will assist it to meet the relevant standards that are set out in the Act.

The wording of this example question is similar to the previous question except that it requires a response that looks to aged care future practices rather than past experience (in aged care or other businesses).

Key personnel should respond to this question by drawing on their experience from the previous question and outlining their plans for how they will assist the organisation to meet the Standards required for their proposed aged care service. This could include how the key personnel would seek the opinion of experienced professionals including management and staff who have an in-depth knowledge of the Standards.

Having regard to the care type(s) the applicant is applying for and your role with that organisation, describe how you will assist it to ensure care recipients’ rights are protected.

The response to this example question is similar to previous questions except that it is for the individual key personnel not the organisation.

This example question deals with how the key personnel will make sure the organisation protects care recipient rights. These rights are far reaching and include:

- Appropriate charging of care recipient fees or accommodation payments.
- Security of tenure for home care places or residential aged care places.
- Written agreements for services including extra services.
- Protecting privacy.
- Resolving complaints.
- Advocacy for care recipients needing assistance.

Reference:

- The Act, Chapter 4
- **Quality of Care Principles**
- **User Rights Principles**
Describe your understanding of, and experience with, the implementation of good practice principles in the aged care or any other sector.

The response to this example question is similar to previous questions except that it is for the individual key personnel not the organisation.

The question relies on key personnel to explain what they know about or what they have done, in relation to implementing and maintaining systems of good practice or ‘best practice’. Examples include how the key personnel has:

- Acquired knowledge about good practice through published literature, education, professional development or partnerships.
- Promoted good practice within the organisation including audits, surveys, research and innovation.
- Recruited management and staff who have the skills and knowledge to implement ‘good practice’.
- Best practice award nominations or prizes.

Once again it is important to respond to this question in terms of the key personnel’s experience, regardless of whether this was in aged care or in another industry.

Reference:

- The Act, Chapter 4
- Quality of Care Principles
- User Rights Principles

Having regard to the care type(s) the applicant is applying for and your role with that organisation, describe how you will assist it to implement good practice principles in the delivery of aged care services under the Act.

The wording of this example question is very similar to previous questions except that it requires a response that looks to future aged care services rather than past experience (in aged care or other businesses).

Key personnel should respond to this example question by drawing on their experience from the previous example question and outlining their plans for how they will assist the organisation to implement good practice principles in the delivery of aged care services.

Reference:

- The Act, Chapter 4
- Quality of Care Principles
- User Rights Principles

Describe your experience with human resource management in the aged care or any other sector.

The response to this example question is similar to previous questions except that it is for the individual key personnel not the organisation.
This example question requires a response about the key personnel’s human resource management experience, regardless of whether this was in aged care or in another industry. Areas to cover could include:

- Staff recruitment and management.
- Resource capabilities such as human resources used to operate the current business, skills developed, past success/achievements.
- Developing and implementing appropriate policies and procedures.
- Developing and implementing staff induction, training, education, professional development and supervision processes.
- Managing staff and complying with legislation.

Reference:
- The Act, Chapter 4
- Quality of Care Principles
- User Rights Principles

Having regard to the care type(s) the applicant is applying for and your role with that organisation, describe how you will assist it to implement effective and efficient human resource management practices in the delivery of aged care services under the Act.

The wording of this example question is similar to previous questions except that it requires a response that looks to future aged care practices rather than past experience (in aged care or other businesses).

Key personnel should respond to this example question by drawing on their experience from the previous question and outlining their plans for how they will assist the organisation to implement good practice principles in the delivery of aged care services.

Reference:
- The Act, Chapter 4
- Quality of Care Principles
- User Rights Principles

Describe your experience with financial management in the aged care or any other sector.

The response to this example question is similar to previous questions except that it is for the individual key personnel not the organisation.

Key personnel need to outline their role in financial management such as:

- Specific positions of responsibility such as treasurer, book keeper, finance committee member; involvement with financial reporting systems (such as monthly financial statements, budgets, variance analysis, cashflow forecasts).
• Experience negotiating or acquiring external funding and meeting funding body regular reporting requirements.

• Major building project experience, controlling cashflow and budgets.

• Implementing organisational governance policies (such as borrowing limits, delegation authorities, gearing limits and other key benchmarks mandated by the Board or Committee).

• Other financial measures related to operating a business (such as Board reporting, government grant or subsidy expenditure acquittal).

Reference:

• The Act, Chapter 2 Division 8 and Chapter 4

• Approved Provider Principles

• User Rights Principles

Having regard to the care type(s) the applicant is applying for and your role with that organisation, describe how you will assist it to implement sound financial management practices in the delivery of aged care services under the Act.

The wording of this example question is similar to previous questions except that it requires a response that looks to future aged care practices rather than past experience (in aged care or other businesses).

Key personnel should respond to this example question by drawing on their experience from the previous question and outlining their plans for how they will assist the organisation to implement good practice principles in the delivery of aged care services.

Reference:

• The Act, Chapter 2 Division 8 and Chapter 4

• Approved Provider Principles

• User Rights Principles

Disclaimer: these example questions are based on the 2014 approved provider application form. Questions and forms may change in the future.

*see explanation in Glossary, Section 15

9.3 Key messages

The key messages from this section are:

• Your organisation will need to have a clear business plan before completing the approved provider application;

• Key personnel who do not have specific aged care experience can outline their related experience in another sector or industry and explain what they will do in their key personnel role.
10 Completing an Aged Care Approvals Round application

The objectives of this section are to:

- Outline the ACAR process and the information required to complete an application.
- Explain the different types of aged care places.
- Step through the key aspects of a business plan.
- List the key elements of an ACAR application.

10.1 Overview of the ACAR process

The Australian Government periodically makes new aged care places available for allocation in each state and territory based on:

- The 2021-22 national planning ratio of 125 places per 1,000 people aged 70 years and older, comprising 80 residential aged care places and 45 home care places.
- ABS population projections.
- The current level of service provision.

The ACAR is a competitive process under the Act where home care places and residential aged care places are allocated.

Changes were announced in the 2015-16 Budget to ensure the aged care system in Australia continues to meet the needs of an ageing population. From February 2017, older Australians receiving Home Care Packages each year will be able to choose who provides their care, because the Government has changed the funding arrangements to attach the package to the individual, rather than the provider. As a result, the 2015 ACAR is the last ACAR in which providers will have to apply for home care places.

The distribution of new places across aged care planning regions seeks to achieve a balance in the provision of services between metropolitan, regional, rural and remote areas, as well as between people needing different levels of care. The number of places available in each state and territory and the indicative distribution of places across aged care planning regions is outlined in the Regional Distribution of Aged Care Places* which is part of the Invitation to Apply* documentation. The Regional Distribution of Aged Care Places is contained in the Essential Guide and updated at the announcement of each new ACAR. The Australian Government may identify places according to:

- Geographic areas
- Special needs groups*
- Key issues

This is important for CALD communities as they are a separate special needs group under the Act.
The ‘key issues’ category is also important because the government may identify individual CALD communities that are a priority in specific geographic areas.

There is usually an opportunity to apply for capital grants to assist with the costs of acquiring land or building/refurbishing a residential aged care facility.

*see explanation in Glossary, Section 15

10.2 Getting started

The format of the ACAR application forms has changed from year to year and is likely to continue to do so, however, the underlying principles remain consistent with the Allocation Principles. These principles are addressed later in this section of the Guide.

The ACAR Invitation to Apply documentation will be available on the DSS website.

10.3 Writing an application

Writing a competitive ACAR application requires careful consideration and planning. It is possible to submit a high quality application by following some general rules in the overall document preparation.

A typical ACAR will require answers to a number of questions about the applicant’s intentions and/or experience in operating an aged care business. Although the questions may seem straightforward, there may be restrictions on the amount of information that can be provided if a word limit is identified. It is critical that applicants communicate their proposal in a clear and concise manner and stay within specified word limits where identified.

It is outside the scope of this Guide to specify appropriate writing styles. For applicants who feel they cannot appropriately communicate their plans, there are a number of strategies available such as:

- Seeking assistance from an aged care peak body.
- Working with existing CALD providers or organisations.
- Working with existing approved providers.
- Engaging an interpreter and/or translation service.
10.4 Helpful hints for an ACAR application

The following helpful hints will assist in the preparation of ACAR applications.

1. Read the application carefully to ensure it reflects what your organisation actually does or wishes to achieve – do not make unrealistic assertions or promise something that cannot be delivered.

2. Do not repeat the same information. Cross reference your response to another question in the ACAR where the point has been made or the evidence has been provided, otherwise you will use up valuable word limits (if applicable).

3. Always answer the question that is asked not the question you would like to be asked.

4. Show that you understand the issue – it is not acceptable to just say you understand the issue without some form of evidence.

5. Beware of inconsistencies in your application – do not contradict yourself in different questions.

6. Provide clear evidence of need – this can be demonstrated through data, surveys or formal feedback from stakeholders.

7. Demonstrate an understanding of consumers and how their needs will be met using formal demographic data and research – your position in the community or personal knowledge of their needs is not evidence.

8. Take time to prepare financial projections and have a clear understanding of industry benchmarks* from experienced industry professionals – if you go outside normal industry parameters be prepared to justify why you have done so.

9. If you need help with any part of the application (such as building costs, processes, financial projections) ask people with proven aged care industry knowledge and skills.

10. The ACAR is a highly competitive process and requires a strong and evidenced application.

*see explanation in Glossary, Section 15

10.5 Types of aged care services

10.5.1 Home care places

Changes were announced in the 2015-16 Budget to ensure that the aged care system in Australia continues to meet the needs of an ageing population. From February 2017, older Australians receiving Home Care Packages each year will be able to choose who provides their care, because the Government has changed the funding arrangements to attach the package to the individual, rather than the provider. As a result, the 2015 ACAR is the last ACAR in which providers will have to apply for home care places.
Home care places are for approved providers wanting to deliver care in the home. It is generally accepted that this type of service requires a much lower level of financial investment than residential aged care. However, applicants should be aware that greater consumer choice and industry competition are resulting in some providers increasing their levels of investment in technology and systems development.

There are a number of sophisticated software systems on the market that record and manage staff hours, payroll costs, preparation of care recipient monthly statements, care and billing. These factors are becoming increasingly important in a Consumer Directed Care environment where individual costs must be allocated accurately and reported monthly to care recipients.

10.5.2 Residential aged care places (with or without capital grants)

Residential aged care places are for approved providers wanting to build, expand or lease a residential aged care facility. These facilities require either a major financial outlay to purchase/construct a property or a major ongoing lease commitment.

10.5.3 The size of aged care services

Every applicant will need to specify the number of places they are seeking (minimum and maximum) in their ACAR application. The number of places applied for should be driven by some of the factors outlined below.

1. Capacity

Applicants should carefully consider how many places they are asking for and how these places will be implemented in the required timeframe. Similarly, applicants should consider the financial viability of the organisation in determining the number of places to apply for.

The following factors will help to determine the number of places to request.

2. Total places available in the region

It is a requirement under the Act that DSS makes available information on the places for distribution in each state and territory. This information is provided in the Regional Distribution of Aged Care Places.

The Act, Chapter 2 Division 12 contains information about the allocation process.
Applicants should be mindful that their request for places may significantly exceed the intended allocation for the area or region. While there are no limits placed on applicants as to what they request, they should be aware that the number of places requested may simply not be available. This is particularly true in capital city metropolitan areas where there are a large number of applicants competing for the same places.

3. Research results

Good quality research that clearly demonstrates specific needs may influence the success of an ACAR application, however DSS is required to allocate in a manner which best meets the needs of each aged care planning region.

There are many different sources of research such as:

- Demographic data (such as ABS statistics) especially those most likely to access aged care services (over 80 years old).
- Projections of older CALD populations in the next 10-20 years.
- Local ACAT waiting list information, especially where it identifies particular CALD groups.
- Surveys, data collection and audits.
- Research from government agencies, universities and similar sources.
- Formal feedback from aged care agencies.

Research of community needs is a powerful tool that will always enhance an ACAR application. Applicants should use research to clearly prove their case – refer to the research and link the research results to community implications.

4. Financial viability

There are key industry studies that indicate a minimum number of places needed to operate a financially viable aged care service. You will need to consider the appropriate size of your residential aged care facility and demonstrate that it is financially viable in the long term.

Financial viability can be impacted by factors other than the size of your facility, for example:

- Your organisation's existing infrastructure.
- Other income streams that support your business.

5. Demand

In determining the demand for aged care places, the Australian Government allocates and funds places for aged care on the basis of the likely demand for these services. Estimations of demand is based on many factors such as:

- The number of Australians aged 70 years and over.

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5 Thornton, G 2012, *Australian Cost of Residential Aged Care Research*
• The number of places already allocated.
• The rate at which the places take effect.
• ABS planning projections.

As at 30 June 2014, the national aged care provision ratio is 111.3 operational aged care places per 1,000 people aged 70 years and over made up of 28.7 home care places and 82.6 residential places. The Australian Government may revise the ratio from time to time.

CALD organisations should avoid using this methodology as the only means to determine the likely demand for their proposed service because:

• A CALD specific residential aged care facility may attract residents from outside the immediate aged care planning region.
• Recent migration trends may distort the data very quickly.
• The role of the family in caring for older people in some cultures may lessen demand, especially at the lower dependency levels.
• When using ABS data, be aware that population figures are based on regional/statistical boundaries, which tend to be arbitrary for the purposes of this calculation – for example, an aged care facility near a statistical boundary may draw residents from the adjoining aged care planning region to where it intends to locate.

10.6 Location of aged care services

Much of the aged care service demand research will also inform the decision about location. It is important to identify a community in need and to clearly indicate how the applicant can meet those needs within that geographic location.

Applicants should be aware that residential aged care and home care places must be delivered within the aged care planning region (home care) or at the address (residential) specified as a condition of the places being allocated. If an applicant wants to establish a small number of home care places, it may be advisable to target smaller areas within an aged care planning region to avoid lengthy travel distances between care recipients.

In residential aged care, location is influenced by a number of factors including:

• Research results, especially older population demographics, indicating a demand for the new facility.
• Availability of other operators in the local area providing a similar service.
• Availability of suitably sized land.
• Local area characteristics – ideally the residential aged care facility should be located in a residential area.
• Access to services, especially medical and allied health.
10.7 Business plan

Having completed the research, it is time to start writing a business plan for the aged care service. The preparation of a business plan has been previously explained.

10.8 Key elements of an ACAR application

There are generally eleven key elements DSS will consider in assessing ACAR applications.

These 11 elements include:

1. Demonstrate a need exists for the number of home care and/or residential aged care places in your ACAR application.
2. Demonstrate that the people who manage, or propose to manage, the aged care service have the necessary expertise and experience.
3. For residential aged care places, whether the premises used (or to be used) are suitably planned and located for the provision of aged care services.
4. Your ability to provide the appropriate level of care.
5. If you have provided aged care services – your conduct as an approved provider and compliance with your responsibilities as an approved provider (including key personnel).
6. The measures that you propose to implement to protect the rights of care recipients.
7. How you will provide diversity of choice for current and future care recipients including those with special needs (Note: CALD communities are a special needs group under the Act).
8. Whether the allocation will increase diversity of choice for current and future care recipients, and their carers and families, having regard to the different kinds of services offered in the region.
9. Whether, if the application is approved, the service to which the application relates would be more likely to be able to offer continuity of care* to current and future care recipients.
10. Whether, if the application is approved, the places allocated will become operational in a timely manner.
11. For residential care, financial viability of the proposed service or the approved provider’s capacity/willingness to underwrite its future viability.

*see explanation in Glossary, Section 15

Now let's examine these eleven elements in more detail.
1. Demonstrate a need exists for the number of home care and/or residential aged care places in your ACAR application.

An understanding of your community’s need for aged care services and the way you might provide that evidence is outlined in Section 4 and 5 of this Guide.

GO TO> Section 4 Understand the aged care needs of your community, for more information

GO TO> Section 5 Demographic information, for more information

2. Demonstrate whether the people who manage, or propose to manage, the aged care service have the necessary expertise and experience.

Regardless of the type of aged care service an ACAR applicant wants to provide, an applicant will need to have the managerial staff with relevant qualifications and experience to provide the type of care you intend to provide. Managerial staff may have direct expertise and experience in home care and/or residential care or their direct expertise and experience may also include operating related aged care services such as Commonwealth Home Support services or a retirement village that delivers care to residents.

Other factors to consider in an ACAR application include:

- If the applicant’s organisation already specialises or wants to specialise in certain types of aged care (e.g. dementia*)
- Staff management, recruitment, retention and performance management strategies.

While these factors are a generic requirement for all businesses, a CALD organisation will also need to consider additional factors such as expertise in delivering culturally appropriate care.

*see explanation in Glossary, Section 15

3. For residential aged care places, whether the premises used (or to be used) are suitably planned and located for the provision of aged care services.

The geographic proximity of the ACAR applicant’s service to its market is a key factor in efficient service provision. A local service has many advantages including:

- Future residents can continue to live near their local community.
- Being in an appropriate residential area close to social networks or services future residents wish to access.
• Being networked or in close proximity to, key agencies and services that are critical to service delivery.

• Minimising travel, especially for home care.

Clusters of different cultural groups are common, especially in major metropolitan and regional areas. A CALD organisation will need to consider its proximity to these potential clusters. Demographic research will be a guide.

GO TO> Section 5 Demographic information, for more information

4. Your ability to provide the appropriate level of care.

The Quality of Care Principles outlines the types of care and services the ACAR applicant must provide and set out the responsibilities of approved providers in providing home care and residential aged care.

These Principles also set out the:

• Home Care Standards that a home care approved provider or Commonwealth HACC service provider is expected to meet as part of their quality system.

• Accreditation Standards that must be met by a residential aged care service in delivering their services.

A comprehensive response to the question about appropriate level of care should consider the following:

• Staff understanding

• Continuous improvement

• Service providers and stakeholder involvement

• Risk management

• Care plan

• Dementia services

Staff understanding

An ACAR applicant will need to outline the systems in place or intended systems that will ensure staff understand their responsibilities under the legislation, in particular the Standards of care described in the Quality of Care Principles.

Examples of these systems will include:

• Initial staff orientation to the aged care service.

• Ongoing staff education about quality of care.
Inclusion of legislative requirements in policies, procedures and work practices.

Mentoring arrangements for new staff.

Audits and peer reviews.

Monitoring organisational compliance with legislative requirements.

Police and credential checks.

For CALD organisations, one of the key difficulties will be language and cultural barriers for staff born overseas and/or where English is not their first language.

CALD organisations will therefore need to consider additional systems requirements such as:

- Making information available in a language other than English.
- Training material that addresses cultural practices to be observed.
- Assisting with observing cultural or religious practices in a manner that maintains consistency with the Home Care Standards or Accreditation Standards.

Continuous improvement

The development of a plan for continuous improvement is the key to a robust quality system. A continuous improvement process requires the service to constantly audit or obtain feedback on their performance. This information can then be used to develop new policies and benchmarks for service delivery. The plan should include comments and opportunities for improvement from all areas of the business including management, staff, care recipient and other stakeholders (e.g. families).

Many organisations establish a quality committee tasked with the responsibility of considering audit outcomes, stakeholder questionnaires, comments, complaints and feedback, and making recommendations for change. These recommendations often result in changes to policies, procedures and work practices or the physical environment.

In some cultures, the views of older people or the head of the family are considered paramount in this type of process. While their views should be sought and respected, a continuous improvement system requires input from all groups, especially the care recipient.

Critical to a robust quality system will be the implementation of policies and procedures applicable to these providers and stakeholders including:

- Formal contractor/subcontractor agreements that outline the expected standards of service.
- Workplace and/or new staff orientation procedures.
- Police and credential checks.
• Ongoing monitoring procedures ensuring deficiencies are identified, reported and corrected.

• Budgets and pricing.

**Service providers and stakeholder involvement**

An ACAR applicant will need to involve external groups such as other related service providers and stakeholders in the delivery of quality care. Examples include general practitioners, allied health specialists, clinicians, maintenance contractors and brokered service providers (such as personal care contractors).

The involvement of external groups in the quality system may raise a number of issues for many CALD organisations, for example:

• A requirement to involve family members or community leaders in care decision processes.

• Using contractors who have little or no understanding of language and/or cultural issues.

Contractor and care recipient education as well as work instructions in more than one language may overcome these difficulties.

**Risk management**

Every business faces uncertainty resulting from unforeseen incidents. Risk management requires the organisation to minimise the impact of these incidents by:

• Identifying potential risks and hazards.

• Evaluating the impact of unforeseen incidents.

• Implementing processes to minimise loss or harm from their impact.

• Monitoring incidents.

• Reporting and evaluating outcomes for continuous improvement.

ACAR applicants are advised to consider how they might identify, monitor and manage risks in their proposed aged care business.

**Care plan**

The care plan includes a range of information personalised to the individual care recipient. Among this personal information will be care recipient preferences, details of care needs and the actions required to meet these needs.

The type of information in CALD organisation care plans should be the same as that of other approved providers. Care recipient preferences and their ability to choose are key requirements of every ACAR application.

**Dementia**

Dementia occurs across all cultures but each community’s understanding of the disease varies considerably.
Every approved provider of aged care services is expected to provide services for people with dementia. ACAR applicants must have a good understanding of and willingness to provide services for people with cognitive impairments such as dementia.

An organisation will need to demonstrate how it will provide appropriate care and services for people with dementia. The response will need to cover many different components of managing services for people with dementia, including:

- Method of assessing and understanding care recipient needs
- How best practice will be implemented
- Staff education
- Handling issues related to a care recipient’s reversion to their original language and cultural practices
- Suitability of the home environment or the design of the aged care facility for the safety and security of people with dementia
- Response to behaviours of concern and complex clinical issues including medication management
- Care recipient safety and security
- Care recipient lifestyle and community contact
- Advocacy
- Community education
- Use of dementia specialists
- Respite for carers

In a CALD organisation it might be expected that families and local communities may be in a position to offer higher levels of support to people with dementia. If so, it is important to identify these specific stakeholders and community groups in the ACAR application.

5. If you have provided aged care services – your conduct as an approved provider and compliance with your responsibilities as an approved provider (including key personnel).

An ACAR applicant’s previous conduct and their ability to comply with legislation is an important consideration. For new industry entrants it is important to outline how you will comply with your responsibilities under the Act in response to questions throughout the application form.

An allocation of aged care places is prohibited if an organisation is under sanction. For an organisation that has previously experienced non-compliance or sanctions, the Department will consider past performance in determining the outcome of your application.
6. The measures that you propose to implement to protect the rights of care recipients.

The *User Rights Principles* outlines the rights of care recipients and the requirements to be observed by the ACAR applicant in providing home care or residential aged care.

These Principles deal with security of tenure for care recipients, access for persons acting for care recipients and the information the approved provider must give care recipients in particular situations. These Principles also describe the rights and responsibilities of care recipients.

Under the *User Rights Principles*, all approved providers must consider the particular physical, physiological, social, spiritual, environmental and other health-related care needs of individuals. Establishing and maintaining links with representatives of relevant community groups, and other support agencies and organisations, is regarded as an integral part of providing relevant levels of care and facilitating the provision of culturally appropriate care.

7. How you will provide diversity of choice for current and future care recipients including those with special needs (Note: CALD communities are a special needs group under the Act).

One of the objectives of the Act is to facilitate access to aged care services by people who need them, regardless of race, culture, language, gender, economic circumstance or geographic location. The Act designates these groups of people as having ‘special needs’.

All aged care services are expected to provide appropriate care for people from all special needs groups.

In an ACAR application, you will need to describe how you will address the needs of all these groups. Should you target specific groups in your application you may be required to provide further information, specific to that group. It may be appropriate for CALD communities to consider the needs of people who fit the definition of more than one of these special needs groups. One example would be older CALD people who are also financially disadvantaged*.

Under the Act, people with special needs include people who identify with or belong to one or more of the nine following groups.

i. People from Aboriginal and Torres Strait Islander communities

Conditions associated with ageing generally affect Aboriginal and Torres Strait Islander people substantially earlier than other Australians. Under the Act, planning for aged care services is based on the Aboriginal and Torres Strait Islander population aged 50 years or older, compared with 70 years or older for other Australians.

ii. People from CALD backgrounds

It is expected that most people using this Guide have an interest in providing aged care services to a CALD community. There is now more emphasis on cultural diversity rather than language alone.
iii. People who live in rural and remote areas

The aged care planning system outlined under the Act ensures that aged care places are provided in rural and remote areas in proportion to the number of older people who live in non-metropolitan areas. Extra support is given in these areas to improve the capacity of small providers and to overcome the cost burdens associated with distance and isolation.

iv. People who are financially or socially disadvantaged

Under the Act, arrangements are established to ensure people, who are financially or socially vulnerable, are protected from being disadvantaged in gaining access to aged care services.

The Australian Government provides specific subsidies to care for people who qualify as financially disadvantaged. This means older people can access aged care services, irrespective of their capacity to make accommodation payments or other contributions to their care.

v. Veterans

The definition of Veterans includes war widows and widowers. The largest single group of Veterans currently in aged care are those who served during the Second World War. This group of people has been diminishing in number for some years and will be eventually replaced by others from more recent military conflicts.

vi. People who are homeless or at risk of becoming homeless

The definition of homeless includes people living in a dwelling that is inadequate or lacking security of tenure or lacking privacy or spaces to socialise. The intention of this provision is to assist people to maintain their independence.

vii. People who are care leavers

A care leaver is a person who was in institutional care or other form of out-of-home care, including foster care, as a child/youth or youth (or both) at some point during the 20th century. This includes the Forgotten Australians, Former Child Migrants and Stolen Generations. Institutional care refers to residential care provided by a government or non-government organisation including orphanages, children’s homes, industrial, training or farm schools, dormitory or group cottage houses.

As members of these groups age and contemplate their ongoing (or future) care needs, many find childhood memories return and for some recollections of places where they were harmed and memories of experiences when they were abused by those entrusted with their care. Some find the prospect of aged care delivered outside familiar places as frightening.

viii. Parents separated from their children by forced adoption or removal

This special needs group recognises the traumatic experiences, health issues and socioeconomic disadvantages, that parents affected by forced adoption or removal practices, are likely to face.
ix. Lesbian, gay, bisexual, transgender and intersex people

This special needs group recognises the discrimination and social isolation faced by older LGBTI people and supports aged care services to deliver care that is sensitive, appropriate and inclusive.

*see explanation in Glossary, Section 15

8. Whether the allocation will increase diversity of choice for current and future care recipients, and their carers and families, having regard to the different kinds of services offered in the region.

Clear evidence of unmet need is essential. Data collection, surveys or formal feedback from stakeholders assists to demonstrate this evidence.

Examples of unmet need/increasing choices may include a service:

- In a particular location.
- For people with special needs.
- For care recipients affected by dementia.
- That meets the needs of couples.

A service focussing on a special needs group providing culturally appropriate care is one way that diversity of choice could be achieved.

9. Whether, if the application is approved, the service to which the application relates would be more likely to be able to offer continuity of care to current and future care recipients.

There are many different aspects to continuity of care; refer to all aspects stated in an ACAR application. These may include:

i. **Ongoing financial viability.** (This is critical to a provider being able to provide continuity of care.)

ii. **An understanding of a care recipient’s changing care needs.**

Care recipient needs will change over time and in response to changes in their personal situation, health, and/or physical environment. Consequently, an applicant will need to address the:

- Need for individual care plans and regular reviews to ensure plans remain current.
- Involvement of care recipients, health professionals, families and advocates in the planning process.

iii. **Care continuum.**

The ACAR applicant may not be able to provide care at every stage of the care continuum so it should demonstrate that it has or will have a close working relationship with other agencies and health networks in the local area who can (such as housing agencies, home care providers, CHSP providers, other residential aged care facilities or providers, palliative care and other specialist providers).
iv. Care recipient’s rights.

The ACAR applicant should take care to ensure care recipient’s rights are protected throughout any change process. Matters of particular relevance include but are not limited to:

- Security of tenure for a home care place or residential aged care place (for example, during a prolonged episode in hospital the place must continue to be made available after they return home or to the facility).

- Written agreements that explain service changes.

10. Whether, if the application is approved, the places allocated will be operational in a timely manner.

An applicant must be able to demonstrate that it can start delivering home care places and residential aged care places in a timely manner.

For home care places there are no strict guidelines on the definition of ‘timely’. For a new service, it would be reasonable to expect that places may not be operationalised immediately, however they will need to be operationalised quickly.

Currently for residential aged care places, a maximum period of two years is legally permitted from the time of allocation for the construction and commissioning of a residential aged care facility. This should be reflected in the application. The Australian Government may consider extensions of time for residential aged care places where progress is being made and delays are outside the control of the ACAR applicant, however approval cannot be guaranteed.

Whatever type of places are being requested, ensure proposed timeframes are realistic.

11. For residential care, financial viability of the proposed service or the provider’s capacity/willingness to underwrite its future viability.

An organisation that applies for aged care places and/or a residential aged care capital grant must demonstrate its financially viability.

Financial viability not only refers to the ability of an organisation to pay its bills as they fall due but also to have the financial resources to provide residential aged care services that meet the regulated standards of care.

In considering the financial viability of an organisation applying for residential aged care places and/or a capital grant the Department will make an assessment of:

- The data provided by the applicant is logical, internally consistent and verifiable from the information supplied by the applicant and/or the Department.

- The profitability and debt servicing capability of the residential aged care service (or proposed service).

- The capital structure and ability of the applicant to finance the project.
• Where a capital grant is sought, the applicant’s ability to financially contribute to the proposed capital work, taking into account all practicable sources of funding available to the applicant and the estimated maximum additional borrowing the applicant could support while maintaining long-term viability and making prudent provision for future liabilities.

• Any concerns about the financial viability and capital works capacity of the applicant identified in the assessment.

Additionally, if an applicant is relying on funding from a parent or other organisation to provide capital funding or to meet operating losses it needs to demonstrate both the capacity of that organisation to provide funding (e.g. audited financial statements) and its willingness to do so.

10.9 Key messages
The key messages from this section are:

• The ACAR requires careful consideration, planning and research.

• Planning and allocating tasks are important. The application should present clear and consistent information.

• A business plan is crucial so that your strategy and implementation is clear to your organisation and the Australian Government.

• Your organisation will need to implement a quality system that is tailored to your business and the Act.

11 Home care places – ACAR application – requirements
The objectives of this section are to:

• Highlight the business aspects of an ACAR application for home care places.

• Point out the strengths of employment models.

• Explain CDC.

• Draw attention to activation timelines.

11.1 Establishing a home care business
Establishing a home care business generally requires a smaller financial investment than establishing a residential aged care business and can be seen as an easier way to become established in the industry.

Before establishing a home care business it will be necessary to develop a business plan outlining factors such as service location and service size.
Service location and size

Depending on the allocation conditions set by the Australian Government, the service can be delivered anywhere into the allocated aged care planning region. For ACAR applicants who have only a small number of home care places, it may be appropriate to limit the size of the area being serviced.

Many successful home care providers have built up a large number of places over a number of ACAR applications.

This may allow them to compete more effectively in the marketplace with advantages such as:

- Improved coverage of the geographic region.
- Smaller travel distances between care recipients.
- Technologies that lower service cost and improve reporting to management and care recipients.
- Buying power for larger discounts.
- Providing a greater range of services and value adding services for care recipients, especially those relating to socialisation and access to allied health services.

To ensure efficient service delivery, your organisation should consider a number of measures such as:

- Delivering places to small concentrated CALD communities (as above).
- Using the infrastructure of an existing business or organisation, especially in relation to procuring services, billing, payroll and financial services.
- Establishing strategic relationships with other service providers for care management, direct care, procuring services or financial reporting.

11.2 Direct employment or brokering

The decision to directly engage care workers or to broker* direct care services through another provider or agency will depend on your home care business model. Each ACAR applicant will need to decide what best suits their service delivery.

A comparison of models is summarised below.

*see explanation in Glossary, Section 15

11.2.1 Direct care model

Under a direct care model, a provider may have a better ability to:

- Engage individual staff to match the specific needs of their community (such as language and cultural understanding).
• Control the quality of education, training and experience of staff.
• More closely align the delivery of care to their quality systems.
• Regulate the overall organisational culture and philosophy.

11.2.2 Brokerage model
Under a brokerage model, a provider may have a better ability to:
• Access a wider range of skills and experience without having to individually train contractors.
• Cover a larger geographic area.
• Increase their flexibility as the number, location and type of services changes.
• Use brokerage only for more specialist or less used client services.

11.3 Consumer Directed Care (CDC) requirements
All approved providers must, from 1 July 2015, deliver home care on a CDC basis. The term consumer, in this section, describes a care recipient, their family, carer representative or advocate.

Some of the aspects to consider include:
• Establishing systems that enable you to provide consumers with flexibility and choice in the services they choose.
• Educating staff to understand CDC through policy, procedures and work practices to ensure they are skilled in having conversations with consumers.
• Providing support for consumer decision-making.
• Determining consumer capability or enhancing capacity to self-direct their care.
• Incorporating wellness and re-ablement approaches.
• Promoting consumer independence and facilitating community participation.

From a CALD organisation viewpoint, a key component is describing how the ACAR applicant will respond to care recipient customs, beliefs and background, including their relationships with carers and family members. This could also include the use of same language/culture staff or skilled interpreters trained in cultural diversity.

Under CDC, working with consumers involves:
• Developing a care plan.
• Working with consumers to agree the budget.
• Pricing services and changes to service delivery.
• Using contractors and contract management generally.
• Outlining a system for producing monthly statements and monitoring budgets.
The issue for a CALD organisation will be demonstrating they can communicate these matters to consumers. The particular advantage they have will be:

- Communicating in a specific language.
- Understanding the sensitivities some cultures may have discussing money.
- Dealing with advocates (head of the family or as culturally appropriate).

11.4 Timelines

It is preferable that allocated places are made available immediately; however this is not always practical, especially for new providers.

The ACAR applicant can establish a preliminary roll-out plan for the new places and identify the key milestones for places to become operational.

Whatever the roll-out plan, ACAR applicants should be mindful of certain issues with timelines questions. Primarily, the operational time should be realistic. Allow time to set up the new service and operationalise places on a staggered basis as resources permit. Secondly, do not unnecessarily delay the activation process. While the Guide cannot give firm guidance, a delay of several months to activate the first place may not be as competitive as applications that may be able to achieve the same outcome in a quicker timeframe.

11.5 Key messages

The key messages from this section are:

- Service size is critical to providing an efficient home care business.
- It may take time to build up a home care business over a number of ACARs.
- Staff can be employed through two models – direct care or brokerage – depending on the organisation’s preferred model.
- Consumer choice and control over their service is critical to a successful and compliant home care business.

12 Residential aged care places – specific ACAR application requirements

The objectives of this section are to:

- Step through the main issues associated with residential aged care facilities and the decisions to be made before applying for places.
- Highlight the financial requirements of operating a residential aged care facility.
- Step through the financial forecasting required in ACAR applications.
- Outline strategies to manage risk when building and managing a residential aged care facility.
- Draw attention to activation timelines.
Specific ACAR application requirements for residential aged care places are outlined below.

12.1 Identifying and acquiring or leasing a suitable property

A key requirement of an ACAR application for residential aged care places will be the current capacity and infrastructure of the residential aged care provider, the acquisition by either purchase or lease of a suitable property or the ability to do so through an option agreement or similar. There are other ways a suitable property could be acquired such as a building made available by another organisation or partner (see Section 7).

In the case of a new facility, or the redevelopment, modification or expansion of an existing facility, there might be suitable land on which it can be built. It could also be an agreement with an investor that requires the construction of a facility at a specific location.

Some factors that may improve the chances of success for an ACAR application include:

- The degree to which an ACAR applicant has a legal right to either purchase or lease property.
- The facility being a viable size.
- The suitability of the land for aged care, taking into account.
- Surrounding land use – is it in a residential area?
- Proximity to health and other services.
- Proximity to the community – is it in an area close to the CALD community that it is intending to service?
- Zoning – is it appropriately zoned for aged care use and not subject to hazards such as bushfires or flooding?

Organisations that have not identified or acquired a property on which to build their new facility, or to expand an existing facility, may lessen their chances of success.

12.2 Culturally specific design considerations for aged care facilities

All residential aged care facilities have certain design requirements that make them fit for purpose. CALD providers will need to consider what additional features are necessary to cater to their community. Examples include:

- Kitchen layout for special food preparation requirements.
- Areas for religious observance – such as multi-faith areas.
- Communal areas for celebration of national/religious events.
- Gender specific areas.

While the specific requirements of each culture are probably well known to the ACAR applicant, it is important to demonstrate this understanding in the application and to emphasise its relevance to the community.
Catering for specific CALD community need adds to care recipient choice and diversity, and strengthens the case of meeting an unmet need.

### 12.3 Services for people with dementia

The provision of services for people with dementia is a critical issue for every approved provider (see Section 10.8).

Dementia services and issues related to cognitive impairment are perhaps the fastest growing areas of demand for aged care services. A residential aged care facility will need to address the issue of dementia services from many different points of view.

Examples include:

- The ACAR applicant’s understanding of, and the philosophy for, providing services to people with dementia.
- Training and education – any measures that will be taken to ensure staff have an understanding of dementia and are suitably trained to provide the services required.
- Resources and tools – that will be used by staff to develop and monitor care plans for these residents.
- Strategies that will be implemented to manage behaviours of concern.
- Use of specialised agencies such as a Psychogeriatric Assessment Team (PGAT)*, Alzheimer’s Australia.
- Clinical interventions especially for medication management.
- Carer respite – the availability of temporary residential respite for people being cared for at home.
- Building design response – proposed building design features that will make it easier to provide services and implement care plans for people with dementia (such as paths of wandering, visual cueing or quiet areas).

*see explanation in Glossary, Section 15

### 12.4 Capital funding strategies

Residential aged care facilities are highly serviced buildings that must comply with a range of building code requirements. Recent industry studies indicate that the cost of construction and fit-out per resident* is now easily in excess of $200,000 per place (in 2014-2015), excluding land costs.

The cost of a completed 90 place facility suitably equipped for care is therefore likely to cost upwards of $19 million.

Careful consideration involving research and planning must be undertaken before commencing the building of a residential care facility.
Consideration should be given to the likely demand of the target client group in the area, the ability of those potential residents to contribute to their accommodation costs and economies of scale (e.g. staffing efficiencies, size of service areas such as the kitchen and laundry) before determining the best size of your facility.

One approach could be the construction of a smaller facility and expanding it over time where there is demand and as the organisation accumulates funds. If your organisation is considering constructing a smaller facility with the possibility of extending at a later date, caution should be exercised to ensure:

- The building is scalable (and living and service areas such as the kitchen and laundry areas can also be extended, where necessary).
- The cost of the initial infrastructure and subsequent facility extensions are not too expensive.
- Additional residential aged care places will need to be sourced either:
  - Through the ACAR (a competitive process).
  - By purchasing them from another approved provider (noting Departmental approval is required before a transfer of places can occur).
- Existing residents are not unduly disrupted by subsequent building works.
- The business remains viable on a smaller scale during the initial operating stage.

Most organisations would not readily have the required level of funds available and would need to seek funding from an external source. These sources may include:

- Banks – debt finance.
- Developers – vendor finance.
- Investors – long term lease.
- Other financial institutions – a mixture of debt and equity options.

Each of these funding sources come with a different financing structure and a different cost, depending on the level of risk taken by the lender/investor.

ACAR applicants who have unrealistic expectations of their ability to fund a residential aged care facility may be unsuccessful. Common failings include:

- Not understanding the real cost of building a residential aged care facility – cost estimates significantly below industry benchmarks are rarely justifiable.
- Expecting to achieve funding without having sufficient cash or resources – prior to approving finance, most banks will require the applicant to have a minimum contribution of at least 30%-40% of the total end cost.
- Over-reliance on funding the project from accommodation payments.
• Over-dependence on a future event (such as fundraising).

*see explanation in Glossary, Section 15

### 12.5 Capital grants for CALD communities

The Australian Government funding framework for residential aged care requires approved providers to fund the cost of construction, maintenance and upgrade of aged care facilities. There may be, however, limited financial assistance in the form of a capital grant available to approved providers who are unable to meet the cost of necessary capital works.

Capital grants are generally available as part of the ACAR. These grants are available under the Rural, Regional and Other Special Needs Building Fund (The Fund). The grants assist with the purchase of land, the construction, extension or upgrade of residential aged care buildings or the acquisition of furniture, fittings and equipment:

• In rural, regional and remote areas of Australia

and/or

• Which specifically focus on the provision of residential aged care to people from special needs groups or concessional, supported, assisted or low-means residents (as defined under the Act, including major cities)

and/or

• In a location where there is a demonstrated need for additional residential aged care services.

It should be noted that capital assistance for the purchase of land will usually only be considered if it is part of the construction or redevelopment of a residential aged care facility on that land. Similarly, a capital grant for the acquisition of furniture, fittings and equipment would usually be associated with the construction or redevelopment of a residential aged care facility.

Capital grants will not be allocated in respect of construction works that have been contracted, commenced or completed.

As part of the ACAR Invitation to Apply documentation, applicants are advised of the amount of money available in the capital grant pool. In recent years, a portion of this pool has been specifically allocated to CALD communities.

The allocation of capital grants is a competitive process. It is not unusual for the Australian Government to receive more applications than money available in the capital grant pool.

Capital grants are only available to organisations that cannot afford to fund the proposed residential aged care capital works without a grant from the Australian Government. The Fund operates under the provisions of the Act, Chapter 5 and the **Grant Principles**.
DSS allocates capital grants through a competitive assessment process. Applicants cannot be allocated a grant unless they:

- Have approved provider status

and

- Have an allocation of residential aged care places at the service.

Applicants may be able to apply for an allocation of places at the same time they apply for a capital grant. While an application for approved provider status can be made at any time, applicants need to take into account the fact that it can take more than three months for an application to be fully assessed if the Department requires further information from the applicant.

A grant will only be allocated to a provider who is approved to provide residential aged care by the time the results of the ACAR are announced and whose application for an allocation of places is successful. Grants are not available to applicants who have already contracted, commenced or completed the building of an aged care facility.

The Fund’s objective is to provide capital grants to facilitate equitable access to residential aged care where access is impeded by:

- A lack of access to sufficient non-grant funding by an approved provider.

- An inadequate supply of residential aged care, including for people with special needs (of which CALD groups are a part).

ACAR applicants seeking a capital grant need to demonstrate a lack of capacity to fund the purchase of land or building works for their residential aged care facility. Examples include an inability to borrow sufficient funds due to:

- Lack of cash and equity – residential aged care facility financiers usually require a contribution by the lender of about 30%-40% of the project cost.

- Insufficient cash generation to make repayments of principal within a reasonable period of time – lenders usually have a 5-7 year timeframe for the loan to be substantially reduced.

- Inability to service debt – cash generated from operations is not enough to cover loan interest commitments (financiers often require cash earnings to be at least double the interest expense).

The ACAR Invitation to Apply documentation may specify capital grants as a stand-alone application or as part of an application for residential aged care places.

The allocation criteria require the ACAR applicant to demonstrate:

- A need for the proposed works.

- Its ongoing organisational viability.

- Ongoing service viability (if the works are undertaken).
• If they cannot fund the project without the capital grant (and inversely, it can fund the project with the grant).

• Its good operational record as an approved provider of aged care, or a commitment to improvement.

When assessing an ACAR application for capital funding some of the factors ACAR assessors consider include the applicant’s:

• Financial position – it needs some financial resources or backing to support the project, although there is no clear quantum of funds specified.

• Ability to service debt associated with the project, particularly the sensitivity to interest rate fluctuations.

• Ability to raise funds from accommodation payments.

• Ability to generate additional funds from the Significant Refurbishment Supplement that is paid by the Australian Government for residents that are unable to make a contribution to their accommodation.

• Capacity to complete the capital works required without the capital grant.

The applicant must also demonstrate the need for the proposed works.

ACAR applicants will be asked to demonstrate their financial standing by providing their latest financial statements and, where applicable, their trading history. An ACAR response will also require forecasts of likely trading, cashflows (including borrowing interest and repayments) and anticipated financial position at future key points. This forecast information could be as much as four years after completing the new residential aged care facility.

Because the allocation of capital grants is a competitive process, applications for a capital grant should have due regard to how much funding the applicant requires to undertake the necessary works and a demonstration that it cannot fund those works in any other way, including debt financing.

12.6 Financial forecasting

Forecasting an ACAR applicant’s financial position and likely trading results (at future key points) is a major requirement of every ACAR application for residential aged care places. An accurate financial forecast will require an assessment of:

• The applicant’s current financial position.

• The impact of capital works or property acquisitions on its future financial position, especially its borrowing requirements.

• Trading results and cash generated from existing and future businesses.

• The quantum of accommodation payments received in the form of lump sum refundable accommodation deposits or daily accommodation payments.

• Likely interest payments required to service borrowing.
• Other external factors likely to impact on the applicant’s financial position such as guarantees and covenants on loans or transactions with related parties.

Financial forecasts are normally required at key points in developing and operating a new residential aged care service. These points are normally:

• The end of the most recent financial year.
• Prior to commencing capital works.
• Immediately after completing capital works.
• When maximum occupancy is first achieved.

In addition, the ACAR applicant will need to forecast the following information in the first four years after opening the proposed residential aged care facility:

• Trading results.
• Accommodation payments.
• Principal repayment and interest costs.

Financial forecasting is an essential task. CALD organisations inexperienced in providing residential aged care or who lack the financial skills to project the information in the required format should seek assistance from experienced financial people. They should, however, ensure they understand the information being presented and that it is consistent with the other elements of their application and the organisation’s business plans.

12.7 Risk strategies

The construction of a residential aged care facility is not without major risk at different points along the way. An assessment of the ACAR application on the basis of the likelihood that the proposal to construct the residential aged care facility will be successful is a consideration during the assessment process. Applicants should therefore consider summarising risks for their Board or Committee.

This might be done in a risk matrix that guides the organisation through the identification of potential risks, determines the likely consequences of an unforeseen incident and considers strategies to minimise any loss or damage.

Table 4 provides some examples of risk mitigation strategies.
<table>
<thead>
<tr>
<th>Risk</th>
<th>Example mitigation strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance is not approved</td>
<td>Speak to your financier at an early stage to determine what level of support can be given to your application. In most cases financiers will not commit to any level of financing before places are allocated; however they may be able to indicate their involvement in the planning process and provide in-principle support.</td>
</tr>
<tr>
<td>Building process is delayed, fails to achieve the necessary planning permit/s or runs over budget</td>
<td>Appoint an experienced project manager to handle the planning and construction of the new facility.</td>
</tr>
<tr>
<td>Building does not meet building code standards</td>
<td>Appoint a building surveyor or an architect who has considerable experience in designing residential aged care facilities and understands the building code requirements. Particular skills in designing areas for residents, such as people with dementia, could be an advantage.</td>
</tr>
<tr>
<td>Building does not provide appropriate spaces or amenity for residents</td>
<td>As above</td>
</tr>
<tr>
<td>Facility remains at low occupancy levels for lengthy periods</td>
<td>While this risk can never be completely mitigated, factors which will help include:</td>
</tr>
<tr>
<td></td>
<td>Extending the depth of research into prospective residents including waitlist information.</td>
</tr>
<tr>
<td></td>
<td>Making sure you understand your community’s aged care needs.</td>
</tr>
<tr>
<td></td>
<td>Having a communication/marketing plan.</td>
</tr>
<tr>
<td></td>
<td>Making sure people responsible for identifying and contracting prospective residents have the necessary experience and skills.</td>
</tr>
<tr>
<td>Facility fails to attract projected accommodation payments</td>
<td>As above</td>
</tr>
</tbody>
</table>
12.8 Timelines

A period of two years is currently provided from the time of allocation for the construction and commissioning of a residential aged care facility.

The Australian Government may consider extensions of time to operationalise residential aged care places where you have demonstrated progress is being made.

Take care to ensure the proposed timeframes are realistic.

12.9 Key messages

The key messages from this section are:

- Identifying or acquiring a property on which to build a new facility will substantially increase the chance of an ACAR application being successful.

- Good building design can assist in meeting CALD community needs.

- Having a clear approach to providing services for people with dementia is critical for an ACAR application.

- Understanding and mitigating risks associated with funding and managing a residential aged care facility are the most important aspects of an ACAR application for residential aged care places.

- When applying for capital funding assistance, applicants should seek the amount of funding required to undertake the necessary works, with consideration of their requirement to contribute the maximum possible to the project, taking into account a realistic assessment for fund raising capacity, the income/assessment tested fees residents will be required to pay and the likely government subsidies once the service is operational.
## Shortened terms

### Table 5: Shortened terms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>ACAR</td>
<td>Aged Care Approvals Round</td>
</tr>
<tr>
<td>ACAT</td>
<td>Aged Care Assessment Team</td>
</tr>
<tr>
<td>ACSA</td>
<td>Aged Care Services Australia</td>
</tr>
<tr>
<td>ASIC</td>
<td>Australian Securities and Investments Commission</td>
</tr>
<tr>
<td>CALD</td>
<td>Culturally and Linguistically Diverse</td>
</tr>
<tr>
<td>CDC</td>
<td>Consumer Directed Care</td>
</tr>
<tr>
<td>CHSP</td>
<td>Commonwealth Home Support Programme</td>
</tr>
<tr>
<td>DSS</td>
<td>Department of Social Services</td>
</tr>
<tr>
<td>ESS</td>
<td>Extra Service Status</td>
</tr>
<tr>
<td>HACC</td>
<td>Home and Community Care</td>
</tr>
<tr>
<td>LASA</td>
<td>Leading Age Services Australia</td>
</tr>
<tr>
<td>LGBTI</td>
<td>Lesbian, gay, bisexual, transgender and intersex</td>
</tr>
<tr>
<td>PICAC</td>
<td>Partners in Culturally Appropriate Care</td>
</tr>
</tbody>
</table>
14 Census terms

Birthplace country is the country in which a person was born.

CALD refers to people who were born outside of Australia in a non-English speaking country or who were born into a culture significantly different to the dominant Australian culture.

Core activity need for assistance is the characteristic that measures the number of people with a profound or severe disability. These people are defined as needing help or assistance in at least one of the three core activity areas:

- Self-care.
- Mobility and communication due to a disability.
- Long-term health condition (lasting six months or more) or old age.

The variables included in the Australian Population and Migration Research Centre data sets include:

- ‘Has need for assistance with core activities’.
- ‘Does not have need for assistance with core activities’.
- ‘Not stated’.

Language spoken at home is the characteristic that records the responses to the census question ‘Does the person speak a language other than English at home?’

The variables (or languages) grouped under this characteristic capture the population linguistic diversity.

Language spoken at home & speaks English not well/not at all is a combination of variables under ‘Language spoken at home’ and ‘Proficiency in spoken English’. The selected categories or variables from ‘Proficiency in spoken English’ (‘Not well’ and ‘Not at all’) are self-assessed. This provides an insight into the language spoken by people with limited or no English language skills.

Lone person is a variable that provides insight into individuals who live alone.

Number refers to the actual number of people identified under the relevant census characteristic or variable; read it in conjunction with ‘Proportion’. It is important to always consider the number (or ‘n’) because:

- It is crucial for policy makers or approved providers who are planning or providing a service to know the actual number of people they are providing services to in a particular area or location.
- When measuring proportion or percentage population change in an area, the actual number of people (or n) provides a base figure on which the proportion is calculated. This could be small, and exaggerate the proportion or percentage change (e.g. in regional areas).
Place of enumeration is a count of every person based on where they were located on census night; read it in conjunction with ‘Place of Usual Residence’. This is used when analysis on dwellings or households is required, information which is not available through ‘Place of Usual Residence’. Generally, depending on area, enumerated populations are lower than usual residence populations due to the high mobility of Australians. However, because the census is conducted in winter, tourist areas (particularly in the Queensland), can attract seasonal holiday makers and reflect higher enumerated than usual residence populations.

Place of usual residence is the count of every person in Australia on census night based on where they usually live; read it in conjunction with ‘Place of Enumeration’. This accounts for seasonal factors, such as school and snow/summer holidays and ‘brings those away on census night back into their homes’. However, this only relates to people within Australia and excludes people overseas at census time. The drawback of using ‘Place of usual residence’ is that it does not provide any information on the topics of dwelling or household.

Proficiency in spoken English is the characteristic for people who speak a language other than English at home. It classifies self-assessed spoken English proficiency. The main variables under ‘Proficiency in spoken English’ are:

- ‘Very well’
- ‘Well’
- ‘Not well’
- ‘Not at all’

Proportion refers to the percentage of people identified under the relevant census characteristic or variable; read it in conjunction with ‘Number’. Use proportion (percentage) to make comparisons between areas, population groups or when measuring intercensal percentage change. However, it is important to always consider the base figure (or n) on which the proportion is calculated.

Provided unpaid assistance is under the ‘Unpaid Assistance to a Person with a Disability’ variable. It records people who, at least in the two weeks prior to census night, spent time providing unpaid care or assistance to family members or others due to an aged related disability.

Registered marital status records a person’s formal registered marital status. The variables in this characteristic include:

- ‘Never Married’
- ‘Widowed’
- ‘Divorced’
- ‘Separated’
- ‘Married’
Relationship in household is the category that describes the relationship of each person in a family to the family reference person or, where a person is not part of a family, that person’s relationship to the household reference person. The variables (relationships) grouped under this characteristic include dependents, non-related family members or partners. ‘Lone Person’ identifies people living alone.

Religious affiliation records a person’s religious affiliation. In general, the selected main variables for CALD populations include ‘Buddhism’, ‘Hinduism’, ‘Islam’ and ‘Judaism’.

While these religions can very broadly be linked to CALD populations, it must be considered that ‘Christianity’ is significant for particular CALD birthplace groups.

Unpaid assistance to a person with a disability is the characteristic that records people who provided unpaid care, help or assistance to family members or others because of a disability, a long-term illness or problems related to old age. This also includes those in receipt of a Carer Allowance or Carer Payment and excludes work done through a voluntary organisation or group. Under this characteristic, the main variable focused on is ‘Provided unpaid assistance’.

15 Glossary

Table 6: Glossary of terms used in the Guide

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accommodation payment</strong></td>
<td>A resident of an aged care facility may be asked to pay for the cost of their accommodation separately from their care. This payment is made by either a refundable lump sum (refundable accommodation deposit [RAD]) or a daily fee (daily accommodation payment [DAP]) or a combination of both. The Australian Government will advise the maximum accommodation payment based on an assessment of the resident’s income and assets. Regardless of this maximum, it is the approved provider’s responsibility to agree the amount payable with the resident.</td>
</tr>
</tbody>
</table>
| **Accreditation Standards** | Accreditation Standards are standards specified under the Act and the Quality of Care Principles that Australian Government-subsidised residential aged care facilities must meet before they can receive government funding. There are four Accreditation Standards and 44 expected outcomes focusing on:  
  - management systems, staffing and organisational development;  
  - health and personal care;  
  - lifestyle; and |

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<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged Care</td>
<td>Older people living in Australia may receive aged care. This personal and/or nursing care supports older people to stay as independent and healthy as they can be. Aged care can also help if you are caring for someone older by giving you a helping hand to look after the person you care for. Aged care is delivered through many different programmes funded by the Australian Government and state/territory governments. Home care and residential aged care services are outlined in this Guide.</td>
</tr>
<tr>
<td>Aged Care Act 1997 (the Act)</td>
<td>The Act is the legislation that allows Australian Government funding to be provided for aged care. The Act is the prime legislation for regulating the industry.</td>
</tr>
<tr>
<td>Aged Care Approvals Round (ACAR)</td>
<td>The ACAR is the name given to the competitive process conducted by the Australian Government to allocate home care places and residential care places. DSS administers the ACAR.</td>
</tr>
<tr>
<td>Aged Care Assessment Team (ACAT) or Aged Care Assessment Service (ACAS)</td>
<td>ACATs are teams of health professionals who assess the needs of older people and approve them to receive home care places, residential aged care places and transition care. An ACAT assessor may be a doctor, nurse, social worker and/or other health professional.</td>
</tr>
<tr>
<td>Aged care facility</td>
<td>An aged care facility is a special-purpose facility that provides accommodation and other types of support, including assistance with day-to-day living, intensive forms of care, and assistance towards independent living, to frail and aged residents. Facilities are accredited by the Australian Aged Care Quality Agency to receive funding from the Australian Government through residential aged care subsidies.</td>
</tr>
<tr>
<td>Aged Care Commissioner</td>
<td>The Aged Care Commissioner can review certain decisions made by the Aged Care Complaints Scheme (the Scheme) and examine complaints about the Scheme’s processes for handling matters under the Complaints Principles. The Commissioner can also examine complaints about the Australian Aged Care Quality Agency’s conduct.</td>
</tr>
<tr>
<td>Aged Care Financing Authority</td>
<td>The Aged Care Financing Authority provides independent advice to the Australian Government about pricing and financing issues based on information gathered through</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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<tr>
<td>consulting consumers. This authority also provides independent advice about the aged care and finance sectors.</td>
<td></td>
</tr>
<tr>
<td>Aged care planning region</td>
<td>An aged care planning region is a specific area of a state or territory. New aged care places are allocated to specific aged care planning regions and must be delivered within those boundaries.</td>
</tr>
<tr>
<td>Aged Care Principles</td>
<td>The <em>Aged Care Principles 2014</em> are the subordinate legislation of the Act.</td>
</tr>
<tr>
<td>Aged Care Pricing Commissioner</td>
<td>The Aged Care Pricing Commissioner approves certain accommodation payments and extra service fees.</td>
</tr>
<tr>
<td>Aged care services</td>
<td>Aged care services provide care and services in an older person’s home or in a residential setting. Some aged care providers deliver services for groups of older people in a community environment. These services are usually planned activity groups such as centre based respite, community access groups, respite services.</td>
</tr>
<tr>
<td>Ageing in place</td>
<td>Ageing in place is a process where an older person’s care needs are satisfied in the one place (such as an aged care facility) as their dependency levels increase.</td>
</tr>
<tr>
<td>Annual report</td>
<td>An annual report is a document that outlines information on the performance of an organisation over a period of one year. Examples of information normally included in the report are:</td>
</tr>
<tr>
<td></td>
<td>• Board or Committee member and/or executive names;</td>
</tr>
<tr>
<td></td>
<td>• comments on operations, including research and other initiatives;</td>
</tr>
<tr>
<td></td>
<td>• key statistics; and</td>
</tr>
<tr>
<td></td>
<td>• financial information.</td>
</tr>
<tr>
<td>Approved Provider</td>
<td>An approved provider is an organisation that has been approved by the Australian Government to operate aged care services (including home care places and residential aged care places) under the Act.</td>
</tr>
<tr>
<td>Australian Aged Care Quality Agency</td>
<td>The Australian Aged Care Quality Agency was set up under the <em>Australian Aged Care Quality Act 2013</em>. It is responsible for:</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>------</td>
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</tr>
<tr>
<td>DSS;</td>
<td>helping the industry improve service delivery through education and training; and assessing and assisting services working towards accreditation.</td>
</tr>
<tr>
<td><strong>Australian Bureau of Statistics (ABS)</strong></td>
<td>The ABS is Australia’s national statistical agency. The ABS provides key statistics on a wide range of economic, environmental and social issues, to assist and encourage informed decision making, research and discussion within governments and the community.</td>
</tr>
<tr>
<td><strong>Australian Securities and Investments Commission (ASIC)</strong></td>
<td>ASIC is an independent Australian government body that acts as Australia's corporate regulator. ASIC's role is to enforce and regulate company and financial services laws to protect Australian consumers, investors and creditors.</td>
</tr>
<tr>
<td><strong>Board</strong></td>
<td>A Board comprises a specified number of people to act as directors responsible for the overall operations of the company including legislative compliance. The company’s constitution outlines the rules relating to a director’s appointment and responsibility.</td>
</tr>
<tr>
<td><strong>Broker (of direct care)</strong></td>
<td>A broker of direct care is a business that supplies direct care contractors to an aged care service in return for a fee. Most commonly used in home care; called ‘agency brokers’ in residential aged care. Contractors are normally engaged to provide personal care, nursing or other allied health services.</td>
</tr>
<tr>
<td><strong>Business plan</strong></td>
<td>A business plan is a document that describes your business, its objectives, strategies, target market and financial forecasts. It is a blueprint to your business’s future.</td>
</tr>
</tbody>
</table>
| **Capital grant** | An allocation of funding to contribute to the costs associated with the establishment or enhancement of facilities for residential aged care accommodation. Eligible costs include:  
- the acquisition of land on which is, or is to be built, the premises needed for providing aged care; and/or  
- acquiring, building, upgrading or extending those premises; and/or  
- furnishing, fitting out and equipment for those premises. |
Capital works costs do not include:

- costs of routine administration of the residential care service to which the grant relates, whether or not the costs are related to the project;
- the cost of acquiring and operating vehicles;
- the cost of rent, insurance and State, Territory and local government statutory charges (for example, rates);
- normal overhead and operating costs;
- any tax payable by the residential care service to which the grant relates, including any tax payable as a result of receiving the grant;
- costs associated with obtaining finance for the project; and/or
- the cost of interest related to any finance obtained for the project.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Care recipient</td>
<td>A care recipient is a person who receives aged care services from an approved provider.</td>
</tr>
<tr>
<td>Classification level</td>
<td>Every care recipient is given a classification level to receive Australian Government aged care services. The classification level is based on their care and other needs and will determine the level of subsidy received.</td>
</tr>
<tr>
<td>Committee of Management</td>
<td>A Committee of Management is similar to a Board except that it is responsible for operating an incorporated association.</td>
</tr>
<tr>
<td>Commonwealth Home Support Programme (CHSP)</td>
<td>The Commonwealth Home and Community Care (HACC), National Respite for Carers Programme (NRCP), Day Therapy Centres (DTC), and Assistance with Care and Housing for the Aged (ACHA) were consolidated to form the Commonwealth Home Support Programme (CHSP) which commenced on 1 July 2015 in most states, as part of the changes to aged care.</td>
</tr>
<tr>
<td>Community care programmes</td>
<td>See Home and community care.</td>
</tr>
<tr>
<td>Company limited by guarantee</td>
<td>A company limited by guarantee is a type of company often used by not-for-profit organisations. It is constituted under Commonwealth law (Corporations Act 2001) and it has</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
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</tr>
<tr>
<td>Confidentiality agreement</td>
<td>A confidentiality agreement, which is also known as a non-disclosure agreement, is a contract between two or more parties where the subject of the agreement is a promise that information conveyed will be maintained in secrecy.</td>
</tr>
<tr>
<td>Consumer Directed Care (CDC)</td>
<td>CDC is mandatory for all home care places delivered from 1 July 2015. It puts consumers in charge of decisions about their care. It allows consumers to have more control over their own life by selecting the type of services they wish to receive and who delivers the services. Although CDC is currently restricted to home care places, it may be extended to other forms of care in the future.</td>
</tr>
<tr>
<td>Continuity of care (or care continuum)</td>
<td>Continuity of care describes the provision of services to older people that match their needs as their dependency levels increase with age. The continuity can be in terms of a single organisation being able to provide care in different settings (i.e. provide a home care place and then a residential aged care place when care in the home becomes impractical) or in the same setting (i.e. provide personal care and then more intensive clinical care/palliative care in the latter stages of life).</td>
</tr>
<tr>
<td>Continuous improvement</td>
<td>Continuous improvement is a system that captures or identifies opportunities to improve the way services are delivered on an ongoing basis.</td>
</tr>
<tr>
<td>Culturally and Linguistically Diverse (CALD)</td>
<td>There are many elements to cultural and linguistic diversity within the Australian community. A standard set of Cultural and Language Indicators has been developed by the ABS (country of birth of person, main language other than English spoken at home, proficiency in spoken English, Indigenous status, ancestry, country of birth of father, country of birth of mother, first language spoken, language spoken at home, religious affiliation, and year of arrival in Australia). These indicators provide a range of information that is pertinent to the measurement of cultural and linguistic diversity, and of related advantage or disadvantage in terms of access to government services.</td>
</tr>
<tr>
<td>Culturally appropriate care</td>
<td>Culturally appropriate care is holistic care that is respectful and accessible to a care recipient’s background, language and culture.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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</tr>
<tr>
<td><strong>Dementia</strong></td>
<td>Dementia is an umbrella term that encompasses a range of conditions caused by changes in the functioning of the brain. These conditions affect memory, thinking, behaviour and the ability to perform everyday activities.</td>
</tr>
<tr>
<td><strong>Demographic data</strong></td>
<td>Studies of a population in a specific geographic area based on factors such as age, race, sex, economic status, level of education, income level and employment, among others is called demographic data.</td>
</tr>
<tr>
<td><strong>Department of Social Services (DSS)</strong></td>
<td>The Australian Government department responsible for administering the <em>Aged Care Act 1997</em>.</td>
</tr>
<tr>
<td><strong>Direct care</strong></td>
<td>Direct care is personal care provided directly to the care recipient by an approved provider.</td>
</tr>
<tr>
<td><strong>Ethnic communities council (ECC)</strong></td>
<td>An ethnic communities council (ECC) is a non-government peak advocacy body representing ethnic and multicultural communities. ECCs operate in each state and territory.</td>
</tr>
<tr>
<td><strong>Extra services</strong></td>
<td>Extra services status is an approval that the Secretary of the Department of Social Services grants over residential aged care places that allows the provider to provide residents with a greater range of options for significantly higher quality accommodation, food services and non-care related services. Extra services vary from facility to facility and separate fees normally apply. These fees are approved by the Australian Government.</td>
</tr>
<tr>
<td><strong>Financially disadvantaged</strong></td>
<td>Care recipients of limited financial means who cannot afford the cost of their care and accommodation may be financially disadvantaged. Approved providers are normally given specific subsidies directly from the Australian Government to care for these people. In a residential aged care facility, they are also called supported or partially supported persons.</td>
</tr>
<tr>
<td><strong>Home and community care (HACC)</strong></td>
<td>Older people who needed help to stay at home and to be more independent in the community sometimes benefited from Home and Community Care (HACC). The former HACC programme provided a comprehensive range of basic maintenance, support and care services for older people and their carers. Eligible older people are normally aged 65 years and over. The HACC, National Respite for Carers Programme (NRCP),</td>
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<td>Day Therapy Centres (DTC), and Assistance with Care and Housing for the Aged (ACHA) programmes were consolidated to form the Commonwealth Home Support Programme (CHSP), which commenced on 1 July 2015 in most states as part of the changes to aged care.</td>
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</tr>
<tr>
<td>Home care</td>
<td>Each home care place represents a package offered under the Home Care Packages Programme. Home Care Packages assist older people to remain living at home by improving access to the types of services that will allow them to continue to live active and independent lives. From 1 July 2015, all Home Care Packages will be delivered on a Consumer Directed Care (CDC) basis. This new model of care gives older people greater flexibility and choice about the types of care and services they access, how the care is delivered, and who delivers it to them and when. Under CDC, care recipients determine the level of involvement they would like to have in managing their own package. CDC will provide care recipients with greater transparency of what funding is available under their package of care and how those funds are spent through the use of an individualised budget. Care recipients will be encouraged to identify goals, which include independence, wellness and re-ablement.</td>
</tr>
<tr>
<td>Home Care Standards</td>
<td>The Home Care Standards are the quality standards that must be met by approved providers delivering Australian Government funded services in the home. They are listed in the Quality of Care Principles, Schedule 4.</td>
</tr>
<tr>
<td>Human resources</td>
<td>Human resources is the set of individuals who make up the workforce of an organisation.</td>
</tr>
<tr>
<td>Incorporated association</td>
<td>Legal entities that are incorporated and administered under state/territory legislation are called incorporated associations. An incorporated association structure is used by not-for-profit organisations to operate their business. It is controlled by the members who elect the Committee of Management.</td>
</tr>
</tbody>
</table>
| Industry benchmarks                            | Similar to most industries, the aged care industry has a number of key financial industry benchmarks that can be used as points of comparison. Some useful examples of benchmarks for approved providers include:  
  - cost to build a residential aged care facility per resident; |
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<tr>
<td>• hours of care per resident; and</td>
<td></td>
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<td>• income and expense items measured according to places offered.</td>
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<tr>
<td><strong>Invitation to Apply</strong></td>
<td>An Invitation to Apply for aged care places and/or a capital grant is made available on the DSS website in accordance with the Aged Care Act 1997. The Invitation to Apply includes information on how to make an application.</td>
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<tr>
<td><strong>Key personnel</strong></td>
<td>Key personnel is a defined term in the Act and is summarised as a member a group of persons who:</td>
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<td>• are responsible for entity executive decisions; or</td>
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<td>• have authority or responsibility for (or significant influence over) planning, directin or controlling entity activities; or</td>
<td></td>
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<tr>
<td>• are likely to be responsible for, nursing services and entity operations.</td>
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<tr>
<td><strong>Management company</strong></td>
<td>An external organisation that has been given the responsibility of operating part or all of the aged care business on behalf of the approved provider.</td>
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<tr>
<td><strong>Memorandum of understanding (MoU)</strong></td>
<td>A memorandum of understanding (MoU) is an agreement between two or more parties. It defines a relationship between them for the purpose of future common action. It is not normally legally binding although it can create legal obligations.</td>
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<tr>
<td><strong>Partners in Culturally Appropriate Care (PICAC)</strong></td>
<td>The Australian Government funds one PICAC in each state and territory to assist approved providers to deliver culturally appropriate care to older people from CALD communities.</td>
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<tr>
<td><strong>Peak body</strong></td>
<td>A peak body is an organisation formed to represent the views of a number of smaller groups and organisations.</td>
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<td><strong>Planning ratio</strong></td>
<td>The planning ratio is a formula used by the Australian Government to calculate the need for aged care places based on the older population of a region. The national planning ratio target is 125 operational aged care places per 1,000 people aged 70 years and over split between 45 home care places and 80 residential aged care places by 2021-22.</td>
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<tr>
<td><strong>Provision Ratio</strong></td>
<td>The level of subsidised operational aged care places for</td>
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<tr>
<td>every 1,000 people aged 70 years and over.</td>
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<tr>
<td>Psychogeriatric Assessment Team (PGAT)</td>
<td>PGAT is a similar service to ACAT except it deals with mental health issues for older persons.</td>
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<tr>
<td>Quality system</td>
<td>A quality system is a collection of business processes focused on achieving an organisation's policies and objectives i.e. what a care recipient wants and needs. It could be expressed as the organisational structure, policies, procedures, processes and resources needed to implement quality management.</td>
</tr>
<tr>
<td>Regional Distribution of Aged Care Places</td>
<td>A Regional Distribution of Aged Care Places in known as aged care places which have been made available in relation to each type of subsidy by Ministerial determination under section 12-3 of the Act and are distributed by the Secretary of the Department to aged care planning regions in each state and territory.</td>
</tr>
<tr>
<td>Resident</td>
<td>A resident is a person living in a residential aged care facility who has signed a legal agreement, which covers the terms and conditions of their residency, fees payable, services to be delivered as well as their rights and responsibilities.</td>
</tr>
<tr>
<td>Residential aged care</td>
<td>Residential aged care is the provision of services to an older person living in a residential aged care facility. The Act, the Principles and the Schedule of Specified Care and Services specify the type of services to be delivered, which includes:</td>
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<td>• appropriate staffing to meet resident nursing and personal care needs;</td>
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<td></td>
<td>• meals, laundry and cleaning services;</td>
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<td></td>
<td>• involvement in social activities;</td>
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<td></td>
<td>• access to medical and allied health; and</td>
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<td></td>
<td>• accommodation with appropriate furnishings, furniture and equipment.</td>
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<td>Respite</td>
<td>Respite care (also known as short-term care) is a form of support for carers or care recipients. It gives the carer the opportunity to attend to everyday activities and have a break from their caring role; it also gives the care recipient a break from their usual care arrangements. Respite care may be given informally by friends, family or neighbours, or by formal respite services.</td>
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<tr>
<td>Residential respite</td>
<td>Residential respite can be used on a planned or emergency basis by people who have been approved by an ACAT to receive residential respite care.</td>
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<td>Sanctions</td>
<td>DSS may impose sanctions if an approved provider is not complying with its responsibilities under the Act. The decision to impose sanctions is not taken lightly and includes consideration of issues such as whether the non-compliance is minor or serious, whether it has occurred before and whether it threatens residents’ health, welfare or interests.</td>
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<tr>
<td>Secretary of the Department of Social Services</td>
<td>The departmental secretary is the most senior public servant of DSS. The departmental secretary works closely with the elected government minister to bring about policy and programme initiatives that the government of the day was elected to achieve. A departmental secretary works with other departments and agencies to ensure the delivery of services and programmes within the nominated area of responsibility.</td>
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<tr>
<td>Service agreement</td>
<td>A service agreement is a legally binding agreement by one party to provide specified services to another party.</td>
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<tr>
<td>Service provider</td>
<td>A service provider is an organisation funded to provide aged care services to older people.</td>
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<td>Special needs groups</td>
<td>For the purposes of the Act, people with special needs includes:</td>
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<td>• people from Aboriginal and Torres Strait Islander communities;</td>
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<td>• people from culturally and linguistically diverse backgrounds;</td>
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<td>• people who live in rural or remote areas;</td>
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<td>• people who are financially or socially disadvantaged;</td>
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<td>• veterans;</td>
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<td>• people who are homeless or at risk of becoming homeless;</td>
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<td>• care-leavers;</td>
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<td></td>
<td>• parents separated from their children by forced adoption or removal;</td>
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<tr>
<td></td>
<td>• lesbian, gay, bisexual, transgender and intersex</td>
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<td>people; and</td>
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<td>• people of a kind (if any) specified in the <em>Allocation Principles</em>.</td>
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From time-to-time, the Australian Government may prioritise some of these groups in the allocation of new aged care places.

**Steering committee**

A steering committee is a body within an organisation that supports the steering of its actions. Its main concern is making strategic decisions about realising its long- and short-term plans. It can be comprised of members of the Board or Committee of Management and will generally report back to this group on its recommendations and/or actions.