



Royal Commission
into Aged Care Quality and Safety

Higher funding needed for residential aged care

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Research from the University of Queensland estimates that if aged care homes operate efficiently it would cost around \$621 million per year to improve all homes to the best quality level measured in Australia's current aged care system. The cost for all aged care homes to improve quality and to operate with a small-sized home model would be around \$3.2 billion per year.

The University of Queensland conducted its research for the Royal Commission into Aged Care Quality and Safety using detailed financial data, a comprehensive set of care quality indicators for aged care homes, and a measure of relative care needs, which was developed by the University of Wollongong. The findings are presented in [Research Paper 9 – The cost of residential aged care](#) and [Research Paper 10 – Technical mapping between ACFI and AN-ACC](#) which are available on the Royal Commission's website.

The quality indicator data shows aged care homes cluster divided into three quality groups, with 11% in the best group, 78% in the middle, and 11% in the worst group. The best quality homes met all accreditation standards, had lower use of high-risk medicines, had lower issues and complaints, and had a higher customer experience rating.

The Royal Commissioners, the Honourable Tony Pagone QC and Ms Lynelle Briggs AO, say that the research suggests that higher funding is needed for residential aged care if it is to meet basic standards, and even more will be required for reform to achieve high-quality care in Australia.

“Australians expect that all are entitled to the best quality level of care in aged care homes. Additional funding will be needed to enable providers to meet those expectations consistently.”

The aged care homes most likely to be in the best quality group were small-sized or Government-owned homes. For example, the best quality group contained 41% of homes with 1-15 beds, but only 17% of homes with 31-60 beds and just 5% of homes with 61-120 beds. The best quality group contained 24% of Government-owned homes, 13% of not-for-profit homes and just 4% of for-profit homes.

The average total cost efficiency of aged care homes was estimated to be 88%, which is higher than has been estimated for health care sectors.

The researchers note that focusing on quality improvement rather than cost-minimisation may have wider benefits. For example, better care and quality of life for residents may reduce the need for hospitalisations, spending on high-risk medicines, as well as reducing workplace injuries and accidents in aged care homes. The data in Australia does not currently enable these hypotheses to be tested.

The research paper was prepared for the information of the Royal Commission and the public. Any views expressed in them are not necessarily the views of the Commissioners.

To read the Royal Commission’s research papers, please visit the [publications page](#).



Royal Commission
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Australia far behind in monitoring aged care quality

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24 August 2020

New research shows Australia could immediately establish independent, transparent, routine monitoring and public reporting of many aspects of aged care quality outcomes similar to leading countries like Denmark, Sweden, Germany, the Netherlands, and the USA. Currently the Australian Government has no care quality outcome reporting for home care and reports on only three indicators for residential care.

The research, which was performed by the South Australian Health and Medical Research Institute (SAHMRI), shows a large range of quality outcome indicators can be produced from existing data without any burden to aged care providers. This includes indicators for medication-related quality of care, falls and fractures, hospital re-admissions, hospitalisation for dementia/delirium, pain, premature mortality, pressure injury, utilisation of care plans and medication reviews, and weight loss/malnutrition.

The SAHMRI research was conducted for the Royal Commission into Aged Care Quality and Safety. The findings are presented in *[Research Paper 8 – International and National Quality and Safety Indicators for Aged Care](#)* which is available on the Royal Commission's website.

The Royal Commissioners, the Honourable Tony Pagone QC and Ms Lynelle Briggs AO, say independent measurement and public reporting is essential for the good operation of the aged care system.

“Unbiased measurement and reporting of performance is vital to create accountability and continuous improvement in the aged care sector. Without it, problems are hidden from sight and not addressed,” the Commissioners said.

“It is unacceptable that in 2020 the aged care system is still without this. Had the Australian Government acted upon previous reviews of aged care, the persistent problems in aged care would have been known much earlier and the suffering of many people could have been avoided.”

In 2011, the Productivity Commission’s *Caring for Older Australians* report recommended that aged care quality indicators be established and published at the service provider level to enhance transparency and accountability. In 2017, the recommendation was echoed in the *Review of National Aged Care Quality Regulatory Processes* by Kate Carnell AO and Professor Ron Paterson ONZM.

The new research from SAHMRI examines practices in 11 countries and 305 care quality indicators. In addition to Australia, the countries were New Zealand, the USA, Canada, the United Kingdom, the Netherlands, Germany, Denmark, Finland, Sweden, and Iceland. Based on this research, SAHMRI suggests an independent body oversee quality monitoring and reporting in Australia, including data custodianship and establishing evidence based targets. SAHMRI suggests real-time data collection should be standard with routine public reporting.

In the research, SAHMRI also shows how Australia’s performance compares to other countries on various indicators. For example, the rate of significant unplanned weight loss in Australia was on the lower end of performance compared to Canada, the USA and New Zealand. Utilisation of medication reviews was considerably lower in Australia than Sweden.

The research paper was prepared for the information of the Royal Commission and the public. Any views expressed in it are not necessarily the views of the Commissioners.

For interviews with one of the paper’s authors, Associate Professor Gillian Caughey, please contact SAHMRI Media Officer Pete McDonald on 0402 293 078 or pete.mcdonald@sahmri.com