



Auditor-General for Australia



28 July 2017

Senator Rachel Siewart
Chair
Senate Community Affairs Reference Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator

Inquiry into the effectiveness of the Aged Care Quality Assessment and accreditation framework for protecting residents from abuse and poor practices, and ensuring proper clinical and medical care standards are maintained and practised

The Australian National Audit Office (ANAO) published performance audit report No.53 of 2016–17, *Indigenous Aged Care* that you may find relevant to the Senate Community Affairs Reference Committee inquiry into the effectiveness of the Aged Care Quality Assessment and accreditation framework.

Information about what the audit assessed, concluded and recommended is attached. The audit reports are available online at www.anao.gov.au.

Should the Committee require further information in relation to these matters, my office would be pleased to provide you with a briefing at a time convenient to you or appear as a witness at a hearing. To arrange a briefing, please contact our External Relations area at external.relations@anao.gov.au.

Yours sincerely

Grant Hehir
Auditor-General

Report No. 53 of 2016–17, *Indigenous Aged Care* assessed the effectiveness of Australian Government-funded aged care services delivered to Aboriginal and Torres Strait Islander people.

The audit concluded that the Australian Government-funded aged care services are largely delivered effectively to Aboriginal and Torres Strait Islander people. The ageing of Australia's population and growing diversity among older people, in terms of their care needs, preferences and socioeconomic status, are placing pressure on the depth and agility of Australia's aged care system. There are additional challenges in ensuring access to culturally appropriate care and service continuity for Aboriginal and Torres Strait Islander people, particularly for those living in remote and very remote communities. Some Aboriginal and Torres Strait Islander people may also have language or cultural preferences that influence their specific requirements. The National Aboriginal and Torres Strait Islander Flexible Aged Care Program has been effective in increasing the access to culturally appropriate aged care services for elderly Indigenous Australians. The direct selection and recurrent funding approach of the National Aboriginal and Torres Strait Islander Flexible Aged Care Program provides few opportunities for new service providers to enter the market. There would be benefit in the Department of Health extending the application process to new service providers and better aligning the funded places with service capacity. The Department of Health has developed sufficient guidance materials and provides supplementary funding to support Indigenous-focused services that operate under the Commonwealth Home Support, Home Care Packages and residential programs. However, not all Indigenous-focused services are aware of the Department of Health's sector support programs. The Department of Health and the Australian Aged Care Quality Agency have been largely effective in their administration of Australian Government-funded aged care services delivered to Aboriginal and Torres Strait Islander people. Each entity has developed sound administrative arrangements to manage the delivery of aged care services and to review the quality of care delivered through aged care programs. The Department of Health can strengthen its administration by implementing a coordinated approach that ensures the timely sharing of relevant information to facilitate risk assessments across the Ageing and Aged Care Group. Consistent with its policy intent, the National Aboriginal and Torres Strait Islander Flexible Aged Care Program is a more cost effective and viable model for specialised aged care delivery to Indigenous Australians when services are located in remote and very remote communities. A 25.8 per cent share of National Aboriginal and Torres Strait Islander Flexible Aged Care Program funding is allocated to services located in major cities and inner regional areas. To optimise recurrent funding decisions, it is important the Department of Health ensures that the existing service providers, their location and number of places, remain the most appropriate. Given that the majority of Aboriginal and Torres Strait Islander people access aged care through Commonwealth Home Support Program, Home Care Packages Program and residential aged care programs, further work is required by the Department of Health to maintain the service continuity of Indigenous-focused service providers in areas where there are no culturally secure alternatives. The Department of Health has an opportunity to leverage its datasets to improve the targeting of sector support initiatives to Indigenous-focused services and to monitor the ongoing impacts of aged care policies and programs on Aboriginal and Torres Strait Islander people.

The ANAO made the following recommendations:

Recommendation No.1 - The Department of Health:

- a. provide an opportunity for eligible existing Indigenous-focused aged care service providers, which are not currently funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program, to access the available funding under this scheme; and
- b. apply a consistent assessment process to ensure that places allocated through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program align with service provider capacity and are targeted to those service providers who will generate the greatest community benefit.

Recommendation No.2 - The Department of Health implement a coordinated approach to risk management for providers who receive multiple sources of program funding, which combines the assessments and ratings from different program areas and is centrally located.

Recommendation No.3 - The Department of Health monitor the number of:

- a. Aboriginal and Torres Strait Islander people accessing Commonwealth funded aged care services; and
- b. Service providers that deliver aged care services to a significant number of Aboriginal and Torres Strait Islander people.

Recommendation No.4 - To ensure that the funding provided through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program is appropriately targeted to services that will benefit most from the program's design and intent, the Department of Health:

- a. regularly review the ongoing needs of the communities serviced by culturally secure service providers;
- b. develop performance indicators capable of measuring the achievement of cost effectiveness and viability objectives; and
- c. identify and communicate available sector support and pathways for service providers to enter and exit the program.