Community Care Matters

Considerations for Councils

July 2018
1. Introduction

The community care system is in the midst of transformational reform driven by a desire for national consistency, consumer driven market-based integration that is affordable and sustainable and focussed on promoting wellness and independence.

These reforms are having a profound impact on councils, which historically have been central to the planning, funding and delivery of community care services. Many are now exploring possible, probable and preferred scenarios regarding their future roles and responsibilities.

This discussion paper provides an overview of the aged care reforms; the legislative, historical and current contexts within which Victorian local government operates; policy and operational issues that have been prosecuted by the MAV with the Commonwealth and Victorian governments, and highlights issues for councils to consider when examining their future roles regarding community care.

This discussion paper has been informed through the commissioning of a research project regarding aged care reform undertaken by the UNSW Canberra and engagement with local government Human Service Directors and Managers of Aged and Disability Services at a Future Directions and Policy Considerations for Aged and Disability Services workshop in February 2018, at which policy and operational issues impacting on community care were explored. In addition, a number of council reports that are in the public domain have also informed this paper.

2. About the aged care reforms

The reforms to aged care have been influenced by several key national reports and reference documents, including the Productivity Commission’s Caring for Older Australians, the National Aged Care Alliance’s Blueprints for Aged Care Reform, and in 2015 the Aged Care Roadmap developed by the Aged Care Sector Committee. (A summary of the key milestones and timeframes is depicted overleaf.)

The ‘Roadmap’ sets out future reform directions for aged care with an integrated care at home program that is characterised by:

- individualised funding that follows the consumer
- additional government assistance only where there is insufficient market response
- block funding (grants to providers) only where considered most appropriate/efficient; and
- a single assessment process for eligibility, care needs and funding levels for care at home.

In 2017 the Commonwealth government commissioned The Legislated Review of Aged Care to look at how the system has changed and adapted since the ‘Roadmap’ was enacted, the impact of the reforms to date, and where further changes could be made in the future. In all, 38 recommendations were made, but of particular relevance to Victorian local government were the following:

That the Commonwealth government:

1. increase the number of home care packages and rebalance the mix of lower and higher packages, including moving resources from residential to home care. This includes introducing a new level 5 package.

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2. introduce mandatory consumer contributions for services under the Commonwealth Home Support program (CHSP) with contributions standardised according to an individual's financial capacity.
3. provide consumer support services such as ‘system navigators’ and ‘outreach services’ to help consumers connect to, access and find their way through the My Aged Care (MAC) system.
4. integrate the Regional Assessment Service (RAS) and Aged Care Assessment Team into a single, independent assessment process.
5. improve access to wellness and reablement activities to support consumers to live independently.
6. review respite arrangements, to make sure that there is enough, and that access is equitable for carers of older people.
7. improve access to aged care for Indigenous and culturally and linguistically diverse (CALD) Australians.

While the Commonwealth government indicated that it would consider all 38 recommendations, the 2018/19 budget committed to the following initiatives:

- $14.8M to develop a single assessment framework. This commitment addresses the Tune review recommendation to integrate RAS and ACATs.
- $29M to implement a wellness approach in the CHSP with the trial of an assessment model that focuses on reablement with up to four RASs and an estimated 100,000 CHSP clients, with the aim of building client capacity and reducing the need for ongoing services.
- $61.7M to improve the functionality and information available on the My Aged Care website.
- $7.4M to trial Integrated Consumer Supports (navigators) to help older people struggling to understand the aged care system, including:
  - 30 aged care information hubs providing locally-targeted information to consumers.
  - 20 community hubs where members support each other in navigating aged care.
  - Six full-time specialists in consumer-focused organisations to offer one-on-one support for vulnerable people.
  - Six full-time aged care Financial Information Support Officers in the Department of Human Services to support people with complex financial decision-making.
- an additional 14,000 high-level home care packages despite nearly 105,000 people waiting in a queue to receive a package. (The Budget did not include a commitment to introduce a Level 5 home care package as recommended to increase the options for older people with high-care needs to be cared for at home.)
- $20M to pilot services to help older people remain connected to their communities.
- $22.9M to increase the physical activity of older people.
- $92.1M to continue support for people with a disability who are not eligible for the National Disability Insurance Scheme (NDIS) but are not receiving support under programs transitioning to the NDIS.

In terms of the Commonwealth Home Support Program (CHSP) no decisions have been made about the future of this program beyond June 2020. It is worth noting that this includes any decision in relation to the retention or exclusion of block funding grant funding. What is known is that all Victorian providers including councils are having their current funding agreements extended for twelve months, under the existing Comprehensive Terms and Conditions, to 30 June 2019. These service providers will then transition to the new CHSP Whole of Government grant agreement from 1 July 2019 to 30 June 2020, in line with the rest of Victoria/Australia. This Agreement will have an increased emphasis on wellness and reablement drawing upon the examples of good practice already established in Victoria and encouraging CHSP providers in other States to improve their practices to support client wellness and reablement.

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The Commonwealth government is currently consulting with the sector on options for longer term reform, as part of a co-design approach and in light of the feedback from the sector and in the context of the Aged Care Legislated Review (the Tune Review).

With regard to the future of Regional Assessment Services the Commonwealth has committed funds nationally until 2020 and a new assessment model will be implemented as of 2020. What is uncertain in Victoria at present is the arrangement between the State and Commonwealth governments beyond the current Agreement period which is until 30 June 2019. It is unclear whether the Agreement with the Victorian government will be extended to 30 June 2020 in line with RAS and ACAS nationally.

With regard to the Victorian Home and Community Care Program for Younger People (HACCPYP) the Department of Health and Human Services (DHHS) has confirmed that the program will be ongoing until such time the department notifies providers of any changes in line with terms and conditions in Funding and Service Agreements.

The following table provides a summary of the key milestones in the aged and community care reform process.

<table>
<thead>
<tr>
<th>Year</th>
<th>Reform Initiative</th>
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<tr>
<td>2012</td>
<td>Living Longer Living Better (LLLBB) reform package announced</td>
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<td>Expansion of the aged care provision ratio, including a shift in the balance of care towards more home care</td>
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<td>Government response to Productivity Commission report released</td>
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<td>2013</td>
<td>My Aged Care website and Contact Centre introduced to provide information for consumers about aged care and how to find Commonwealth-funded aged care services</td>
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<td></td>
<td>Commencement of Home Care Packages Program (HCP)</td>
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<td></td>
<td>Introduction of Consumer Directed Care</td>
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<td>2014</td>
<td>Australian Aged Care Quality Agency established, and its role expanded to include quality review of home care services</td>
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<td></td>
<td>Introduction of income testing arrangements in home care (as part of a range of financial reforms)</td>
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<td>2015</td>
<td>Commencement of the Commonwealth Home Support Program (CHSP) which subsumed:</td>
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<td>- The Commonwealth Home and Community Care (HACC) Program</td>
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<td></td>
<td>- Planned respite services under the National Respite for Carers Program (NRCP)</td>
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<td></td>
<td>- The Day Therapy Centres (DTC) Program</td>
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<td></td>
<td>- The Assistance with Care and Housing for the Aged (ACHA) Program</td>
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<td></td>
<td>- Expansion of My Aged Care which included introduction of the Regional Assessment Services for Home Support and a nationally consistent screening and assessment process</td>
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<td>- Consumer directed care applied to all Home Care Packages</td>
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<td>2016</td>
<td>Release of the Aged Care Roadmap</td>
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<td>Victorian Home and Community Care (HACC) Program transitioned to the CHSP</td>
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<td></td>
<td>A national fee framework for the CHSP was implemented</td>
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<td>2017</td>
<td>Commencement of Increasing Choice reforms – funding for home care packages follows the consumer, a national system for prioritising access to packages and simplified approved provider arrangements²</td>
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² Australian Government (2017) Future reform – an integrated care at home program to support older Australians Discussion Paper
3. The MAV’s response to the aged care reforms

The MAV on behalf of Victorian local government proactively seeks to influence the design of the service system and to this end convenes the Tripartite Community Care Officials Working Group (TCCOWG) which oversees the Statement of Intent between the Commonwealth of Australia, the Victorian government and local government, which recognises the role of local government in the planning, funding and delivery of aged and community care services.  

Along with the Victorian government, the MAV has maintained that the strengths of the community care system in Victoria are due in part to councils long-term commitment (estimated at $150M annually) to:

- provide an easily identifiable access point into the aged care and disability service system
- deliver a strong and multi-tiered assessment framework
- promote wellness and maintain functional independence
- plan, coordinate and deliver highly quality and integrated services to diverse groups of people
- develop a large and highly skilled workforce
- deliver an extensive array of social support, health and well-being programs
- collaborate with primary care and acute care providers, expectations central to Primary Care Partnerships and Primary Health Networks; and
- advocate in response to demand.

In its submission to the Commonwealth government’s announcement to establish an integrated care at home program in the future, the MAV argued that the community care system needs to be:

- prevention focussed
- person centred
- accessible at a local level
- designed to ensure continuity of care and certainty of service availability and provision
- coordinated around the needs of the individual
- supportive of family and carers
- designed to facilitate service provider engagement and networking
- designed for seamless integration with the health and community care service system; and
- enhanced, thereby reducing referral to hospital settings.

Through the Tripartite Community Care Officials Working Group the MAV and local government representatives have requested the Commonwealth to:

- regularly communicate to Victorian councils progress with the process for determining the next stage of the Commonwealth Home Support Program and Regional Assessment Service.
- include the expertise of Victorian local government in the codesign of the Commonwealth Home Support Program and Regional Assessment Service.
- determine the future of the Commonwealth Home Support Program and Regional Assessment Service and advise of these futures no later than December 2018.
- engage Victorian councils through the MAV in the codesign of community hubs proposed to support aged care navigation.

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7 MAV (2016) Statement of intent
8 Victorian Department of Health Ageing and Aged Care Branch (2014) Retaining the benefits of the Victorian HACC System: a state of stable service delivery
Community Care Matters: Considerations for Council

4. The legislative context

Both the Local Government Act 1989 and the proposed Local Government Act 2018 prescribe the roles and functions of a council and the principles that must underpin its governance. Collectively these provide a useful checklist with which to determine a council’s role with regard to funding, provision and stewardship of services, facilities and programs in response to the diverse needs of its ageing residents.

Specifically, the Local Government Act 1989, states councils must:

- take into account the diverse needs of the local community in decision making
- provide leadership by establishing strategic objectives and monitoring their achievement
- advocate the interests of the community to other communities and governments and promote proposals which are in the best interests of the community
- act as a responsible partner by taking into account the needs of other communities
- foster community cohesion and encourage active participation in civic life
- advocate and promote proposals which are in the best interests of the local community
- plan for and provide services and facilities for the community; and
- provide and maintain community infrastructure.10

The revised Local Government Act, expected to be introduced to the Victorian Parliament in 2018 states the role of a council is to provide good governance for the benefit and wellbeing of its community and that the following principles must be adhered to:

- priority be given to achieving the best outcomes for the community, including future generations
- economic, social and environmental sustainability be promoted
- the community to be engaged in strategic planning and strategic decision making
- innovation and continuous improvement to be pursued
- collaboration with other councils and Governments and statutory bodies to be sought
- regional, state and national plans and policies are to be considered in strategic planning and decision making; and
- the public accountability of the council must be recognised, and the transparency of council decisions, actions and information is to be ensured.11

Further to this, the role of a council regarding older residents has officially been recognised by the Commonwealth and Victorian governments in the:

- **Age-Friendly Victoria Declaration**, which commits the Victorian government and the Municipal Association of Victoria to build age-friendly capacity in local communities, informed by the World Health Organization’s Age-friendly Cities Framework and the World Health Organization’s information and tools; and the
- **Statement of Intent** which seeks to maintain the stability of the Victorian aged and disability service system by encouraging local government to continue its role in the community care service system and retain the strengths of the current system.

5. **The historical and current context of councils role in community care**

By the 1960s, Victorian local government had systematically developed a role in initiating and providing human services, including community care, supported and encouraged by State Government subsidies. In 1983, the Victorian Government stated that:

> Local government is widely regarded at both the State and local level as being the most appropriate level for the development of human services because it is accessible, responsible and accountable, and is seen as the level of government best suited to developing an integrated range of services responsive to the changing needs of local communities.

Since 1984, Victorian councils have co-funded a complex and highly integrated service system and worked at ensuring services meet the needs of ageing residents and respond to emerging demands.

The unique and defining characteristics of councils roles in the funding, provision and stewardship of community care services were articulated at the MAV workshop *Future Directions and Policy Considerations for Aged and Disability Services* in February 2018. The participants conveyed the following sentiments: That councils:

- have continuous and authentic engagement with their community, and therefore they are better placed to understand the varying needs across their community.
- are responsive to the current and future needs and aspirations of older members and people with disabilities in their community.
- are committed to their community having access to: responsive, accessible, affordable, integrated, client centred, quality services for all in their community, including those who are vulnerable and disadvantaged.
- are informed about the platform of service providers and are committed to supporting a market, responsive to the needs of their community.
- value their staff working in the areas of aged care and disability.
- are independent organisations responsible for the financial sustainability of the council and good governance through their strategy development and decision-making processes.

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14 Victorian Government, *Human Services Program Report*
To varying degrees, Victorian councils fulfil the following functions regarding community care:

- **Provider**: of funds and delivers services, facilities and programs.
- **Planner and coordinator**: to ensure an equitable, responsive and accessible service system.
- **Partner**: funds and facilitates the development of strategic partnerships and alliances that support older people to age well with sustainable, innovative and efficient service delivery models.
- **Funder**: of other organisations to deliver services and programs through grants and contracts.
- **Regulator**: has statutory responsibility for monitoring and regulating services and directs activities as required.
- **Monitor**: undertakes community consultation, research, benchmarking and program evaluation to inform and ensure service quality is responsive to needs.
- **Facilitator**: of partnerships with community, organisations, peak bodies and governments to enable responsive and collaborative approaches to emerging issues and trends affecting older people; and internal stakeholders to ensure a whole of council approach to the planning and delivery of services.
- **Advocate**: to the Commonwealth and State governments regarding policy and program reforms to ensure the funding and delivery of a quality service system that is responsive to the increasing demands for services and needs of older residents.
- **Steward**: Councils roles in stewardship encompass a range of functions in the areas of strategic planning, procurement, monitoring and evaluation. This stewardship role is an important consideration for councils to ensure the ‘client benefits’ of the current system are retained and available to all older Victorians. (Refer to Appendix A for further discussion re stewardship).

The value to the community of a council providing community care services can also be assessed through the lens of the public value framework which includes core elements, all of which are equally important and necessary for sustainability. The following illustrates the application of the public value framework with some model responses that may be used or adapted by individual council’s when evaluating their role in community care services.

1. **Public value**
   - **Clients**: Council has established long term relationships with clients, carers and families.
   - **Community**: Council is committed to enhancing, enriching and supporting local communities, articulated through the Health and Wellbeing Plan, Council Plan and Community Plan.
   - **Services**: Council has a history of delivering a wide range of integrated services to assist residents to remain living in their community.
   - **Community engagement**: Council continuously engages with community to identify and develop responses to needs and demand.
   - **Cost effective**: Council is a not for profit organisation.
   - **Risks**: The risks to residents of council not providing services could include poor client outcomes, service fragmentation and negative impacts on the local economy with a loss of employment opportunities.

2. **Legitimacy and support**
   - **Legislative, regulatory, policy environment**: The *Local Government Act, Health and Wellbeing Act*, Council Plan and Community Plan provide the context for council’s role.
   - **Political environment**: Councillors set the policy/ies in relation to community needs / needs of citizens.
   - **Community expectation**: Expectations have been built on council’s history and reputation of delivering quality costs effective services.

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• Asset / Brand: Council is a known, trusted leader and deliverer of services.
• Corporate Governance: Council is perceived as transparent, accountable and affordable.
• Economy: The contribution to the local economy supports prosperity and sustainability of the community.

3. Operational capability
• Human resources: Council is committed to and has skilled direct care staff who understand client needs and are well trained and employed fairly.
• Financial resources: Council has invested significantly to deliver services.
• ICT resources: Council has invested and operated an effective ICT program to support the service system.
• Accountability: Council has a demonstrated history of being transparent and accountable for service delivery.

6. Planning for the future
Given what is known and yet to be determined about the aged care reform agenda, the legislative, historical and current context underpinning community care in Victoria, councils are now challenged with determining their future roles in service delivery and are considering a range of options including:

1. retaining responsibility for delivering the Commonwealth Home Support Program (CHSP) and Home and Community Care Program for Younger People (HACC-PYP).
2. relinquishing responsibility for delivering the Commonwealth Home Support Program (CHSP) and / or the Home and Community Care Program for Younger People (HACC-PYP) or parts thereof.
3. establishing other arrangements which might include subcontracting, joint ventures or consortia.

To determine a preferred model for community care service there are several issues for a council to consider including but not limited to:

Council
• What guiding principles, expressed in the Council and Community Plans will underpin council’s decision making?
• What advice has council received on Competitive Neutrality requirements and the Public Interest Test? (Refer to Appendix B)
• What are the reputational risks to council of any changes?
• How will council support older people and communities in the future?
• What has community consultation ascertained?

Clients
• What are the social justice / human rights implications of a change to the status quo?
• How will any changes to the status quo, impact on clients?
• How will clients prepare for and engage with their local aged care service platform?
• How will clients with different needs be supported?

Service quality
• How will service options impact on service quality?
• How will eligibility and care needs be assessed and monitored?
• Will dementia care be core business throughout the system?
• How will quality be achieved / maintained?
Financial sustainability
- What are the financial considerations of service options?
- What are the opportunities for council to make new investments or reinvest in different activities?
- What are the costs of maintaining a fixed workforce in an environment where the volume of work and subsequent funding may not be guaranteed?

Service systems and markets
- Are there potential service partnerships and business models to deliver sustainable services?
- Are there viable alternate providers?

People and Workforce
- What are the industrial risks of service options?
- How will service options, including possible transition to an alternate provider impact on the workforce and volunteers?
- What are the implications for employees arising from the potential destabilising of the workforce and will this result in a reduction in remuneration and benefits?
- How will the formal / informal workforce be supported?

7. Conclusion

This paper is presented as a reference document to assist Victorian councils prepare their response to the reforms to ‘Community Care’ (services to older people and under 65’s living with a disability but not eligible for the NDIS). The paper presents an historical overview of the roles of local government in the provision of aged and disability services, a summary of recent aged care reforms, an overview of the 2018/19 Commonwealth investment in the provision of services to older Australians and the advocacy being led by the MAV through the Tripartite Community Care Officials Working Group. The paper has included some tools; the public interest framework and some strategic planning questions that may assist council’s work through the important decisions that will shape the delivery of community care services to their citizens, into the future.

Local government has historically been the major public sector provider of home care services in Victoria (excluding home nursing). The current service provision by councils incorporates a wide range of preventative home care services reflecting the needs of individual communities, the values held by the elected bodies, the depth and breadth of the service platform and the level of interest by the associated market place (alternate service providers). These factors have always been at play and will continue to shape the provision of service delivery in Victoria. The structural changes arising from the renegotiated Commonwealth/State roles in the delivery of aged and disability services have created a disturbance to the sector, which is prevailing and will remain until the final determinations are provided by the Commonwealth government.

The MAV will continue to strongly advocate on behalf of Victorian councils for timely decisions and regular updates to assist council’s in their planning. The MAV will continue to prosecute the strengths of the Victorian models of aged and disability services, which are recognised by the Department of Health as qualitatively stronger than services offered in other States and seek to influence the model of community care services adopted by the Commonwealth, including funding agreements.
8. Appendix A: Governments have a stewardship role

The following is an excerpt from the Productivity Commission report regarding the roles for government in the provision of human services.

 Governments’ stewardship role in the delivery of human services is broader than overseeing the market.

Government stewardship relates to the range of functions governments undertake that help to ensure service provision is effective at meeting its objectives. These functions include identifying policy objectives and intended outcomes and designing models of service provision. Stewardship also includes developing regulatory and institutional arrangements to underpin service provision that is responsive to users, accountable to those who fund the services, equitable, efficient and high quality. Even in highly devolved delivery systems, governments retain ultimate responsibility for ensuring services deliver their intended outcomes.

With governments’ involvement in the provision of human services comes the expectation from the community that those services meet a minimum standard. If governments do not adequately discharge their stewardship function, the effects can be damaging to service users, providers and governments. Australia’s recent experience with the vocational education and training (VET) FEE-HELP scheme demonstrates what can happen when governments fail to discharge their stewardship role well.

Some recipients of human services can be vulnerable, with decisions often being taken at a time of stress. The need to ensure the development and implementation of appropriate consumer safeguards is an important aspect of the stewardship role and will be a key focus for the Commission in this inquiry.

Stewardship of human services also includes evaluating outcomes to identify effective practices and making ongoing improvements to policies and programs to disseminate innovations and improve service outcomes. This aspect of stewardship is challenging. The ability to accurately define and measure outcomes varies significantly across the different human services. These difficulties mean that models of service provision and programs for evaluation need to be carefully designed and appropriately resourced. ¹⁷

9. Appendix B: Competitive neutrality and the public interest test

Under the competitive neutrality policy, governments can subsidise service delivery where they can illustrate that efficiency or social objectives cannot be achieved without a subsidy. Governments are required to conduct and pass a Public Interest Test (PIT) to illustrate the need for subsidies. To satisfy the requirements of the policy, the Public Interest Test should, at a minimum:

- clearly identify the policy objective(s) to be achieved and ensure that it has official endorsement (for example, stated by a Minister, a local government body or in an official policy document).
- demonstrate that achieving the stated policy objective(s) could not be achieved without a subsidy.
- determine the best available means of achieving the overall policy objectives, including assessing alternative approaches.

In practice, councils need to follow these steps:

- clearly articulate what its policy objectives are in relation to a service.
- show how these policy objectives would be compromised if it were to implement fully cost reflective pricing.
- consider other means of achieving those policy objectives.
- seek public comment on these issues.
- consider these matters and decide.

The key component to conducting a successful PIT is the level of detail that needs to be provided about council’s service as well as other models for achieving the same objectives. Councils need to be completely transparent about the costs of each alternative option, compared to a council-subsidised service. 18

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10. References

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