9.7 Aged Care Services at Moonee Valley City Council

File No: FOL/18/32
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Purpose
To provide Council with recommendations for consideration which aim to proactively support seniors to age well in Moonee Valley within the framework set by national aged care reforms.

Executive Summary
• Council has a long history of delivering a range of services to support vulnerable people aged over 65 years and their carers through Commonwealth Government funding agreements.

• Council’s services for seniors and people with disability have consistently received satisfactory ratings in community surveys, with feedback identifying Council’s highly skilled direct care workers who provide in-home support as one of the most important aspects attributed to the positive feedback.

• The introduction of the Commonwealth Home Support Programme (CHSP) and national aged care reforms present significant challenges for councils, and change the way in which aged care services are both funded and currently delivered, with further changes expected in the future.

• The Commonwealth has a service agreement with Council for $4.8 million in block funding, secured until June 2019, to deliver CHSP services on behalf of the government. The Commonwealth has suggested CHSP service funding will be extended until June 2020, however a further agreement has not yet been received by Council.

• While Council receives $4.8 million in funding from the Department of Health, it costs $11 million to deliver CHSP services, resulting in a $6.2 million (56 per cent) subsidisation by Council. Without corporate overheads, administration and management (including Team Leader/Supervisor) salaries, some service unit prices are close to the CHSP unit price.

• Council provides CHSP services to approximately 16 per cent of seniors who reside in Moonee Valley. Benchmarking across the municipality demonstrates that high volume in-home services, such as personal care, respite care and home care, are readily available through other providers (both not-for-profit and private). Benchmarking also demonstrated that other providers in Moonee Valley are charging seniors less for these same services than Council does.

• The recommended option for consideration before Council is for Council provided CHSP services to be subcontracted out, with a view to exiting Council’s role in service delivery. Council would maintain the development of healthy ageing framework, which aims to support all Moonee Valley seniors to
age well and remain connected in their community, as well as the assessment service which makes Council the first port of call for those seeking assistance.

- The advantages of the recommendation are as follows:
  - As a major employer of a locally based, part-time workforce, this would support continuity of employment and conditions for our staff.
  - Maintain employment conditions for direct care workforce with a new provider under their current entitlements.
  - Minimise any potential disruption to clients caused by continuing Commonwealth reform changes by proactively partnering with a well-established provider with a local presence.
  - Maintain stability for community and workforce - same rostered services, delivered by the same individuals to the same clients.
  - Maintain local presence.
  - Council could track the successful subcontractor on quality, and community and employee satisfaction.
  - Council shifts focus and becomes a leader in alternative key areas of aged care services e.g. information, advocacy and service delivery where there isn’t a market but clients are vulnerable. Further, Council’s focus could turn to the population of people who do not qualify for funding, or augment the services others are providing particularly at-risk groups.
  - Significant decrease in Council’s contribution to deliver the services (currently a $6 million cost to Council and estimated by Ernst and Young to increase over the coming years).
  - Ability for Council to reinvest any savings into programs and services aligned to MV2040 and neighbourhood planning that target a broader range of our seniors.

- The disadvantages of the recommendation are:
  - Risk of one large provider having market share in the western region.
  - Clients may be dissatisfied with the new provider.
  - Providers may not respond to the tender due to the conditions we have set.

If Council chooses not to accept the officer’s recommendation, and instead elects to remain in the delivery of CHSP services, significant investment will need to be made in upgrading Council’s systems and processes to support the service. Council has known for a long time that we are unlikely to be competitive in the provision of services once funding has transitioned to client centred care, and on this basis, has not invested in our systems and processes. This lack of investment would need to be addressed in order to avoid the risks associated with inadequate systems and processes to manage this vulnerable cohort.
Recommendation

That Council:

1. Endorses Council officers to undertake a tender process to explore the sector’s interest in tendering for Council’s three high volume services currently funded under the Commonwealth Home Support Programme (CHSP) (specifically personal care, domestic assistance and respite care) under a subcontract arrangement with a preferred provider.
   
a) A further report outlining the results and recommendations from the tender to be presented to Council for endorsement prior to any agreement being awarded).

2. Notes that any potential provider recommended to Council must meet the tender requirements, ensuring safeguards are in place for:
   
a) continuity of care, especially for Moonee Valley’s diverse community (including those who are CALD (culturally and linguistically diverse), LGBTIQ (lesbian, gay, bisexual, transgender, intersex and queer), financially disadvantaged or at risk of homelessness and vulnerability);
   
b) ensuring the same or higher standard of high quality care (which will be measured through independent audit and customer / workforce satisfaction surveys);
   
c) ensuring ongoing rapport between existing employees and clients;
   
d) maintaining staff conditions of employment, including ongoing professional development, supervision and team meetings.

3. Endorses Council’s continued role in:
   
a) actively advocating on behalf of and supporting residents to access My Aged Care and other aged care services;
   
b) ensuring the continued delivery of other funded and non-funded aged care services which support our community (including but not limited to Home Care Packages, Community Transport, Community Meals, Planned Activity Groups and Regional Assessment Service);
   
c) providing information, advocacy and referral services for seniors and their carers, to safeguard Council’s stewardship role as a local government agency;
   
d) developing and embedding a Positive Ageing Framework, aligned to MV2040 and the neighbourhood planning model, with an aim to achieve World Health Organisation (WHO) Age-friendly Cities accreditation.

4. Endorses Council officers to communicate with clients and staff, advising them of Council’s decision to explore an alternative model of service delivery via a tender process.

5. Endorses Council officers, should the tender process determine a successful provider which is endorsed by Council, to develop an action plan, in
consultation with the community and aligned to MV2040 Neighbourhood Planning, for reinvesting any financial savings into supporting seniors’ inclusion, access and active participation within their community.

Background
Councils have a long history of delivering aged care services, beginning in the 1950s and becoming more formalised with the introduction of the Home and Community Care (HACC) program in 1985.

Today, councils continue to play an important role in the delivery of quality HACC services, with an approximate market share of 30 per cent in Victoria (excluding homecare packages).

Commonwealth aged care reforms and the introduction of the Commonwealth Home Support Programme (CHSP) will result in fundamental changes to aged care services by moving towards increased consumer directed care. The government states that the changes aim to ensure that the system:

- is sustainable and affordable;
- offers choice and flexibility for consumers;
- encourages businesses to invest and grow;
- provides diverse and rewarding career options.

Since the introduction of the CHSP in Victoria in July 2016, many councils have reviewed their current services to determine the potential impact of the reforms on their business and to identify strategic options available to them and their role moving forward.

Councils currently receive block funding and are contracted to deliver CHSP services on behalf of the Commonwealth until June 2019, with a proposed extension to 2020. From July 2020, it is expected that the current funding mechanisms (upfront block funding) will cease, and be replaced by a competitive market process (potential fee for service, consumer directed care and/or competitive tender), however specific details are yet to be confirmed.

Discussion
Safeguarding seniors into the future
National aged care reforms were implemented by the Commonwealth Government as a response to the Productivity Commission Inquiry Report Caring for Older Australians review and the Commonwealth Living Longer Living Better Act (2013). The government outlined four key objectives of the aged care reforms:

1. Provide accessible and affordable services which reach a larger proportion of the population.

2. Provide participants, families and carers with greater choice and control over the types of services they receive, how they receive them and who they receive them from.

3. Support the independence, social participation and inclusion of the ageing population to enable them to remain in their homes longer.
4. Provide a consistent level of care nationally, with private contributions, transparent financing, true cost of care reflected in the price with sufficient revenue to meet quality standards.

In April 2018, Minister for Aged Care, Ken Wyatt, announced the merger of two federal bodies to create the independent Aged Care Quality and Safeguards Commission. The commission combines the functions of the Aged Care Quality Agency, together with legal compliance, and aims to increase the rigor to ensure that vulnerable persons are better safeguarded within the aged care system. This change is one of many recommended through the Productivity Commission’s 2011 blueprint for significant sector reform.

Council on the Ageing (COTA) Australia Chief Executive Ian Yates, has urged the Commonwealth “to go further and give consumers direct control over their aged care funding, as recommended by several inquiries and this government’s own aged care advisory body” (source: themandarin.com.au).

In May 2018, federal Budget announcements included the introduction of the More Choices for a Longer Life Package. The package includes millions of dollars towards support and services aimed at providing increased choice to seniors, including $61.7 million over two years to improve the My Aged Care system; and $29.2 million over two years to support the elderly to stay independent for longer in their own homes by trialling support strategies. This Budget announcement did not indicate any extension beyond 2020 for the CHSP services Council currently delivers.

The Commonwealth Government states that the national aged care reforms and introduction of the CHSP are in response to Australia’s ageing population, with the following challenges at its core:

1. Increasing demand and changing needs from an ageing population: there is increasing diversity among older Australians in their preferences and expectations, including a greater desire for independent living and culturally relevant care.

2. Increasing cost to meet needs: the Intergenerational Report 2016 estimated that Australian government spending on aged care would increase from 0.8 per cent GDP to 1.8 per cent GDP by 2050.

3. Increasing complexity of needs: more people will require complex care for dementia, diabetes and other morbidities associated with longevity, as well as palliative and end-of-life care.

4. Growing workforce need: the relative availability of informal carers will decline, requiring a significant growth in the aged care workforce in a market of strong competition for skilled labour.

Ageing in Moonee Valley

In 2017, Moonee Valley had a population of 123,462 people. According to the Census (2016), there are 18,745 seniors aged 65 years and over residing in the municipality. Of these, less than 3,000 (16 per cent), receive a Council support service. Ageing projections demonstrated in the graph below, show a marked increase in the aged population over the coming nine years (to 2026), particularly of
seniors aged 65-69 and 85+. This ageing population begins to decrease in 2026-2036, with projections in almost all senior age group categories decreasing.

Based on 2016 Census data, the largest ageing populations within Moonee Valley are the Milleara (28 per cent), Avondale Heights (24 per cent) and Keilor East (19 per cent) neighbourhoods. These areas are culturally diverse; for example, in Milleara 35 per cent of seniors aged 65 years and over were born in Italy, which is higher than the percentage of Australian-born seniors (26 per cent).

Service delivery summary
Council receives $4.8 million in funding from the Department of Health, however it costs $11 million to deliver CHSP services, resulting in a $6.2 million (56 per cent) subsidisation by Council. Without corporate overheads, administration and management (including Team Leader/Supervisor) salaries, some service unit prices are close to the CHSP unit price.

Council provides CHSP services to approximately 16 per cent of seniors who reside in Moonee Valley. Benchmarking across the municipality demonstrates that high volume in-home services, such as personal care, respite care and home care, are readily available through other providers (both not-for-profit and private). Benchmarking also demonstrated that other providers in Moonee Valley are charging seniors less for these same services than Council does.

Options considered for the future of service delivery
Western metropolitan region councils have worked in partnership over the past two years to consider strategic options available for the future of service delivery to our ageing communities. Ernst and Young reviewed and presented the options listed below:
1. Council to retain service delivery

<table>
<thead>
<tr>
<th>Description</th>
<th>Council continues to provide CHSP services.</th>
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| **Advantages:** | • Certainty of workforce conditions and roles.  
• Client relationship preservation and potential ‘safety net’ for low margin clients not readily serviced by the broader market.  
• Council maintains control of service delivery.  
• Short-term reputational benefits to Council. |
| **Disadvantages:** | • Potentially uncompetitive - Council continues to subsidise services to cover higher costs.  
• Financially costly to operate due to higher cost of operations.  
• Long-term risk from increased cost and reduced service quality.  
• Need to be competitively neutral - raise costs to community.  
• Should the Commonwealth not renew our funding agreement post 2019/2020, there may be the need for mass redundancies - resulting in significant job loss for our predominately part-time, locally residing workforce and a cost to Council estimated in FY15/16 to be close to $6 million.  
• Should funding cease, the result would be that current clients would require significant support to access new providers, resulting in local service instability and potentially negative outcomes for our most vulnerable community members. Alternatively, Council would need to fund up to $11 million (currently required) to continue delivering the services without Commonwealth funding. |
<p>| <strong>Key factors for consideration if Council was to continue providing aged care services</strong> | • Commonwealth funding has currently only been secured until June 2019. There is a proposed extension, which has not yet been provided, until June 2020 (details and conditions of this proposed extension are not yet known). There has been no proposition of block funding beyond this time. |</p>
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<td>• Market: Council would need to adopt a profit-for-purpose mindset moving forward, including marketing and promoting services, training staff to be the face of the business and delivering more services per client to increase profitability.</td>
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<td>• Workforce: Council’s Enterprise Agreement is currently paying 33 per cent higher than the market rate for direct care workers.</td>
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<td>• Finance: Due to high operating costs, Council is subsidising services by 56 per cent above what is funded by the Commonwealth (including internal overheads).</td>
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<td>• Legal and policy: Under competitive neutrality, it is expected that Council’s CHSP services would be regarded as a significant business. We would be unable to pass the public interest test given the number and nature of alternate suppliers. As such, full reflective costing would need to be implemented, which would require a decrease in costs to deliver the service, and an increased contribution from clients receiving the service.</td>
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Source: Aged Care Reforms: Western Region Councils Impacts and Options 2017, Ernst and Young
2. Establish a new business

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<th>Description:</th>
<th>Establish a new business as either an independent entity or in partnership with other councils, health providers or not-for-profit agencies.</th>
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| Advantages:  | • Partnering with other councils provides the opportunity to increase scale and reduce costs to potentially become more competitive.  
• In the short-term, Council is able to exercise control over risk.  
• Opportunity for workforce benefits, if entity is established as a company limited by guarantee to offset any future changes to salaries and conditions.  
• If business fails, opportunity to sell it to the market. |
| Disadvantages: | • Significant cost to establish a new business and transform existing practices to new practices e.g. mobile staff.  
• Council retains costs and risk with direct service provision.  
• Substantial change-management cost to assist staff to transition to a profit-for-purpose business  
• Community may not retain client/carer relationship.  
• Significant financial risk. |

*Source: Aged Care Reforms: Western Region Councils Impacts and Options 2017, Ernst and Young*
3. Wind down slowly and exit service delivery when funding ceases (2020)

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<th>Description:</th>
<th>Decide to exit from service delivery post July 2020. Slowly wind down services by not accepting any new clients and assisting clients and employees to transition to retirement or to a new provider.</th>
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<td>Advantages:</td>
<td>• Provides continuity of care for clients and enables Council to facilitate transition to a ‘like-minded’ provider.</td>
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| Disadvantages: | • Lost opportunity to generate financial gain by undervaluing the clients and staff to the market.  
• Lost opportunity to reinvest savings into broader Moonee Valley senior community and address identified needs.  
• Difficult to rebuild the internal capability once Council stops operating the service.  
• Lack of certainty for workforce - difficulty in providing security of hours (especially for part time staff) with gradual undetermined decrease in clients.  
• Need to ensure clients can move to alternative providers if Council is no longer taking on new clients (no control or visibility over alternative provider quality). |

Source: Aged Care Reforms: Western Region Councils Impacts and Options 2017, Ernst and Young
4. Exit and divest service delivery

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<th>Description:</th>
<th>Divest to a suitable third party provider, which would buy the contract Council has with the Department of Health to deliver CHSP services for an agreed sum of money. The third party provider would buy Council’s existing market share, clients and trained workforce.</th>
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<td>Note:</td>
<td>• Once explored, this option was not possible as the Commonwealth made clear we are unable to “sell” their funding to a third party provider.</td>
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Recommended option for consideration:

5. Subcontract with a view to exit

Council to subcontract some services to an established provider that is able to maintain the scale of Council’s high volume in-home services, including the transmission of both staff (maintaining current Enterprise Agreement entitlements) and clients. This model aims to maintain the valued staff/client relationship, and minimise any disruption to both cohorts in addressing the impacts and instability created by the Commonwealth aged care reforms.

Further, this option includes a commitment to developing and implementing a healthy ageing framework to support current and future seniors to age well in Moonee Valley and remain connected in their community.

| Description: | Package and tender out high volume in-home CHSP direct services (personal care, respite care and domestic assistance). The tender would be inclusive of staff transition to the agreed provider. Beyond 2019/2020, Council would review any possible agreement/extension with the Commonwealth (if offered) and potentially exit, positioning the successful provider to be well placed to continue service delivery directly and manage the funding relationship with the Commonwealth in whatever form it takes. Council would continue to deliver the ‘assessment’ role and be the first port of call for residents seeking assistance. Council would continue to be the trusted advisor to residents, to help them navigate market alternatives. Council will have a greater ability to provide advice as there will be no conflict of interest in officers recommending one provider over another. Residents will be able to come back to Council for advice, should they sign up with a particular provider and find this provider does not meet their needs. The only difference will be that the people providing the services are not actually in the |
employ of Council.

Note: economies of scale in procurement costs could be achieved by partnering with other like-minded western region councils (e.g. Hobson’s Bay and Maribyrnong), which have resolved to tender their CHSP services). Alternatively, this could be achieved at a higher cost with Council exploring tender options independently.

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Disadvantages:

- Risk of one large provider having market share in the western region.
- Clients may be dissatisfied with the new provider.
- Providers may not respond to the tender due to the conditions we have set.

In recommending option five, Council officers have reviewed the potential impacts on the community with the highest importance placed on:

1. Maintaining the stability of service for residents.
2. Maintaining or exceeding the quality of service currently being delivered.
3. Best placing our community for likely further changes in the aged care sector by positioning Council not as a service provider, but as a source of information, advocacy and support.

From a staffing perspective, key considerations were understanding the demographic of the workforce, and maintaining local employment conditions and opportunities for a highly trained, loyal and committed workforce. The financial, reputational and emotional cost of mass redundancies across the western region was key in recommending a subcontract arrangement which includes the transmission of staff.

There are four key phases of work to be undertaken over the next six months to deliver on this option to subcontract:

1. Planning and preparation - the objective of the first phase of work is to plan the approach, develop the governance and resourcing requirements to effectively and successfully transition to a new model of service.

2. Request for tender (RFT), identification of the preferred provider and financial close - the object of phase two is to select the successful provider and negotiate the conditions and terms. It is possible that better outcomes could be achieved through a regional partnership approach. A report would be presented to Council for consideration, identifying the preferred supplier and contract conditions, before seeking endorsement prior to moving through to stage three.

3. Service handover and separation - to implement the transfer of services, clients and workforce to the successful provider. This involves separating operations (such as payroll) and ensuring that, from day one, the successful provider can operate with confidence to meet client and workforce needs.

4. Post implementation:
   (a) review of provider to ensure that KPIs are being met with annual reports back to Council regarding outputs and achievements, or any issues identified.
(b) Development of a positive ageing action plan endorsed by Council to ensure an ongoing commitment to our community’s seniors (including working towards WHO Age-friendly Cities accreditation).

Tender potential? Market sounding outcomes:

Ernst and Young conducted a preliminary market sounding to identify the interest, capacity and requirements of selected market providers in partnering with councils. The interviews were not an evaluation of providers, but rather a market sounding exercise which comprised one hour semi-structured interviews with 15 selected providers of HACC services.

1. All providers expressed a high level of interest to partner with councils to deliver CHSP services in the western metropolitan region of Melbourne. Providers identified this as an opportunity to deliver on their growth strategies (expand services and geographic reach), which they believed would be required to be financially sustainable under the impending reforms to CHSP funding.
   - Providers are most interested in councils' CHSP services delivered to individuals in the home.
   - Regional Assessment Services (RAS) should be separate to service delivery and stay with Council.
   - HACC Program for Younger People (PYP) and National Disability Insurance Scheme (NDIS) services are also areas of interest for some providers.

2. Despite best intentions, there is varying capacity between small-medium and larger providers to take on large volumes of clients (approximately 21,000 clients across all seven councils, with approximately 2,000 of these being from Moonee Valley). Larger providers have the capacity to take on large numbers of councils’ clients, while small-medium and specialist providers are more likely to focus on vulnerable clients as well as CALD, LGBTI and Indigenous clients.
   - Most of the larger providers have a large client base of similar or larger size councils in other service areas, and therefore have more capacity to absorb large numbers of clients.
   - Small and specialised providers have the purpose, processes and practices that are inclusive and responsive to diversity and vulnerable clients.
   - Despite good intentions, only some providers have the tailored practices to address diversity and vulnerable clients.

3. Most participants recognised the need to take on councils’ workforces in order to deliver CHSP services at scale, and to ensure the continuity of care for clients as well as maintain relationships between staff and clients.

4. Small-medium providers identified salaries, conditions and cultural alignment as challenges in taking on council staff.
   - Salaries and conditions of council staff are above the award they provide their staff.
Providers are seeking workers that are aligned to their culture, purpose and approach.

Preference is for staff to transfer without a transmission of business, resulting in council staff being employed on a new contract.

Providers want to select the staff who would transfer to their business

5. Larger providers are more open, have capacity and experience to take on all councils’ staff, including salaries and conditions.

- Providers indicated that they will accept a transmission of business, including defined staff with benefits schemes, sick leave and annual leave.
- Providers stressed the importance of communication and change-management with staff, to ensure a smooth transition.

6. All providers were open to further discussions regarding the preferred partnership model with councils, including joint venture, subcontracting and divestment. Many providers acknowledged the challenging political environment of councils may mean that a subcontracting arrangement is more palatable for councils and communities initially. This would enable the provider to demonstrate their merits and build a trusted relationship with councils and communities before moving to a full divestment of services.

7. Larger providers have the financial capacity, resources and experience to participate in a divestment of council services.

- These providers would seek one contract to take on all council regions.
- These providers regard separate contracts with individual councils as a key factor which would increase costs to tender and operate, and this would potentially reduce their level of interest to partner.
- These providers see merit in a staged divestment, such as an initial subcontract period before full divestment.

8. Small-medium providers are less likely to have the financial capacity, resources or experience to participate in a large-scale divestment, unless they form a consortia with other similar sized providers.

- These providers would prefer a subcontract arrangement with very clear delineation of roles and responsibilities.
- These providers are more open to work with individual councils or deliver individual services.
- To be competitive and deliver integrated services, they may form consortia to deliver integrated services at scale.

9. All providers recommended starting the partnership process now, given the estimated length of time required to transition 2,000 clients and 90 staff from Moonee Valley City Council to one or more providers. Most providers, especially those who have experience in large-scale integrations, strongly recommend a staged process over 12 months or more to manage risks. Larger providers are more able to provide assistance to councils during the transition, whereas small-medium size providers would require assistance from councils.
• All providers recommend starting the expression of interest and request for proposal as soon as possible, to enable enough time for transition.

• Most providers expressed the preference for a staged approach to take on councils’ services, clients and workforce e.g. council by council, which could be a ‘pilot’.

• Small-medium providers will require a range of supports to partner with councils, from finances to infrastructure, systems and processes.

10. All participants expressed a belief that councils have an important and continuing role to play in assisting and supporting their ageing communities, as well as working collaboratively with the successful partner to provide a holistic response from policy through to linkages and referrals for clients, service design and planning. Key roles councils could continue to play and expand on include:

• advocacy and leadership;
• local point of contact and social inclusion;
• provision of infrastructure;
• innovation and planning;
• broader health and healthy ageing promotion;
• assessment, information and referral services.

Reinvesting in Moonee Valley’s seniors

Councils have always played an important role in the delivery of aged care services in local communities, receiving more than a third of the total Commonwealth and state HACC funding. However, the transition to a market-based aged care system will have a significant impact on the viability of many service providers, including councils.

Into the future, councils have an important and continuing role to play in assisting and supporting their ageing communities and working collaboratively with service providers to provide a holistic response, from policy through to linkages and referrals for clients, service design and planning.

A reinvestment of Council’s current contribution should see a sustained, stable safety net within the community, to ensure Moonee Valley does not lose touch with the reality for seniors, nor allow for a lack of market depth and the associated risks.

By maintaining a role in both information and advocacy, as well as service delivery in core areas where vulnerable residents may be especially at risk, Council will decrease the possibility of a thin market impacting the community.

The key roles outlined below also address some of the feedback received during consultation with Moonee Valley seniors in October 2017:

• Advocacy and leadership

  Councils play a leadership role in advocacy, policy and local population planning, and responding to issues and needs as they arise. Councils may play a role in lobbying other levels of government to ensure the needs of their ageing communities are met.
Opportunity: Further establishing Moonee Valley as an accredited Age-friendly City, to further solidify our commitment to our ageing community.

- Local point of contact and connecting older people

Council plays a pivotal role in assisting the community to be aware of the services available, to access services and to navigate the system. Council would work in partnership with service providers to ensure older people receive services and to address issues and gaps in services as they arise.

Opportunity: to develop a positive ageing framework which aligns to Age-friendly City accreditation, and to continue the rollout of outreach via the Mobile Healthy Ageing Office, presentations to Senior Citizens groups and easy to find information online, in Council publications and local media.

- Provision of infrastructure

Some smaller providers identified the desire to collaborate with Council by sharing infrastructure, such as office space and community buildings where social support and other complementary programs could operate from.

Opportunity: to ensure a seniors’ lens supports the shaping of Council’s Neighbourhood Planning model, embedding MV2040 in the way forward to provide increased access to information, services and infrastructure.

- Regional Assessment Services

A key role for councils is delivering Regional Assessment Services (RAS) as an independent and trusted voice in the community, which is not involved in direct service delivery.

- Innovation and planning

There is the potential to work with providers in the community to use demographic insights from Council, as well as service delivery trends and insights from providers, to identify gaps in policy, services and infrastructure in the local community and develop pilot programs.

- Broader health promotion and healthy ageing agenda

Councils play an important role in health literacy, promotion, communication, community capacity building and education on healthy ageing, to achieve improved outcomes.

Consultation

Community Survey 2017

Council conducted a Community Survey from 21 February to 20 March 2017, surveying over 3,500 residents in over 1,500 households. Residents over 65 years made up about 16 per cent of the population of the City of Moonee Valley at the time of the 2016 Census. In addition, five per cent of the population had a disability and 12
per cent had provided unpaid assistance to someone with disability. This snapshot presents Community Survey responses from these groups:

Key findings

The health of older residents declines as they age. The needs of people with disabilities also differs based on age. This is evident in the data collected in the Community Survey 2017. Findings included:

- 35 per cent of residents aged 85 years or over have a permanent or long term disability, with 38 per cent requiring assistance with self-care for daily living;
- increasing levels of formal and informal care received with age;
- declining self-reported health and mental wellbeing as residents age;
- unpaid care is provided by nine per cent of residents, throughout most age groups.

Respondents to the survey were able to comment on Council’s performance. There were 461 comments received, with 11 of these relating to ageing and disability. An example of feedback received included:

- “I wish to say thank you to the Moonee Valley Council for the shopping, transport and home help provided (excellent service)” [85 years and over, Strathmore]
- “In need of aged care assessment. This system is quite slow, with long waiting periods. Some home help would be required as I live alone and am 91 years old. My daughter has contacted ACAT (Aged Care Assessment Team) however the process is very timely and not prompt. This area of MVCC needs to be revised to help the community members with specific needs” [85 years and over, Strathmore]
- “More effort should be made for the elderly and long standing residents that made Essendon a great place to live. If the elderly live alone and don’t utilise services or are members of bowling clubs - they fall through the cracks. Utilise the toy library space for a drop in place. I am sure for group. Get volunteers to help run tea/coffee” [50 to 59 years, Keilor Road / Essendon North]
Aged care reforms - community survey 2017

Throughout October 2017, postcard surveys were distributed to all current aged care service recipients via the direct carer workforce, and were also made available at all events and activities held as part of the Moonee Valley Seniors Festival (total of 4,000 postcards). The aim of the survey was to gauge our seniors’ perspective on what they thought the future of services and support could look like, as well as their confidence in accessing current services. A total of 255 responses were received; 74.9 per cent (191) from seniors who were current service users and 21.6 per cent (55) identifying as a carer or family member.

The majority of respondents were from Essendon (25.2 per cent), followed by Strathmore (16.7 per cent) and Moonee Ponds (12.4 per cent). The least amount of responses came from those residing in Travancore (0 per cent), Niddrie (0.4 per cent) and Strathmore Heights and Essendon North (0.9 per cent each). Of note, 69.3 per cent (169) of respondents were female, with 29.5 per cent (72) identifying as male.

When surveying current service recipients and the broader community on their needs, 255 responses provided various views, with many identifying a desire to maintain their services as they are. Others provided insight into alternative service needs, including assistance with information and support, as well as heavy household maintenance tasks, which seniors reported difficulty in managing.

Common themes from respondents included:

- services to stay as they are;
- new service suggestions which are currently not provided by Council;
- the need for increased information and support to access services;
- self-funded retirees’ perception of not being able to access services;
- feedback regarding the My Aged Care system.

Positive feedback was also received regarding the direct care support staff who have provided long term, consistent support to their clients.

Client: cost neutrality telephone consultation

Across two days in April 2018, four individuals were engaged by Council to conduct a telephone survey with a random sample of current aged care clients. To assist with neutrality, we utilised three agency staff with the support of one internal officer.

A total of 330 clients responded to questions relating to the cost of services provided, and whether or not they felt they could contribute more to the cost of the service. The aim was to determine whether a cost increase could assist in bridging the gap between the funding Council receives from the Commonwealth to deliver in-home services (particularly Domestic Assistance, Personal Care and Respite Care) against the actual cost of service delivery, which was identified by consultants Ernst and Young based on the 2015/16 financial year to be a Council subsidy of $40-$110 per hour of service for the differing service types.

The majority of participants in the survey were female (70.4 per cent), with the remaining identifying as male (29.6 per cent). Further, the majority of respondents (45.9 per cent / 146 individuals) were aged between 75-84 years, with a further 124
individuals (39 per cent) aged between 85-94 years. Many of the participants received more than one service from Council, with 86 per cent receiving Home Assistance (basic house cleaning). With regards to income, the majority of respondents received a full pension (78.2 per cent / 254 individuals), with a further 14.8 per cent (48) on a part pension and 7.1 per cent (23) full-funded retirees.

With regards to a service fee increase, 40.1 per cent (130) indicated that they could not pay an additional $10 per hour for their service, while 32.1 per cent (104) of respondents reported that they could. There was a continued slide towards a ‘no’ response as the proposed fee increased to $15 per hour (81.4 per cent said ‘no’), and at an additional $20 per hour, 87.6 per cent said ‘no’. This suggests that the vast majority of seniors would not be able to bridge the required minimum of $40 per hour given these responses to lesser amounts of increases.

A summary of the consultation is below within tables:

**As someone who currently uses this service / these services we wanted to get a better idea of what you think about the fees you currently pay:**

**Are they:**

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lower than expected for the service provided</td>
<td>17</td>
<td>5.2%</td>
</tr>
<tr>
<td>2. The expected rate for the service provided</td>
<td>289</td>
<td>88.9%</td>
</tr>
<tr>
<td>3. Higher than expected for the service provided</td>
<td>16</td>
<td>4.9%</td>
</tr>
<tr>
<td>4. Too high and you are struggling to pay for the service provided</td>
<td>3</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

325
If there was a fee increase would you be able to continue to pay for the service if it increased by:

$10 per hour

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>104</td>
<td>32.1%</td>
</tr>
<tr>
<td>No</td>
<td>130</td>
<td>40.1%</td>
</tr>
<tr>
<td>Maybe</td>
<td>90</td>
<td>27.8%</td>
</tr>
</tbody>
</table>

$15 per hour

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>23</td>
<td>7.1%</td>
</tr>
<tr>
<td>No</td>
<td>263</td>
<td>81.4%</td>
</tr>
<tr>
<td>Maybe</td>
<td>37</td>
<td>11.5%</td>
</tr>
</tbody>
</table>

$20 per hour

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>14</td>
<td>4.3%</td>
</tr>
<tr>
<td>No</td>
<td>282</td>
<td>87.6%</td>
</tr>
<tr>
<td>Maybe</td>
<td>26</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

2017 State-wide Local Government Community Satisfaction Survey (LGCS).

In 2017, 68 of the 79 Victorian councils chose to participate in the LGCS survey, including Moonee Valley City Council, with a state wide total sample size of 27,907.
Overall, metropolitan councils performed significantly higher than the average for councils state-wide on a measure of overall performance.

The survey reported that the youngest (18-34 years) surveyed group and the oldest (65+ years) cohorts had significantly more favourable impressions of council performance overall than average.

Within the 2017 Elderly Support Services questionnaire for Victorian Local Governments conducted by JWS Research, under the question ‘how important should “elderly support services” be as a responsibility for Council?’ the result held steady at around 78 per cent.

Q. How important should ‘elderly support services’ be as a responsibility for Council?

State-wide results

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>82</td>
<td>82</td>
<td>85</td>
<td>83</td>
<td>83</td>
</tr>
<tr>
<td>Regional Centres</td>
<td>78</td>
<td>78</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>50-64</td>
<td>79</td>
<td>79</td>
<td>80</td>
<td>80</td>
<td>81</td>
</tr>
<tr>
<td>65+</td>
<td>79</td>
<td>79</td>
<td>80</td>
<td>79</td>
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</tr>
<tr>
<td>Small Rural</td>
<td>79</td>
<td>79</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Interface</td>
<td>78</td>
<td>79</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Large Rural</td>
<td>78</td>
<td>78</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Overall</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>79</td>
<td>79</td>
</tr>
<tr>
<td>35-49</td>
<td>77</td>
<td>78</td>
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<td>79</td>
<td>80</td>
</tr>
<tr>
<td>Metropolitan</td>
<td>77</td>
<td>77</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>18-34</td>
<td>76</td>
<td>77</td>
<td>77</td>
<td>77</td>
<td>78</td>
</tr>
<tr>
<td>Men</td>
<td>74</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>76</td>
</tr>
</tbody>
</table>

The state-wide survey recommended that in the coming 12 months, Council should pay particular attention to its lower performing areas, including planning for population growth. Further, it found that those in the 50-64 year age group appeared to hold the most negative opinions of Council’s performance in 2017.
Q. How has Council performed on ‘elderly support services’ over the last 12 months?

**State-wide results**

![State-wide results chart]

**Moonee Valley results**

![Moonee Valley results chart]
The implementation of aged care reforms has been discussed through team meetings with aged care staff over the last two years and prior, with significant process changes undertaken in the aged care team in on-boarding new clients, the need for the assessment team to be service agnostic and consumer directed funding within case managed packages.

Staff have been encouraged and supported to attend information sessions regarding aged care reforms and the implementation of My Aged Care, to improve their understanding of the changes.

A departmental meeting was held in September 2017, to provide all staff with an update on the reforms and their impact, as well as a proposed timeline for when decisions would be made.

A leadership meeting was held in December 2017 for team leaders, client services officers and coordinators to workshop potential options being considered. This workshop was repeated with each of the aged care teams in January and February 2018.

Weekly “huddles” (informal meetings) were established to provide up to date information and an opportunity for office based staff to ask questions, while a Healthy Ageing Reforms Working Group comprising office and field-based staff was established to ensure open communication and timely information provision. A fortnightly staff bulletin provides a paper based record of questions asked and answers provided, for all staff to read.

Further, the Australia Services Union (ASU) has been informed that a decision on aged care services at Moonee Valley City Council would be presented to Council in early 2018, with subsequent meetings since. Council officers and the ASU have
agreed to work through the proposed changes transparently. The ASU presented to a Council Strategic Briefing on Tuesday, 15 May, during which they informed Councillors of their position – which was that Council should ideally maintain services in-house. This was complemented by a petition which the ASU conducted the week prior, which they stated included 100 signatures of residents wanting Council to maintain services in-house.

Implications

1. **Legislative**

   Beyond service provision, Council has an obligation to residents and their carers through the following legislation:

   - *Carers Recognition Act (2012)*
   - *Commonwealth Living Longer Living Better Act (2013)*

   Further, *National Competition Policy* requirements apply to Council subsidised aged care services.

2. **Council Plan / policy**

   In presenting this report, Council is working to achieve its strategic objective to attract services to meet identified gaps and meet the needs of diverse communities within the municipality in accordance with Council Plan 2017-21 Theme 1: Friendly and safe - An equitable, inclusive and healthy community - People have access to the services they need.

3. **Financial and risk**

   Council receives $4.8 million in funding from the Department of Health, however it costs $11 million to deliver CHSP services, resulting in a $6.2 million (56 per cent) subsidisation by Council. Without corporate overheads, administration and management salaries, some services unit prices are close to the CHSP unit price. All services provided exceed revenue and require a level of Council subsidisation.

   If Council chooses not to accept the officer’s recommendation, and instead elects to remain in the delivery of CHSP services, significant investment will need to be made in upgrading Council’s systems and processes to support the service. Council has known for a long time that we are unlikely to be competitive in the provision of services once funding has transitioned to client centred care, and on this basis, has not invested in our systems and processes. This lack of investment would need to be addressed in order to avoid the risks associated with inadequate systems and processes to manage this vulnerable cohort.

4. **Environmental**

   Nil environmental impact.
Conclusion

This report provides Council with background information and a recommendation to support a decision on the future of aged care service delivery within Moonee Valley. Commonwealth aged care reforms necessitate that Council re-evaluates how it supports older residents and their carers into the future.

The recommendation to explore subcontracting high volume CHSP services aims to:

- maintain locally based employment and conditions for highly trained, predominately part-time workforce well into the future;
- support a new provider to establish a positive relationship with staff and current clients, to proactively position our residents and staff for a stable service into the future;
- provide greater opportunities for Council to be responsive to the diverse needs of our broader senior community by reinvesting any savings aligned to MV2040 and neighbourhood planning;
- ensure Council complies with Competitive Neutrality requirements, by reducing the need to use several million dollars each year to bridge the gap between service delivery costs and Commonwealth funding;
- comply with Local Government Best Value Principals Act 1999, including:
  - Council must achieve continuous improvement in the provision of services for its community;
  - the need to review services against the best on offer in both the public and private sectors;
  - an assessment of value for money in service delivery;
  - opportunities for local employment growth or retention.

Beyond service delivery, Council, as a level of government, can continue to play a range of very important leadership roles for our community which include:

- **Advocate** – identifying needs and ensuring those who are responsible are held accountable for the delivery of required services and outcomes.
- **Planner** – Local government has a strong role to play in planning for the health and wellbeing of its community – this includes the service needs of vulnerable members of the community.
- **Convenor** – if Council is not a provider of services, it can play the role of a broker and bring parties together to plan for more integrated and coordinated approaches to delivering services.
- **Provider of core services** – Council plays an important role through the delivery of services (libraries, recreation, opens spaces, paths etc.). Reforms provide an opportunity to consider reinvestment of resources into adapting these services to meet the future needs of our residents.
• **Safety net** – keeping a touch point within the community, to understand the impacts of the aged care reforms and being able to fill gaps or advocate for supports where they are lacking.

**Appendices**

Nil.