9  Aged Care Reform Update

Abstract

The Municipal Association of Victoria (MAV) has been in negotiations with the Victorian and the Australian Governments to develop a draft Statement of Intent (SOI) for all three levels of government in the delivery of home and community care services for people aged over 65 years for the period 1 July 2016 to 30 June 2019. The draft SOI (Attachment 1) outlines structural and funding responsibilities for the three levels of government for the transition from the Victorian Government funded Home and Community Care (HACC) program to the Australian Government funded Commonwealth Home Support Programme (CHSP).

While many of the outcomes negotiated in the draft SOI represent maintenance of the benefits of some of the aspects of the current HACC system delivered by local government in Victoria, there are some concerning financial long term implications for local government when the transition to the CHSP is finalised on 30 June 2019. The current wording and resulting implications of the draft SOI would leave councils with an unfunded level of service, regardless of whether they would continue to deliver the service post the transition, potentially leaving existing clients without the ability to receive ongoing services.

In addition, the draft SOI positions local government with the financial responsibility for the long term underfunding by the Victorian Government of the HACC service during the three years of the transition. Historically, the Victorian Government has underfunded the service leaving councils to subsidise the service from ratepayer funds to ensure that the increasing ageing population has access to these critically important services, which enables them to live independently at home. The draft SOI clearly articulates that this underfunding gap must be met by local government. In the context of rate capping, this places councils in an untenable financial position, as councils will be less able to draw on ratepayer income to bridge the funding gap to provide services to older people in the next three financial years. Councils will need to consider options, which may include implementation of wait lists for prospective new clients during the three year transition to the CHSP, as a way of managing limited available resources due to the CHSP commencing in an underfunded environment. The City of Boroondara (CoB) has an existing Council resolution (dated 24 September 2012) stating that wait lists will be introduced for low needs clients when demand exceeds budgeted service levels. At this time, wait lists have not been implemented but are likely prior to 30 June 2019 as demand is likely to exceed the funding provided for the CHSP to Council.

This report provides a brief analysis of the SOI with specific reference to the key clauses in the document of interest to local government. Furthermore, this report recommends providing a formal response to the MAV, as the signatory representing local government, stating that councils will be unable to fund the gap for the service that has been created over a number of years by the Victorian Government.
Officers' recommendation

That Council resolve to:

1. Write to the MAV as the representative of Victorian local governments, to request that the language contained within the SOI be changed to better reflect the role of local government as a service provider and not a funding body, that local government is not legislated to fund services as stated in the SOI, and to further request Clauses 44 and 47 be removed from the document. Furthermore, that Council rejects the notion that Victorian local government is responsible for the shortfall in funding for existing services that reflect the systemic underfunding of the HACC program.

2. Advise the MAV that if the agreement remains in its current form, the MAV does not represent the interests of the City of Boroondara in signing the agreement.

3. Reaffirm the existing Council resolution for the implementation of a wait list (Council meeting 24 September 2012), operational from when demand exceeds budgeted service levels. The wait list will be applied for low needs clients and will prioritise services to high needs clients.
1. Purpose

To seek a Council resolution to formally respond to the Municipal Association of Victoria (MAV) regarding the draft Statement of Intent (SOI) (Attachment 1) for the transition of the Home and Community Care (HACC) program to the Commonwealth Home Support Programme (CHSP), and to reaffirm that Council may need to introduce waiting lists for services to new, low needs clients as a way to manage demand for services beyond budgeted service levels.

2. Policy implications and relevance to council plan

**Council Plan.** The Boroondara Council Plan’s 2013-17 vision is to have a vibrant and inclusive community and an outstanding quality of life. The key strategy in the health, ageing and disability component of the Council Plan is that Council will ‘plan, facilitate and implement, where appropriate, programs to enhance the health, wellbeing and independence of Boroondara’s community members, particularly older people and those with disabilities. The community outcome sought is that ‘community members, especially older people and those with disabilities, are supported to be independent and feel safe.’

**Boroondara Public Health and Wellbeing Plan 2013-17.** Boroondara’s Public Health and Wellbeing Plan 2013-2017 (BPHWP) was adopted in 2013, and has four key themes:

- Theme 1: Resilient, safe and inclusive community
- Theme 2: Liveable, sustainable, health promoting City
- Theme 3: Equitable access for all
- Theme 4: Best practice health and wellbeing, planning and leadership

Theme 3: Equitable access for all has a strategic objective to ‘support initiatives that address disadvantage’ and Strategy 3.1: to enhance the health and wellbeing of older or homeless people, rooming house residents and social housing residents.

**Creating an Age-friendly Boroondara Strategy 2014-19.** The BPHWP is the overarching plan for Council’s social and community plans and as such, Council has committed to support the health, wellbeing and independence of older adults in the Creating an Age-friendly Boroondara 2014-19 strategy. The Creating an Age-friendly Boroondara Strategy is themed according to the BPHWP.

The Australian Government policy, *Living Longer Living Better*, released in April 2012, is influencing the delivery, now and into the future, of Home and Community Care (HACC) services. In line with this policy, the Australian Government will assume responsibility for HACC programs for people over 65 years of age from 1 July 2016 with a transition date for Victoria confirmed as 30 June 2016.
3. **Background**

Since 2014, councillors have received a number of briefings regarding the Australian Government aged care reforms that have included analysis of potential impacts on the community aged care services provided by Council. These reports have also outlined some of the transitional arrangements of the HACC program to the CHSP including:

- Changes to funding targets (as a result of changes to unit price levels for home care, personal care and respite care). The unit price for these services was increased by the Victorian Government, with no additional funding available and as a result, the funding targets were lowered to reflect the new unit price.
- The financial implications for the City of Boroondara (CoB) of the changes in the funded unit price for each of the three service types: home care, personal care and respite care.
- The Australian Government agreeing to continue to block-fund service providers during the transition period under the CHSP to ensure service levels remain stable, as per current HACC funding model, until 30 June 2019.
- The Victorian Government agreeing to continue funding the under 65 year old cohort of current HACC clients only, that may not be eligible for the NDIS until 30 June 2019. It is still unclear what the funding and service agreement from the Victorian Government will contain.
- The introduction of the Australian Government My Aged Care (MAC) agency as a gateway for all new referrals into the aged care system nationally.
- The MAV would represent local government in negotiating a SOI with the Victorian and Australian Governments that defines the role and commitment of local government during the transition period, which would also serve to set the foundation for service provision beyond the transition period.
- Council would be expected to sign new Service Level Agreements (SLA), with both the Victorian and Australian Governments, and that officers would present these Agreements, highlighting any concerns, to councillors in future reports, once the information becomes available.
- The introduction of wait lists for low needs clients for when the demand for services exceeds budgeted service levels, as resolved at a Council meeting on 24 September 2012.

The development of a SOI is an important part of the reform process as it intended to define the role and commitment of each level of government to the HACC client group. However, as outlined in the next section of this report, the draft SOI has disappointingly passed the legacy of Victorian Government under funding to local government.

4. **Outline of key issues/options**

The draft SOI highlights that as an aggregate, local government contributes $158M per annum to aged and community services (Source: Victorian Grants Commission 2013/14). Although this statement may be correct, the language used throughout the document describes this council contribution as being the responsibility of local government rather than as a result of the Victorian Government inadequately funding the true cost to service providers of delivering services.
The cost to councils for delivering services to eligible residents has steadily grown over time as a result of inadequately funded unit prices, compounded by annual indexation rates that did not adequately reflect the cost of service delivery. Additionally, any annual growth funding received further contributed to the financial burden on councils to continue to provide services, as it was implemented using the same underfunded unit price formula.

This systemic underfunding has continued for over two decades, with local government gradually increasing its contribution, not as part of a formalised agreement, but more as a result of not wanting to leave elderly people and people with disabilities and their families without community supports. The result of this action however, is that local government, despite significant advocacy, has been left with a financial legacy provided by the Victorian Government due to their unwillingness to fund the real cost of HACC in the context of a rising demographic client group.

CoB will contribute a total of $7,049,597 to the HACC program in the 2015/16 financial year, including corporate overheads.

In early 2015, local government was informed via a letter to the Chief Executive Officer that the Victorian Government, in acknowledging that the unit price of the three services was inadequately funded, increased the unit price to a more sustainable $45.00 per hour (an increase of up to 43%). In doing so, the Victorian Government made it clear that no additional funding was to be made available to service providers, but rather that the funding targets would be adjusted to reflect the new unit price.

This ‘notional’ exercise decreased the number of hours of service that local government is expected to deliver. Councils, however, were delivering services to existing clients that were above the new revised (lowered) targets, and did not wish to cut services to existing clients, as they depend on HACC services to keep them living independently and safely at home. It appears through the draft SOI, that the Victorian Government believes that these “additional” hours of service are now a council responsibility, rather than acknowledging that the Victorian Government has underfunded these services.

The language used throughout the SOI refers to local government as a planner, developer, funder and deliverer of services to elderly and younger people with disabilities. Of particular concern to Council, is the reference that local government is a funder of services. Clause 44 of the document states:

“The parties acknowledge that, in order to support the key role of local government in providing basic in-home services, prices for domestic assistance, personal care and respite services were adjusted to a more sustainable level effective from 2014-15, enabling local government to transfer its contribution from service delivery costs to hours of service to improve transparency and clarity about service hours funded through HACC program and those funded by local government.”

Officers are of the view that this Clause should be removed from the SOI, as the contribution CoB makes to the HACC program, is as a result of a shortfall in funding from the Victorian Government rather than any “additional” hours of service, despite the recent changes to the funding targets as a result of the increase in unit price.
Additionally, Clause 47 of the document states:

“To the best of individual council’s financial ability, local government will maintain their current service levels over the life of the agreement, consistent with their assessment of their community’s needs.”

Officers believe that this Clause positions local government into accepting funding responsibility for programs that have historically been underfunded by the Victorian Government and that the Victorian Government is absolving their responsibility for the funding gap prior to the handover to the Australian Government. This is further highlighted in Clause 15 which states:

“The role of local government is fundamental to the benefits of Victoria’s current HACC system. Local government has responsibility under the Local Government Act 1989 and subsequent amendments, to provide equitable and appropriate services and facilities for the community. Local government also has responsibilities to protect, improve and promote the public health and wellbeing of residents, under the Public Health and Wellbeing Act 2008.”

It is the opinion of officers that this Clause further suggests that local government is somehow legislated to be a funder and provider of services, and therefore should accept responsibility to fund the gap left by the Victorian Government. Neither Act specifies that local government should subsidise a shortfall in funding of another tier of government. Although the SOI is not legally binding, it does raise a question for local government of whether it will need to continue to fund the gap beyond the transition period (to 30 June 2019), keeping in mind that this funding represents existing clients receiving services. It is the officers’ view that if the MAV signs this document it should be viewed as an agreement signed on the basis of good faith, integrity and a commitment to fulfilling the obligations within the draft SOI.

Officers believe that the time for the introduction of wait lists is imminent, as councils in Victoria will have limited access to ratepayers’ income due to rate capping, and therefore councils will not have the financial means to allocate resources to support newly eligible residents. It is likely that demand for services in the next three year transition to the CHSP, due to the growth of the numbers of elderly people in the CoB, will exceed budgeted services which will require the implementation of wait lists.

An existing Council resolution for the implementation of wait lists from a Council meeting on 24 September 2012, states that Council resolved to:

“Implement a HACC demand management strategy to manage the reduction in funding from 1 January 2013, to prioritise service commencement for new clients who have high support needs and implement a wait list for less vulnerable and lower risk clients to commence home care services.”
5. Consultation/communication

The consultation and communication for this report has included:

- Council officers who deliver and plan for services
- Other councils in the Eastern Metropolitan region
- Attendance and discussion at various consultation forums with the Victorian and Australian Governments and the Municipal Association of Victoria (MAV).

6. Financial and resource implications

The Victorian Government has introduced new unit prices for each of the three service types - home care, personal care and respite care - which still do not cover the true cost of delivering the service. The service targets (service hours) have been reduced as a result of this new unit price; however, there is still a funding gap that local government is currently filling for existing clients. For the CoB, this gap equates to $7,049,597 annually, including corporate overheads (15/16 Council Budget).

The full extent of the funding gap and therefore impact on the Council subsidy will be better understood when the new SLAs are presented to Council for the provision of services during the transition period. CoB is yet to receive information regarding any details of what will and may not be funded under the new SLAs, and officers will consider any information that may change/impact the budget as it has been planned for the 2016/17 financial year and beyond.

Becoming a signatory to the SOI (via the MAV) as it currently exists in draft, may mean that councils are left with the responsibility for service delivery for any existing clients receiving services that are above the funded levels, post the transition period. It is important that officers ensure that all service areas are operating to the funded levels only, as the role of local government in service provision is that of a service provider and that any contribution to the service is as a result of inadequately funded programs/hours of service rather than as a provider and funder of additional hours of service.

It remains unclear whether Council will be left in the position of continuing to ‘fund the gap’ post the transition period, given that the funding represents existing CoB clients receiving services. Essentially, the draft SOI commits local government to maintaining its current funding subsidy throughout the transition period, which means that if the CoB fails to reduce service levels to match funding available at the end of the transition period, the CoB will be expected to continue serving clients who are excess to funding provided under the CHSP. Council officers will continue to monitor this issue concerning funding and will provide information to councillors when new information becomes available.

Additionally, when demand exceeds budgeted service levels within the three year transitional period, wait lists will need to be implemented for low needs clients.
7. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities, particularly the rights associated with respect, equality and dignity.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

8. Social and environmental issues

For two decades, local government has increasingly subsidised HACC services due to the Victorian Government’s underfunding of the program. The SOI states that local government will have a responsibility to maintain current service levels, despite the Victorian Government lowering the levels of services it funds by increasing the unit price but not allocating additional funding to maintain current service levels. This action formally shifts the responsibility of the current funding gap to councils. It further states that the local government subsidy is a contribution to service hours, rather than acknowledgement that the subsidy from local government has been a response to the underfunded environment to assist keeping people living safely and independently at home.

Rate capping presents a further complication for councils, as it limits the amount of available resources that councils can continue to allocate to service provision. To date, councils topped up service provision from ratepayer funds because of the increasing ageing population that want to continue to live at home, safely and independently.

The legacy of the Victorian Government underfunding HACC services will likely result in wait lists for new, low needs CoB clients as Council resources are not able to meet increasing demand. The Council resolution on 24 September 2012 states that wait lists will be applied for low needs clients only and that priority will be given to high needs clients.

9. Evaluation and review

Council officers will continue to review information and material released by both the Victorian and Australian Governments regarding the CHSP, and its impact on Council service provision.

Manager: Nick Lund, Health, Active Ageing & Disability Services

Report officer: Tina Bourekas, Senior Coordinator Ageing & Disability Services
Statement of Intent between:

- the Commonwealth of Australia;
- the State of Victoria; and
- Local Government represented by the Municipal Association of Victoria

To

- Recognise the role of local government in Victoria as planner, developer, funder and deliverer of services for older and younger people

and

- Retain the benefits of the current Victorian HACC system.
The role of local government in Victoria as planner, developer, funder and deliverer of services for older and younger people

Part 1 - Preliminaries

1. This Statement of Intent is made pursuant to the Bilateral Agreement between the Commonwealth and Victoria on Transitioning Responsibilities for Aged Care and Disability Services in Victoria (the Bilateral Agreement).

2. The Commonwealth and Victoria recognise the significant role played by local government in the Victorian Home and Community Care (HACC) system throughout the life of the Bilateral Agreement.

3. The purpose of this Statement of Intent is to recognise the role of local government in Victoria in funding, developing, planning and delivering community care services for older and younger people.

4. In making this Statement, the Commonwealth, Victoria and Local Government in Victoria recognise that they have a mutual interest in improving outcomes in delivering care and support for frail older people and people with a disability and recognise the need to work together to achieve those outcomes.

5. The Bilateral Agreement sets out revised roles and responsibilities for the Commonwealth and Victoria in aged and disability services.

6. The Commonwealth will assume full funding, policy and operational responsibility, including management, delivery and regulatory responsibility for community care services (including HACC), Specified Episodic Specialist Disability Services, Residential Aged Care, Home Care Packages, and Specialist Disability Services for Older People from 1 July 2016.

7. Victoria will assume full funding, policy and operational responsibility for community care services for Younger People from 1 July 2016 consistent with transition arrangements outlined in the National Disability Insurance Scheme Bilateral Agreement.

8. The Commonwealth and Victoria acknowledge that there will be substantial change over the life of the Bilateral Agreement with implementation of aged care reforms (including the Commonwealth Home Support Programme and My Aged Care) and the progressive implementation of the National Disability Insurance Scheme across Victoria.

9. Victoria has had a longstanding and robust partnership with local government in human services delivery for many decades.

10. Local government’s longstanding role in planning, development, funding and delivery of community care services for Older People and Younger People has ensured that these services are provided on an equitable basis to eligible people across Victoria.

11. Victorian Local Government’s role in the Home and Community Care (HACC) Program since its inception in 1985 has resulted in the development of a state-wide system where there is one major service provider of home based services in each local government area (LGA) providing:
(a) An easily identifiable access point into HACC and related services, whether funded or not;

(b) An holistic assessment of client needs;

(c) The full suite of HACC home based services (excluding nursing and allied health); and

(d) A coordinated approach to referring clients to other services as needed through the Victorian Service Coordination Framework.

12. This Statement recognises the mutual interest and investment of the Commonwealth, Victoria and Victorian Local Government represented by the Municipal Association of Victoria in the delivery of care and support to Older People and Younger People.

13. In 2013-14 Local Government contributed, in aggregate, a reported $158m per annum to aged and disability community services. (Source: Victoria Grants Commission 2013/14).

14. Local Government receives approximately 40 per cent of Commonwealth and Victorian matched HACC program funds.

15. The role of local government is fundamental to the benefits of Victoria’s current HACC system. Local government has responsibility under the Local Government Act 1989 and subsequent amendments, to provide equitable and appropriate services and facilities for the community. Local government also has responsibilities to protect, improve and promote the public health and wellbeing of its residents, under the Public Health and Wellbeing Act, 2008.

Part 2 – Parties and Operation of the Statement

Parties to this Statement

16. This Statement is between the Commonwealth of Australia (the Commonwealth), the State of Victoria (Victoria) and local government in Victoria represented by the Municipal Association of Victoria (Local Government).

17. The Municipal Association of Victoria (MAV) is the authorised peak body and lead negotiator for agreements with local government in Victoria regarding the Commonwealth Home Support Program (CHSP), My Aged Care and other matters relevant to local government (Municipal Association of Victoria Act 1907 (Vic)).

Commencement and duration of this Statement

18. This Statement will continue in effect from signature by the parties until the Bilateral Agreement ceases on 30 June 2019.

Objectives and Outcomes

19. The objective of this Statement is to recognise the role of Local Government in community care in Victoria through the implementation of changes in roles and responsibilities for aged care and disability services outlined in the Bilateral Agreement.

20. The parties agree to work together cooperatively to:
Draft Statement of Intent for MAV meeting 10.3.16

a. Ensure a smooth transition to the changed roles and responsibilities as outlined in the Bilateral Agreement;

b. Contribute to improving client services by enabling the creation of integrated and coordinated care systems that are easier for clients to access and navigate, respond more flexibly to clients’ changing care needs and have a focus on wellness and reablement;

c. Retain the benefits of Victoria’s HACC system through the strategies set out in Schedule A to the Bilateral Agreement;

d. Ensure timely, consistent and accurate information is provided to stakeholders on the transition of HACC services and Specified Episodic Specialist Disability Services;

e. Manage change in the community as a result of the revision of roles and responsibilities and other reforms taking into account the importance of minimising disruption to clients, carers and families; and

f. Work together to support smooth client transitions across health services, aged care and disability services.

Outcomes

21. This Statement will enable the achievement of the following outcomes:

a. Maintain stability of the Victorian aged care and disability service system by encouraging local government to continue its role in the system; and

b. Maintenance of the benefits of the current Victorian HACC system.

Part 3 – Commitments made by each party

The Commonwealth, Victoria and Local Government commit to and agree that:

22. The parties have a shared objective of preserving Victoria’s stable, integrated local service platform, taking into account the importance of minimising disruption to clients, carers and families over the period of this agreement.

23. The MAV represents local government on relevant inter-government committees and planning mechanisms, to work collaboratively with the Commonwealth and Victoria on meeting national program objectives in ways which respect, promote and build on current Victorian system strengths.

24. Local Government will continue to facilitate and participate in local partnerships, networks and alliances to achieve connected and coordinated service delivery for clients. The Commonwealth and Victoria acknowledge the role of local government in Victoria as a planner and developer of services.
Funding arrangements for the three year transition period

25. Local Government, as service providers currently funded through the joint HACC program in Victoria will be provided funds stability, including assessment, from 1 July 2016 to 30 June 2019. During this transition period there will be no requirement for services to be delivered under a competitive tender process, subject to providers complying with the requirements of their grant agreement(s).

26. The Commonwealth, through the Commonwealth Home Support Programme or My Aged Care, will continue funding to Local Government and other service providers on the basis of funding and activities agreed for Older People in place at the time of transition, for the three year transition period.

27. Victoria will continue to fund agencies during the three year transition period to progressively give effect to the implementation of the National Disability Insurance Scheme (NDIS) and to deliver services for younger clients whose needs are not intended to be met by NDIS.

28. The Commonwealth Home Support Programme grant agreements to be offered to Local Government for Older People at the time of transition will include a block funding for specified outputs approach.

29. Victorian DHHS service agreements to Local Government for Younger People will be adjusted at the time of the transition to reflect the amount of funding and output targets related to the younger target group, on a unit price/output target approach as is currently the case.

Planning arrangements

30. Local Government will be consulted by the Commonwealth and Victoria on policy development and planning for CHSP and the Victorian under 65 program in Victoria through the Trilateral Community Care Officials Group (see definitions) and any other co-design or consultative mechanisms initiated by the Commonwealth or Victoria. The objective is to provide an appropriate planning framework to contribute to national aged care objectives, while incorporating State and Local place-based knowledge and priorities, and effectively interfacing with health and local positive ageing planning.

31. The Commonwealth and Victoria will use population based methodologies for the allocation of growth funds that takes into account existing services available in a given region, projected growth in the target population and other factors influencing service delivery supply and demand.

32. The Commonwealth and Victoria will work with Local Government to implement a Sector Development and Change Management Framework for three years from 1 July 2016.

33. The Framework is intended to:
   a) provide a clear mechanism for the Commonwealth and Victoria to consult with local government, and for the contribution of local government into sector support planning processes;

   b) support change management and regional partnerships/alliances and coordinate service sector development and input to CHSP and Victorian planning processes;
c) provide a vehicle for consultation and input from a local level in relation to national directions for aged care reforms, implementation of the CHSP, and directions in community care for Older and Younger People.

34. The Commonwealth and Victoria agree to consult with Local Government on the identification of local area planning needs - including service need and demand, gaps and priorities - in recognition of its specific expertise and knowledge in this area.

35. Local Government will contribute through the Sector Development and Change Management Framework in their role as local service planner and developer, and as coordinator of consultations with local providers and consumer groups in their local government areas.

36. As an input to CHSP planning processes for growth, the Commonwealth will consult Victoria and work with Local Government as planners in their local areas to:
   a) share agreed data to inform planning processes;
   b) collect information and contribute to an annual process of local government coordinated input about local needs and priorities, for services for older people and people aged under 65, and contribute to regional consideration of needs and gaps; and
   c) consider local area planning and intelligence in developing priorities for the distribution of CHSP growth funding, in the context of national priorities and directions.

37. Evaluation criteria for planning processes for future growth funds in CHSP will consider among other things the importance of local connectedness, expertise working with the target group and demonstrated delivery track record. Selection Criteria for the CHSP is included in the CHSP Programme Guidelines.

38. All parties recognise the importance of local connections and integrated service delivery and planning with other providers to provide the best outcomes for clients, and the need to work together in local collaborative partnerships and alliances to facilitate clients getting timely access to services and assistance they need from available resources, whether provided through the aged care system or not. The Commonwealth will incorporate such requirements for service providers in the CHSP manual and the resources developed for Regional Assessment Services.

**Local Government involvement in sector wide policy initiatives**

39. The parties acknowledge the specific arrangements for Victoria as outlined in the MOU between the Commonwealth Department of Health and the Victorian Department of Health & Human Services, including:

   a. Victoria will continue to manage the assessment function on behalf of the Commonwealth to 30 June 2019. Assessment funds will flow through Victoria to agencies over this period. From 1 July 2016, all assessors working in Victorian Regional Assessment Services will use the My Aged Care system including the National Screening and Assessment Form and tools and the central client record.
b. Local Government will continue to undertake the role of HACC Assessment Services, where applicable, and to work with the Commonwealth and Victoria to transition that role into the My Aged Care system as regional assessment services.

c. Victoria will work with local government to transition HACC Assessment Services and service providers to working in My Aged Care from 1 July 2016, and progressively improve integration with Aged Care Assessment Teams located in health services.

d. Existing HACC providers in Victoria funded under the Commonwealth Home Support Program and by Victoria for services to younger people will continue to be required to undertake diversity planning and practice reviews over the three years from 1 July 2016 to 30 June 2019, with a review in the last year to determine whether it continues to deliver benefits.

e. Continuing to enable providers to have access to Victorian interpreter and translation arrangements to 30 June 2019.

f. Recognise that wellness promotion and reablement require a flexible and person centered approach to assessment and service delivery, and that this approach requires an appropriately qualified workforce to deliver it over the life of this agreement. The Commonwealth will encourage Victorian providers to maintain the skilled and qualified workforce through a statement in the CHSP Programme Manual.

40. The parties recognize that Local Government has additional responsibilities under the Local Government Act 1989 and subsequent amendments, and the Public Health and Wellbeing Act 2008, to advocate and ensure equitable and appropriate services are available to protect and improve the health and wellbeing of its residents.

Funding

41. The Commonwealth and Victoria acknowledge the role of local government in Victoria in providing additional funding towards the provision of community care services and other community supports, and the contribution this makes to meeting needs within their community.

42. In 2013-14 Local Government contributed, in aggregate, a reported $158m per annum to aged and disability community services (Source: Victoria Grants Commission 2013/14).

43. Historically, Local Government has collectively been the major providers of basic in-home services and receive approximately 40% of total HACC funds. There has also been long standing provision of a CSO subsidy to support local government capacity in service delivery. This will continue as part of the funds stability arrangements to 30 June 2019 outlined in clauses 25 to 29.

44. The parties acknowledge that, in order to support the key role of local government in providing basic in-home services, prices for domestic assistance, personal care and respite services were adjusted to a more sustainable level effective from 2014-15, enabling local government to transfer its contribution from service delivery costs to hours of service to improve transparency and clarity about service hours funded through the HACC Program and those being funded by local government.
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45. Future growth funds for the CHSP will be allocated by the Commonwealth in line with its processes, which will include considering community need, service gaps and priorities.

46. The Commonwealth and Victoria recognise the importance of local connections and the ability to provide services within the context of local networks of community and health services.

47. To the best of individual council’s financial ability, local government will maintain their current service levels over the life of this agreement, consistent with their assessment of their community’s needs.

Part 4 - Governance Arrangements

Variation of the Statement

48. This Statement may be varied, terminated earlier or extended as agreed in writing by the parties.

Enforceability of the Statement

49. This Statement of Intent is made in good faith. It is not legally enforceable. This does not lessen the commitment of each of the parties to the Statement.

Governance

50. Issues arising from the Statement of Intent will be dealt with in Trilateral Community Care Officials Group with representation from the Commonwealth, Victoria and the MAV representing Local Government.
**Definitions**

1. The following definitions are applicable throughout this Statement.

<table>
<thead>
<tr>
<th><strong>Bilateral Agreement</strong></th>
<th>The Bilateral Agreement on Transitioning Responsibilities for Aged Care and Disability Services and its Schedules, including any Schedules added to the Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commonwealth Home Support Programme</strong></td>
<td>A single streamlined programme that combines the Commonwealth HACC Program, planned respite from the National Respite for Carers Program, Day Therapy Centres Program and the Assistance and Care with Housing for the Aged Program from 1 July 2015 and will provide entry-level maintenance, care, support and respite services for Older People living in their own homes, and the community, and their carers</td>
</tr>
<tr>
<td><strong>HACC</strong></td>
<td>Home and Community Care</td>
</tr>
<tr>
<td><strong>HACC Minimum Data Set</strong></td>
<td>A set of nationally agreed data items that are collected by all HACC funded organisations and Service Providers about their clients</td>
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<tr>
<td><strong>My Aged Care</strong></td>
<td>A central identifiable entry point that Older People, their families, and carers can access for information on ageing and aged care, have their needs assessed and be supported to locate and access services available to them</td>
</tr>
<tr>
<td><strong>NDIS Bilateral Agreement</strong></td>
<td>The <em>Bilateral Agreement between the Commonwealth and Victoria – Transition to a National Disability Insurance Scheme</em></td>
</tr>
<tr>
<td><strong>Older People</strong></td>
<td>People aged 65 years and over and Aboriginal and Torres Strait Islander people aged 50 years and over</td>
</tr>
<tr>
<td><strong>Target Population</strong></td>
<td>People living in the Victorian community who need assistance with daily living to live independently in the community, and the carers of these people</td>
</tr>
<tr>
<td><strong>Trilateral Community Care Officials Group</strong></td>
<td>A forum to discuss issues arising from the Statement of Intent between the Commonwealth, Victoria and the MAV, representing local government, relating to home support services for Older People and Younger People</td>
</tr>
<tr>
<td><strong>Victoria’s HACC system</strong></td>
<td>The arrangements underpinning the suite of community care services in Victoria managed by the Victorian Department of Health and Human Services and funded jointly by the Victorian and Commonwealth Governments to 30 June 2016</td>
</tr>
<tr>
<td><strong>Younger People</strong></td>
<td>People aged under 65 years and Aboriginal and Torres Strait Islander people aged under 50 years</td>
</tr>
</tbody>
</table>
The Parties have confirmed their commitment to this Statement as follows:

Signed for and on behalf of the Commonwealth of Australia by:

The Hon Sussan Ley MP
Minister for Health
Minister for Aged Care
Minister for Sport

(Signature) …/…/…..

Signed for and on behalf of Victoria by:

Martin Foley MP
Minister for Housing, Disability and Ageing
Minister for Mental Health
Minister for Equality
Minister for Creative Industries

(Signature) …/…/…..

Signed for and on behalf of Local Government represented by the Municipal Association of Victoria by:

Cr Bill McArthur
President

(Signature) …/…/…..