

## **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 of Intent 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:

- 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.
30. All parties acknowledge local government's contribution to the costs of service delivery and commit to review outputs where required during the first year of this agreement. In recognition of the transition, accountability for outputs will be reviewed in accordance with flexibility arrangements stated in the Commonwealth Home Support Programme manual and by negotiation with the Commonwealth. The MAV will undertake to bring issues that impact beyond individual council's grant agreements to the attention of the Trilateral Community Care Officials Group for resolution.

### **Planning arrangements**

31. 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.
32. 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.
33. 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.

34. 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.
35. 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.
36. 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.
37. 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.
38. 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.
39. 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**

40. 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.
41. 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**

42. 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.
43. 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*).
44. Historically, Local Government has collectively been the major providers of basic in-home services and receive approximately 40 per cent 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.

45. 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.
46. In order to support the capacity of the system to meet growing needs for basic in-home services, the parties acknowledge that 60 per cent of 2015-16 growth has been allocated to this priority.
47. 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.
48. 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.
49. The parties acknowledge local government's financial contribution to aged and disability services, reflecting its commitment to local communities and its capacity in the past and from time to time to contribute additional funds. Consistent with its assessment of community needs and taking into account an individual council's financial capacity, councils will continue to contribute to service delivery over the term of this agreement.

#### **Part 4 - Governance Arrangements**

##### **Variation of the Statement**

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

##### **Enforceability of the Statement**

51. 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**

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



**Definitions**

53. The following definitions are applicable throughout this Statement.

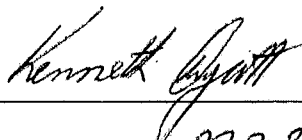
<b>Bilateral Agreement</b>	The Bilateral Agreement on Transitioning Responsibilities for Aged Care and Disability Services and its Schedules, including any Schedules added to the Agreement
<b>Commonwealth Home Support Programme</b>	A single streamlined programme that combines the Commonwealth HACC Program, 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
<b>HACC</b>	Home and Community Care
<b>HACC Minimum Data Set</b>	A set of nationally agreed data items that are collected by all HACC funded organisations and Service Providers about their clients
<b>My Aged Care</b>	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
<b>NDIS Bilateral Agreement</b>	<i>The Bilateral Agreement between the Commonwealth and Victoria – Transition to a National Disability Insurance Scheme</i>
<b>Older People</b>	People aged 65 years and over and Aboriginal and Torres Strait Islander people aged 50 years and over
<b>Target Population</b>	People living in the Victorian community who need assistance with daily living to live independently in the community, and the carers of these people
<b>Trilateral Community Care Officials Group</b>	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
<b>Victoria's HACC system</b>	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
<b>Younger People</b>	People aged under 65 years and Aboriginal and Torres Strait Islander people aged under 50 years

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 and Aged Care  
Minister for Sport

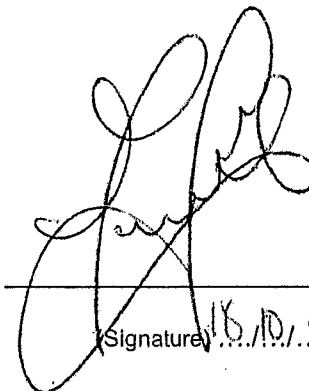
*The Hon Ken Wyatt MP*  
*Minister for Aged Care*  
*Minister for Indigenous Health*



(Signature) *27.2.2017*

**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) *18.10.2016*

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

**Cr Bill McArthur**  
President



(Signature) *20.10.16*