
Other

Aged Care Reform

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Attachments:

1. Report Summary

- The Commonwealth Government has been working through a significant reform agenda for Aged Care for almost a decade for both in home support services and residential aged care.
- Council is contracted to services to eligible residents over the age of 65 years under the Commonwealth Home Support Programme (CHSP) that aims to keep older residents safe and healthy in their own home for as long as possible.
- The current aged care system is complex and confusing, and the reforms intend to deliver a simplified and consistent aged care system, however the implementation date of the reforms have been extended many times since 2018.
- The Commonwealth Government has now announced that the major reform of In-Home Support Services which sees the combining of all existing home support Programs will be implemented 1 July 2024.
- Council must now consider what the implementation of these reforms will impact on Council's provision of Commonwealth funded Aged Services and the associated impact on our community.

2. Recommendation Summary

This report is for noting.

Additionally, the report recommends that in response to the implementation of the Commonwealth Aged Care Reforms, Council undertake the development of an Options Paper to assist in consideration of all future opportunities in aged care services post June 2024.

In the process of developing this paper, Council aims to promote greater awareness and understanding of the impact of the Commonwealth reforms as part of the significant consultation with clients, affected staff and unions, other key stakeholders and the broader community.

The Options Paper will then be presented to Council for their consideration by the end of August 2023.

3. Background

Over the past decade, Australia's aged care system has undergone significant reform. With a growing focus on client choice, proposed reforms have prioritised competition and marketisation of the service system to increase the capacity of the system and pursued national consistency.

These aged care reforms have occurred at the same time as the aged care sector contends with an ageing population and widespread workforce shortages which have been further exacerbated by the COVID-19 pandemic due to the reliance on immigrants pre-2020 to undertake the low paid caring roles in both residential aged care and in home care.

Over the past 10 years the Coalition Commonwealth Government has been planning to transition the block-funded Commonwealth Home Support Programme (CHSP) to a client-directed care model, where funding is assigned to the client rather than the service provider delivering services based on predetermined targets. This proposed new model, known as the Support at Home program, was slated to commence from 1 July 2023. This date has since been pushed back to 1 July 2024 by the new Albanese Labour Commonwealth Government.

With the further delayed implementation of the new Support at Home program until July 2024, the Commonwealth Government's commitment to consulting with the aged care sector and broader community in general, together with the recent media attention regarding some Victorian local governments who have exited as a provider of CHSP, it is timely to provide Council with an update.

4. Discussion and Options

For the past three (3) years a focus for the Commonwealth Government has been responding to the major challenges in residential aged care that came into sharp focus during the COVID-19 pandemic. The current three (3) key aged care programs the Commonwealth Government are responsible for are as follows.

- **Commonwealth Home Support Programme (CHSP)**
Provides entry level support to keep older people safe and healthy in their own homes.
- **Home Care Packages (HCP)**
There are four (4) levels of support for older people with more complex needs who wish to remain in their own homes.
- **Residential Aged Care (RAS)**
This by far is the most expensive form of care and for people that are deemed unable to live safely in their own home.

During the COVID-19 pandemic, additional funding was allocated to residential care and Home Care Packages (HCP), however there has been little discussion about CHSP. It is interesting to note that CHSP has by far the most clients of the three (3) main Commonwealth subsidised aged care programs, however it costs significantly less per client than HCP and Residential Aged Care.

The key change the Commonwealth has signalled in response to the Aged Care Royal Commission together with client and provider feedback is the combining of all In Home Support Services into one (1) program eg CHSP and HCP, currently referred to as the Support at Home Program. There is general agreement that this is a positive and necessary reform as there will be one (1) In Home Support program that can provide entry level to complex level care based on the need of the client rather than having to move from one (1) program to another as a client's needs increase.

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To adapt to expected changes, councils across Victoria who primarily provide CHSP have been individually assessing their ability to continue to deliver services under the future service model. These decisions are usually made through intensive consultation with clients, the community and staff and include detailed assessment of local service systems and council capacity.

Council also currently provides the State Government funded In Home Support Services to residents under the age of 65 years who have a disability but are not eligible for the National Disability Insurance Scheme (NDIS) called the Home and Community Care Program for Younger People (HACC-PYP). This is a significantly smaller program than CHSP and there would need to be consideration of Council's role in this program as part of the broader review into Council's role in Aged Care.

For CGD, some of the key considerations are:

1. The significant level of socio-economic disadvantage in our municipality, together with a high level of cultural diversity. Will other providers be interested in being a provider in CGD?

CGD has a high proportion of complex needs in our community, eg family violence, poverty, insecure housing, experience of trauma in some of our newly arrived refugees, together with cultural diversity which can make communication and provision of information more challenging and time consuming between clients and staff. This in turn can increase the cost to deliver the service.

2. The difference in staffing costs between Council employed staff and staff employed in both the not for profit and profit sectors makes it more difficult to minimise Council's contribution to the service if a decision is made to remain as a provider.

Local Government is required to pay staff under the Victorian Local Government Authorities Award whereas other providers pay staff primarily under the Social, Community, Home Care and Disability Services Award (SCHADS).

3. During the COVID-19 pandemic, as a CHSP and Home and Community Care Program for Younger People (HACC-PYP) provider, Council's Community Care staff were able to assist our community by working in partnership with the Emergency Management team to assist in providing necessary supports to residents in isolation, ie offering delivered meals at very short notice. Due to Council's Community Care staff working out in the community, they have significant knowledge of the local service system which was invaluable during the pandemic.

4. There is also a concurrent Commonwealth Government reform regarding Assessment Services. The intended reform for assessment is to combine the Regional Assessment Service (RAS) and the Aged Care Assessment Service (ACAS), which is generally seen as a positive reform. However, the way in which it is likely to be configured (ie a very small number of contracts in each State) could mean that local government would have difficulty remaining as a provider. If local government cannot be a contracted Assessment provider, many councils are considering the need to fund a local 'navigator' resource within Council to continue to assist their community to find the services they need. In our municipality, the work of the Assessment Team in assisting the community in referring and linking the community to services is invaluable.

5. The new funding and business model for In Home Care. How would Council ensure as a provider we are sustainable into the future?

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- 6. The regulatory environment for aged services is increasing in response to the recommendations of the Royal Commission into Aged Care Quality and Safety.** Whilst this is necessary to ensure the health and safety of all users of Commonwealth funded aged care, new provider governance responsibilities are being introduced. More information is needed to understand the implications for Council if they remain a provider.

5. Proposal

To develop an Options Paper for Council's consideration on what Council's future role post June 2024 in Commonwealth aged care funded In Home Support Services should be, together with options for Council's consideration on how Council can support our older residents to participate in community life.

6. Financial Implications

There are no financial implications associated with this report. Cost associated with the development of the Options Paper will be undertaken within the existing Community Care Operational Budget.

7. Consultation

Consultation regarding the development of an Aged Care Options Paper is subject to Council's Community Engagement Policy and the *Local Government Act 2020* community engagement principles. As this project has a direct impact on the community and relates to potential service changes of a sensitive and complex nature, it is recommended that Council undertakes a deliberative process for consultation. This would allow for considered and evidence-based discussions and an opportunity for the community to be closer to the decision-making processes of Council. Broader consultation activities would also be conducted to gain feedback which would inform the deliberative process. A consultation plan will be developed outlining the proposed activities once confirmation of next steps.

8. Community Vision 2040 and Council Plan 2021-25 – Strategic Objectives, Strategies and Plans

After consultation with the Greater Dandenong community on what kind of future they wanted for themselves and our city, the Greater Dandenong People's Panel developed a new Community Vision for 2040:

*The City of Greater Dandenong is a home to all.
It's a city where you can enjoy and embrace life through celebration and equal opportunity.
We harmonise the community by valuing multiculturalism and the individual.
Our community is healthy, vibrant, innovative and creative.
Our growing city is committed to environmental sustainability.
Welcome to our exciting and peaceful community.*

8.1 Community Vision 2040

This report is consistent with the Community Vision 2040 and its accompanying principles:

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- Safe and peaceful community
- Education, training, entrepreneurship and employment opportunities
- Sustainable environment
- Embrace diversity and multiculturalism
- Mind, Body and Spirit
- Art and Culture

8.2 Council Plan 2021-25

The Council Plan describes the kind of future the Council is working for, and how Council will do this over four (4) years. This report is consistent with the following strategic objectives:

- A socially connected, safe and healthy city
- A city that respects and celebrates diversity, our history and the arts
- A city of accessible, vibrant centres and neighbourhoods
- A city that supports entrepreneurship, quality education and employment outcomes
- A Council that demonstrates leadership and a commitment to investing in the community.

9. The Overarching Governance Principles of the *Local Government Act 2020*

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This Report gives expression to these principles by:

- seeking the best outcomes for the municipal community, including future generations (S. 9b). In particular, the Report seeks to ensure that all residents and key stakeholders are accorded respect, and that considerations of their needs, preferences and circumstances influences the development of Council services, plans and policies. The development of the Options Paper will take into account all of the above considerations.
- addressing the economic, social and environmental sustainability of the municipal district, including efforts to ease the impact of climate change and lessen its risks (S. 9c). This Report will have no direct economic and environmental impact upon the community, as it is a report for noting that outlines the Commonwealth Aged Care Reforms and the steps Council will be taking to understand the impacts for council and the community. There will be a further report back to Council in August that will identify the options for council to consider our future role in aged services.
- ensuring the municipal community is included in strategic planning and strategic decision making (S. 9d and S.56). The Community Engagement Framework emphasises participation in decision-making and engagement by the community, including residents of diverse genders, ages, abilities, cultural background, spoken languages, race and socioeconomic circumstances. The Aged Care Options Paper will be developed in line with the Community Engagement Framework to ensure all stakeholders can be heard and their views considered.
- maintaining innovation and continuous improvement (S. 9e). The Aged Care Options Paper will consider opportunities to identify innovative ways of supporting our older residents to live in their own homes safely whilst continuing to participate in community life to maintain social connection.

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- supporting transparency of council decisions, actions and information (S. 9i and S. 58 and S. 106). The development of the Aged Care Options Paper will be guided by the principles of transparency, together with the commitment to tabling the completed Options Paper at Council in the second half of 2023.

Transparency will be reflected in the development of the Options Paper which will be informed after consultation with the community and other key stakeholders.

10. Victorian Charter of Human Rights and Responsibilities

Council, Councillors and members of Council staff are a public authority under the *Charter of Human Rights and Responsibilities Act 2006* and, as such, are all responsible to act in accordance with the *Victorian Charter of Human Rights and Responsibilities 2006* (the Charter).

All matters relevant to the Victorian Human Rights Charter have been considered in the preparation of this report and are consistent with the standards set by the Charter.

The Report preparation emphasises the right of all members of the community to be consulted and heard by Council, to freely express their views and concerns, to give unstifled and open expression to their culture and other aspects of their personal identity, and to enjoy as equals, the opportunity to participate in all cultural, social, economic and civic aspects of community life.

Accordingly, this Report is consistent with the following sections of the Charter:

- Section 14 – Right to freedom of thought, conscience, religion and belief;
- Section 15 – Right to freedom of expression;
- Section 16 – Right to peaceful assembly and freedom of association;
- Section 17 – Right to the protection of families and children;
- Section 18 – Right to have the opportunity to take part in public life and to vote;
- Section 19 – Right to enjoy one's culture, practice religion or use one's own language and in the case of Aboriginal persons, the right to have distinct cultural rights;
- Section 24 - Right to a fair hearing.

11. The Gender Equality Act 2020

The *Gender Equality Act 2020* came into operation on 31 March 2021 and requires councils to take positive action towards achieving workplace gender equality and to promote gender equality in their policies, programs and services.

In this regard, the objects of the *Gender Equality Act 2020* must be considered in the development of this report if the issue/topic of this report has a direct and significant impact on members of the public. The objects of the Act are as follows:

- (a) to promote, encourage and facilitate the achievement of gender equality and improvement in the status of women; and
- (b) to support the identification and elimination of systemic causes of gender inequality in policy, programs and delivery of services in workplaces and communities; and
- (c) to recognise that gender inequality may be compounded by other forms of disadvantage or discrimination that a person may experience on the basis of Aboriginality, age, disability, ethnicity, gender identity, race, religion, sexual orientation and other attributes; and
- (d) to redress disadvantage, address stigma, stereotyping, prejudice and violence, and accommodate persons of different genders by way of structural change; and

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- (e) to enhance economic and social participation by persons of different genders; and
- (f) to further promote the right to equality set out in the Victorian Charter of Human Rights and Responsibilities and the Convention on the Elimination of All Forms of Discrimination against Women.

The requirement to conduct a Gender Impact Assessment applies to policies, programs and services for review. In general services up for review within the following areas will require a Gender Impact Assessment: aged care, childcare, health care, safety, environment, emergency and waste management, open space planning, libraries, recreation and other public facilities. Therefore, a Gender Impact Assessment will as be required as part of the development of the Aged Services Options Paper.

The principles of Council's Diversity, Access and Equity Policy will also be considered in the development of the Aged Services Options Paper.

12. Consideration of Climate Change and Sustainability

One of the overarching governance principles of the *Local Government Act 2020* is that the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

In January 2020, this Council joined a growing number of cities around Australia and declared a "Climate and Ecological Emergency" and committed this Council to emergency action on climate change. Council has developed a Climate Change Emergency Strategy and Action Plan 2020-30 to help the City of Greater Dandenong become a resilient, net zero carbon emission city with an active community prepared for the challenges of changing climate.

Council's Declaration on a Climate and Ecological Emergency, Council's Climate Change Emergency Strategy 2020-2030 and the requirements of the *Local Government Act 2020* in relation to the overarching governance principle on climate change and sustainability will be considered in the preparation of the Aged Services Options Paper.

13. Related Council Policies, Strategies or Frameworks

- Positive Ageing Strategy 2017-2025
- Disability Action Plan 2017- 2023
- Diversity, Access and Equity Policy 2021-2025

14. Conclusion

The current Aged Care system is complex and difficult to navigate. In response the Commonwealth Government is implementing a range of reforms to the aged care system that particularly impact on In Home Support Services from July 2024. This report provides an update on the major aged care reforms.

15. Recommendation

That:

1. Council notes this report.

1.1. In response to the implementation of the Commonwealth Aged Care

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Reforms, Council undertakes the development of an Options Paper to assist in consideration of all future opportunities in aged care services post June 2024.

The Options Paper will then be presented to Council for their consideration by the end of August 2023.