

Positive Ageing service review

Discussion paper

February 2018

Introduction

Fast Facts:

- **The Australian Government is changing how aged care and disability services are delivered**
- **By 2020 Councils will no longer automatically be the provider of aged and many disability services**
- **If there are appropriate alternatives Council won't need to provide a competing service**
- **Council will not leave our community without a needed service**
- **We're planning for the future and want to know what you think**

The Australian Government is changing the way aged and disability services will be delivered in the future.

The government plans to increase consumer choice to ensure services are efficient and cost effective.

The changes will come into effect by 2020 and will mean Councils won't automatically be the provider of aged and disability services in their area.

If there are suitable not-for-profit or private organisations that can deliver aged services Council won't need to also provide such services.

Surf Coast Shire Council is investigating how the changes could impact on the services it provides.

One thing Council has already committed to is that we will not leave the community without a much needed service.

Appropriate services must be available.

Surf Coast Shire Council has budgeted to subsidise aged and disability services by \$1.35M in 2017/18

That is a significant cost for ratepayers especially given rate capping limits how much revenue Council can raise through rates.

Before deciding on the best option for the future we would like to hear from our community.

If there are appropriate alternatives should Council still provide a competing service?

Would our community still prefer Council services even if others offer same quality services for less?

These are some of the issues we are considering as part of our investigation. We'd like to know what you think.

Purpose of the discussion paper

To make sure we are ready for the government's aged care reforms Surf Coast Shire Council has been researching options for our aged care and disability services.

This discussion paper summarises our findings so far and details three scenarios.

We invite you to read this discussion paper and make a submission. There are questions in different sections of the discussion paper which you can answer either online at www.surfcoast.vic.gov.au/haveyoursay or via our printed form.

If you would like more background information please read our Options Paper.

Your feedback will be considered in the development of a preferred option that will be referred to the May 2018 Council meeting.

Positive Ageing services currently provided by Council

Council currently provides a range of services to older people, and people with a disability, to help them to live as independently as possible, in their own homes and community, for as long as they can and wish to do so.

Positive Ageing services currently provided by Council include:

- assessment

- service supports such as delivered meals, domestic assistance, personal care, property maintenance, and respite
- community development and social support programs
- provision of NDIS services
- short term restorative support for HACC PYP
- care coordination
- Home Care Package provider with neighbouring Councils
- Vulnerable Persons Register
- Senior Citizens Clubs engagement and support
- Volunteer support

The Commonwealth and State Governments provide funding to Councils to deliver these services.

Aged care reform

The Australian government has determined that reform is necessary to ensure that the aged care sector can meet the needs of an ageing population in an efficient, fair and sustainable way.

Reform is being guided by the Aged Care Roadmap which identifies short, medium and longer-term goals to make the aged care system more consumer-driven, market-based, sustainable, and nationally consistent.

Some reforms are already in place such as centralised funding of aged care, My Aged Care, the NDIS and client directed care through home care packages.

Issues

Individualised funding, choice and competition are key features of a reform agenda that will fundamentally change the way aged and disability services are delivered in Australia. In the new model local government:

- will not automatically be a designated service provider
- will be just another service provider competing in a market of many

The reforms mean State and Commonwealth funding to Councils will begin to expire from 2019. When that happens, it's likely that the Australian government will open up the market to other providers or introduce individual funding to clients. A business as usual approach will mean Councils won't be competitive; will lose funding and or clients to other providers; and will lose the ability to influence good outcomes for our community.

Council review

Council is nearing the end of a comprehensive service review which is being conducted to identify the most appropriate service model that will ensure older people and people with a disability continue to have access to affordable, high quality services in the Surf Coast Shire. The review is being conducted in parts:

Part 1 comprised community engagement (via client and volunteer surveys), and the development of a Research Paper that was endorsed by Council in October 2017.

Part 2 comprised analysis of the research and the development of possible future service delivery options and scenarios.

Part 3 comprises community consultation on the Discussion and Options Papers, review of submissions and development of a preferred option for consideration by Council.

By proactively reviewing the options, Council hopes to maximise the time available to plan and transition to possible new arrangements.

Client survey

Council engaged with the community in May 2017 via client and volunteer surveys. 31% of clients responded and the results are summarised as follows:

- the aged and disability care services provided by Council are achieving their program objectives, including assisting clients to maintain their independence, and assisting clients to remain in their home/community for as long as possible
- most clients believe that the aged and disability care services provided by Council are very good or better
- clients that have experienced other providers, believe those providers can match Council's performance (it doesn't matter who provides the service as long as the program objectives are met).

Key Findings

The Research Paper identifies the following key findings:



HISTORY

- Council has a long history of funding and providing aged and disability care services
- Council is a trusted provider of a complex range of aged and disability care services



SERVICE RESPONSIBILITY

- The Federal and State governments are responsible for aged and disability care (local government is not)
- The Positive Ageing Strategy commits Council to planning well for its older citizens, but does not specify how services are to be delivered
- In the new model, local government will be just another service provider (in a market of many)



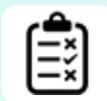
GROWTH

- The growing and ageing population adds to the imperative to change how aged and disability care is provided



ACTIVITY ANALYSIS

- Council currently subsidises each positive ageing activity it provides
- Connection with the cohort is the primary benefit of Council providing aged and disability care services
- Socialisation programs (such as musical mornings and café style support) may not exist without Council
- The local government sector is a costly service provider
- Council budgeted to subsidise the positive ageing program by \$1.353M in 2016/17 (actual = \$1.03M), and by \$1.35M in 2017/18 (all including overheads)



SURVEY

- Client, volunteer and staff surveys consistently tell us that quality is important and provided this is met, who provides the service is less important
- Staff are proud of the service they provide



BENCHMARK

- Councils that have relinquished service provision typically retain a leadership role, no longer contribute a subsidy, and report a high level of community satisfaction with NGO providers



MARKET

- Federal reforms are creating an increasingly competitive market place, as planned (less evident in the Surf Coast Shire)
- The aged and disability care market is currently 'thin' in the Surf Coast Shire, but keen to expand



GOVERNMENT

- The DOH and NDIA are confident that markets will successfully develop without intervention
- On one hand government departments are not fixed to Councils being service providers, but on the other hand Councils are viewed as providers of last resort
- Government departments endorse Council's review methodology

Success criteria

Council identified a range of outcomes it wishes to achieve from the service review. These have been used to develop and assess possible future service delivery options:

Business improvement principles

- improve efficiency, focus on core business
- the community isn't left without access to a critical service
- Council may not need to be a provider where an appropriate market exists
- address services that should be the responsibility of others
- financial savings benefit whole community
- cost savings, improved quality, risk reduction

Service Outcome

- quality support is available for older people and people with a disability to maximise their independence at home and in the community

Council Plan and Positive Ageing Strategy

- older people are supported to live independent and meaningful lives
- high quality services are available to the community
- easy for older citizens to access what they need
- use knowledge to respond to the needs of older citizens
- older citizens are connected with the community
- plan ahead for services and programs to adapt to change

Transition

- service continuity
- service system sustainability
- smooth transition to new arrangements



1. Possible future service delivery options

The Community Engagement Options Paper considers the following possible future options for the Positive Ageing activities currently provided by Council:

1. Status quo (remain a service provider, operating as business as usual without the review)
2. Retain and modify (remain a service provider, but improve efficiency and introduce full cost pricing to reduce the subsidies paid by Council)
3. Sub-contract (become a middle-man and sub-contract services from external providers on behalf of responsible federal and state departments), and
4. Hand back service delivery responsibility to the responsible federal and state departments.

Retain and modify achieves the best match with the endorsed success criteria for community development and social support programs. However, there's a risk that full cost prices may make these programs unaffordable and inaccessible for clients.

Handing back assessment and service support activities (such as delivered meals, domestic assistance, personal care, property maintenance and respite) over an extended period, to facilitate market growth and provide a smooth transition for clients, achieves the best match with the endorsed success criteria.

The full Community Engagement Options Paper is available at www.surfcoast.vic.gov.au/haveyoursay

QUESTION :

Do you have any feedback on these service delivery options?



2. Possible implementation scenarios

The Community Engagement Options Paper discusses the following three scenarios that provide insight into how the indicated options could be implemented:

1. Remain a service provider

Rationale – retain existing benefits for clients, based on Council's service delivery history.

How – introduce full cost pricing (increased fees and charges) and improve efficiency where possible.

For – no change in the short term.

Against – services will become unaffordable for clients, unsustainable beyond three years, inability to influence a smooth transition for clients to new arrangements, does not respond to the Australian Government's aged care reform agenda, and the decision to remain a service provider will be out of Council's hands when current agreements expire.

2. Extended exit plan

Rationale – make the most of available time to plan a smooth transition for clients to a sustainable, competitive market.

How – hand service delivery back to responsible authorities in a carefully planned and collaborative way over several years, with the emphasis on a smooth transition and service continuity for clients, and fostering market growth for long term sustainability.

For – a smooth transition to new arrangements, the market will mature to provide affordable high quality services, sustainable in the long term, low level of risk for clients and Council, best response to the Australian Government's aged care reform agenda.

Against – possible client and community concern that Council will play a lesser role in aged and disability services.

3. Compressed exit plan

Rationale – achieve financial savings as quickly as possible.

How – hand back service delivery in a carefully planned way, but with an emphasis on achieving financial savings as quickly as possible.

For – affordable high quality services, sustainable in the long term, responds to the Australian government's aged care reform agenda.

Against – Uncertainty for clients, difficult transition to new arrangements, too fast for the current weak market, unnecessary

An extended exit plan achieves the best match with the endorsed success criteria, (page 5 of this document) represents the lowest risk to clients and reduces Council's contribution from rates.

QUESTION :

Do you have any feedback regarding the possible implementation scenarios?

Next Steps

The next steps in the review are:

28 February 2018	Issue of Discussion Paper and Community Engagement Options Paper
March / April 2018	Receipt of submissions and feedback
April 2018	Development of a Preferred Option Paper
May 2018	Council meeting

Future updates

Future updates on the Positive Ageing review will be posted on Council's website.

Making a submission

You are invited to provide feedback to this Discussion Paper, as well as to the detailed Community Engagement Options Paper. You are also welcome to provide your views on other ways we might improve the care at home arrangements.

You can submit your comments via the printed form included with this discussion paper, or online at www.surfcoast.vic.gov.au/haveyoursay.

Submissions are due by Monday 9 April 2018.

Thank you for participating