

17.1 Aged Care Reform

Responsible Director: Director Connected Communities

EXECUTIVE SUMMARY

The provision of aged care support services has been a feature of Victorian local councils for 40 years, with Manningham Council being a long-term provider of in-home services to older people in the community. The Commonwealth reforms involve in-home services such as domestic assistance, respite care and personal care, as well as social support activities and delivered meals.

Significant Commonwealth aged care reforms have been implemented in the past decade, with changes to the funding and operating environment resulting in councils being ill equipped to continue as competitive providers of aged care services.

At the Council meeting of 28 February 2023, Council endorsed an ‘in-principle’ decision to indicate that Council will not be a provider of aged care services under the new in-home support program. A non-confidential version of that report was released publicly once all staff were informed. The in-principle decision triggered a consultation process (required under the terms of our Enterprise Agreement) to allow staff affected by the proposed change to be consulted about it. Clients and partners were also informed of the proposed changes to seek their views.

The Australian Services Union were informed and provided a range of feedback regarding the proposal.

Staff feedback received during the consultation process has been collected and reviewed. The scope of the staff feedback relates mainly to the difficult process of change and does not suggest an alternative proposal.

The ASU feedback proposes high-level advocacy and other measures, but does not address fundamental concerns regarding ways that a local council could sustainably compete in the new service system including higher-than-industry costs for local government and the public value of competing with private providers. In the officer’s view there is no impediment to proceeding with a final decision to no longer be a provider of in-home aged care services beyond 31 October 2023.

This report also notes that planning for Council’s future role in supporting our older residents is underway. There will be a series of community listening posts and focus group sessions to identify community views about the role of Health Ageing and gaps in social connections in Manningham for older adults. This information will be used to help shape the role of the proposed Healthy Ageing Unit within Council.

Changes to aged care service delivery is a sensitive matter as there will be direct impacts on staff as well as older residents. A range of resources will be put in place to provide direct communication with clients and their families in the lead up to 31 October 2023. Staff assistance would be maintained permanently beyond this date to ensure that residents are able to gain help and advice in navigating the aged care system. This navigation support would be critical to supporting our residents through a period of change as well as in the longer term.

COUNCIL RESOLUTION

MOVED: CR GEOFF GOUGH
SECONDED: CR CARLI LANGE

That Council:

- A. Determines that it will transition out of direct service delivery roles by 31 October 2023 in all funded Commonwealth Home Support Programme services:**
- **Domestic Assistance**
 - **Personal Care**
 - **Respite Care**
 - **Social Support Groups**
 - **Meals on Wheels**
- B. Commits to working with the Commonwealth Government to negotiate a transition by 31 October 2023 and efficient transition processes that will protect the interests of clients, their families, staff and the broader community.**
- C. Affirms that, in taking this decision, Manningham Council will continue to play an active role in advocating for the needs of vulnerable members of the community to continue to receive high-quality aged care services.**
- D. Affirms that Manningham Council will initiate a new Healthy Ageing Unit to focus on programs and activities for older adults in Manningham, with the priorities to be informed by community consultation as well as the Council Plan 2021-2025 and the Health and Wellbeing Strategy 2021-2025.**
- E. Notes that further information regarding the community consultation findings and directions will be brought to Council in August 2023.**
- F. Provides delegated authority to the Chief Executive Officer, or their nominee, to undertake or commission all tasks and activities related to the implementation of this council decision.**
- G. Approves that this report and resolutions be made public through Councils minutes and website once staff have been informed to ensure transparency in Council's decision-making process.**
- H. Notes that under the Commonwealth service agreements, all processes and matters related to the transition process with any incoming providers will remain confidential until the Commonwealth provides consent for the release of information.**

CARRIED UNANIMOUSLY

1. BACKGROUND

- 1.1 Australia's integrated national aged care program has been undergoing significant reforms over the past 10 years, following a Commonwealth direction to take full responsibility for aged care in 2011, including the establishment of the National Disability Insurance Scheme around the same time.
- 1.2 The Commonwealth contracts with Victorian Councils have been the subject of five extensions: one to 2019, then to 2020, again to 2022, to 2023 and now to 2024.
- 1.3 Over this time, more than 50 Victorian Councils have already ceased direct service delivery while three are known to have chosen to expand their services into Home Care Packages to create standalone businesses.
- 1.4 Key drivers for the Commonwealth aged care reforms included:
 - The increase in older adults nationally, with an expected increase of 350 percent between 2011 and 2050.
 - System weaknesses (difficult navigation, limited services, variable quality and no consumer choice) and inefficiencies (duplication of effort, no competition, and high-cost structures).
 - Real concern that the cost of providing adequate care for older adults in future would be unaffordable as a nation.
 - The findings of the Aged Care Royal Commission which recommended system-wide changes.
- 1.5 At the Council meeting of 28 February 2023, Council made the in-principle decision to not seek to be a provider in the new Commonwealth in-home support system.
- 1.6 The in-principle decision triggered a consultation process (required under the terms of our Enterprise Agreement) to allow staff affected by the proposed change to be consulted about it, as well as the Australian Services Union. Clients and partners were also informed of the proposed changes to seek their views

Summary of new Support at Home program changes

- 1.7 The Commonwealth Government continues to work toward a new in-home support program that will support 4.2 million senior Australians and will replace the existing Commonwealth Home Support Programme (CHSP). These changes will have broad impacts on how aged care services and the assessment process will be organised. The effect of this will be felt by both service users and service providers
- 1.8 The principles of aged care reforms have remained consistent since the changes were first proposed.

- 1.8.1 **Consumer Choice and Control** - funding is provided directly to the clients based on an assessed need to support choice and control. The client therefore purchases services from a range of providers. This has a strong human rights and philosophical basis but introduces competition and signals the end of block funding certainty for providers in most circumstances.
- 1.8.2 **A Simplified Gateway** - My Aged Care is the single point of entry for all Australians to access aged care services.
- 1.8.3 **Demand Driven System** - the current block-funded and supply-driven system will progressively move to a demand-driven funding system to ensure consistent services are delivered. This ensures that individual older people's needs will be better assessed and met.
- 1.8.4 **Competition Policy** - there is a renewed national focus on competition policy to drive economic growth, productivity and efficiency. It is likely that future program design will be based on market and competition principles meaning that local government would face direct market exposure and ratepayer subsidies would in effect be difficult to justify.
- 1.8.5 **Monopoly Market** - the current protected market arrangements are being completely dismantled to facilitate open competition and improved efficiency. Local Government is not always well equipped to effectively operate under market conditions.
- 1.8.6 **Market efficiencies** - the Commonwealth is seeking to reduce transaction costs by having fewer contacts with larger organisations that can operate across larger geographic areas.
- 1.8.7 **Client contribution** - the Commonwealth expects that all Australians will make a consistent financial contribution to care, depending on their capacity and capability.
- 1.9 The 2022 Federal budget included an announcement of an extension of the CHSP program to June 2024. This extension was to allow for more work to occur on the design and rollout of the Support at Home program. The original reform timeframe was to have completed the transition by 2018, however it has been delayed each year since, with a final transition date of June 2024.
- 1.10 The broader aged care reforms have a focus on quality and compliance frameworks. This is already reflected in the rigorous requirements of the Aged Care Quality Standards, which have applied since 2019, bringing an increased focus on training of staff, compliance and outcomes for clients. Enhancing quality and safety is a major focus of the Royal Commission report. All providers are required to meet these standards.

Summary of staff feedback received during consultation

- 1.11 All 112 ADSS staff were informed of the in-principle decision in person (or online if the staff member was on leave). All volunteers were informed, and 10 Social Support groups were visited in-person.

- 1.12 In any significant change process, individuals will go through a range of emotions and feelings. A large proportion of the feedback relates to the personal effects of change. All feedback has been responded to in a timely way and additional support for staff has been implemented.
- 1.13 The feedback falls into the broad categories as follows:
- Queries regarding the process for staff, including redundancy process, redeployment opportunities, seeking further information and timeframes.
 - Concern for clients and suggestions about effectively communicating with clients.
 - Operational matters regarding process.
- 1.14 While aged care staff have been updated over a lengthy period about the impending Commonwealth reforms, the shift away from direct service delivery is a challenging situation for many. Staff have been supported through this consultation period with a range of activities:
- On site Employee Assistance Program counselling
 - In-person training regarding dealing with the personal effects of change
 - Online sessions about managing the change process with clients
 - All Staff webinar and information
 - Frequently Asked Questions for staff
 - Weekly update emails
 - A dedicated email address and phone line were established to receive feedback.

Other feedback

- 1.15 The Australian Services Union (ASU) has engaged with its members within the ADSS Unit and wrote to Council to request a three-week extension to the consultation period (for a total consultation period of five weeks) until 5 April, which was granted.
- 1.16 ASU sought approval to hold a paid member meeting on Thursday, 16 March at 3.00pm, which was approved and held on-site at the Civic Centre. ASU also hosted an online meeting at 6.00pm on 16 March 23.
- 1.17 The ASU also sought additional background information which was supplied. All information supplied to the ASU was also made available to ADSS staff and Councillors.
- 1.18 The ASU provided formal feedback to this response on 5 April 2023. The queries raised by the ASU were considered, however there was no compelling rationale for change to the role that Council will play in future aged care services.
- 1.19 The ASU also wrote to several Councillors to express its concern about the proposed changes, the risks involved and a request for a deferral of the final decision. Again, the queries raised by the ASU were considered, and the Mayor responded in writing.

- 1.20 The ASU again wrote to Council on 12 April 2023 to raise a dispute and claiming that insufficient consultation had taken place. A response by officers was provided on 14 April 2023 with some additional information. Officers believe that adequate information has now been provided and have indicated that the matter would proceed to a Council decision.
- 1.21 A dedicated phone line has been established to receive queries and comments from clients and the wider community regarding the proposed changes. There have been about 50 calls and letters over the past five weeks regarding the future of aged care services. Most enquiries were about the personal impacts, uncertainty about change and timing.
- 1.22 Officers are of the view that the Commonwealth aged care reform process is well underway, with limited ability for Councils in Victoria to influence the national agenda, and there is no viable alternative proposal. There are no barriers to therefore proceeding with a final decision.

The process for transition

- 1.23 As the Commonwealth Government is responsible for aged care, they are responsible for sourcing alternative service providers for those Councils who are no longer in direct service delivery. The Commonwealth has indicated that between 3 and 6 providers could be appointed to deliver services across this region, including Manningham. (It is noted that Whitehorse has been allocated 7 providers by the Commonwealth). Each of these providers is quality assured and could offer a range of ancillary services for older adults in addition to the services that have traditionally been offered by Manningham. These could include home maintenance, podiatry and other allied health services, as well as advice and pathways to residential aged care, should that be required.
- 1.24 A preferred exit date of October 31, 2023, will be communicated to the Commonwealth. As many Councils may be exiting CHSP on 30 June 2024, it is proposed that a transition should (where possible) avoid a June 2024 date as the Commonwealth will likely have reduced capacity to assist with a transition effectively.

2. DISCUSSION / ISSUE

- 2.1 The information released by the Commonwealth and reviewed with consideration of the points outlined above indicates that it would be difficult for Council to be able to effectively operate under the new Commonwealth in-home program guidelines without significant investment in- and changes to - the operating model and a significant reduction in operating costs.
- 2.2 This report proposes that Council now finalises its decision to not seek to be part of the new in-home support program and transitions out of direct service delivery by 31 October 2023.
- 2.3 Officers will liaise with the Commonwealth to initiate the transition. In the meantime, Council ADSS staff will continue to provide services to our residents under the existing terms and conditions of our funding agreement. This funding agreement notes that information about clients and funding arrangements are subject to confidentiality and any release of information will require the permission of the Commonwealth.

- 2.4 Council recognises that it has responsibilities to clients, families, staff, volunteers and the broader community to manage any transition effectively and to continue to participate in service system oversight to ensure the new in-home program improves access and outcomes for residents.
- 2.5 Council will play an important role in supporting residents who may have enquiries about the introduction of the new in-home program, or who may need some assistance to navigate the changing national system, or who are seeking information relevant to their individual support needs. Council will play an increasingly prominent role in the identification and implementation of programs and services that improve positive and healthy ageing outcomes for our older adults aged over 65 years in the Manningham community, and advocate for their needs.

Supporting transition

- 2.6 While the Commonwealth will appoint new service providers, there are a number of things that Council officers will do to enact an effective transition process:
- Frequently communicate with each client to inform them of the steps we will take to assist with the transition to new providers.
 - Inform clients of the dedicated helpline for client enquiries during transition, staffed by trained officers.
 - Appoint trained Navigation Officers as permanent staff to support residents beyond the transition period, to assist in 'navigating' the aged care system, representing their needs, advocating for quality service provision and providing direction about the system.
 - Initiate a comprehensive communications plan to provide consistent and easy to understand messaging, including translated materials
- 2.7 Manningham staff are highly trained and well regarded. For those staff who wish to find employment with other aged care service providers, Manningham would provide a range of supports to assist including:
- Outplacement support, interview practice and resume writing
 - A facilitated connection with new employers who are seeking trained staff
 - Additional training
 - Redeployment opportunities
 - Support for financial advice

3. COUNCIL PLAN / STRATEGY

- 3.1 Council Plan Goal 1.1: A healthy, resilient, and safe community.
- 3.2 Council Plan Goal 1.2: Connected and inclusive community.

4. IMPACTS AND IMPLICATIONS

- 4.1 Pre and post transition, Council would continue to support the Manningham community to access aged care services by providing information and navigational support from within the organisation.

4.2 Additionally, a new Healthy Ageing Unit will be formed to provide advice and new programs to benefit a wide number of our older adult community. With an ageing population, Council recognises that supporting our older residents is a high priority and highly valued. Manningham Council remains committed to enhancing services for all residents over 65 and notes that this change would see a continuation and expansion of activities and programs with a focus on healthy and positive ageing. Council's continuing investment could focus on proactive social support activities that would address key priorities in our Health and Wellbeing Strategy such as addressing loneliness, improving social connections, addressing elder abuse and supporting mental health for older adults. This unit will oversee:

4.2.1 **Activities:** Community Transport, liaison with partners such as Seniors Clubs and agencies, resourcing a proposed new Healthy Ageing Advisory Committee, and facilitating a range of activities to support the directions for older adults identified in the Council Plan 2021-2025 and the Health and Wellbeing Strategy 2021-2025, as well as priorities identified by the community through consultation (see Communication and Engagement below).

4.2.2 **Transition and Navigation Support:** temporary and permanent officers to support both the transition process to new providers as well as ongoing support to 'navigate' the aged care system for residents and their families. Navigating the aged care system can be difficult for older people and their families. It is proposed to have dedicated and trained staff to support client enquiries and service navigation. There could be multiple roles where a resident could ask questions about the service system, how to get access to My Aged Care and what services and supports are available. This is a critical service that Council will provide ongoing. It's expected that this would be highly valued by our community. Recent surveying in Manningham showed that residents have a high level of trust in council advice about aged care services and think of Council as the first place to seek information. Trained staff will be important to supporting our community through the transition of services and beyond.

4.3 It is essential to recognise the years of dedicated service provided by many Council staff and volunteers, and to honour their history of commitment to Council and the community. The involvement of the Mayor and Councillors along with senior leaders would be appropriate to recognise the contribution of ADSS staff and volunteers to our older residents and the Manningham community.

5. IMPLEMENTATION

5.1 Finance / Resource Implications

5.1.1 A final Council decision will trigger the need for redundancy provisions for staff as outlined in our Enterprise Agreement.

5.2 Communication and Engagement

5.2.1 As part of developing the priorities for Council's future role in Healthy Ageing, a series of community consultation sessions will be conducted to identify gaps and gather views about where Council's resources could be best used to support our older community.

5.2.2 The consultation details are being finalised but are expected to include:

- Community listening posts at markets and in shopping centres
- Focus groups for targeted and in-depth consultation

5.2.3 This will build on previous surveying work that was undertaken with nearly 400 residents who identified priorities and gaps.

5.2.4 The results of this consultation will be brought to Council in August 2023 to help inform future priorities.

5.2.5 To ensure transparency, this Council Report will be released publicly once all affected staff have been informed.

5.3 Timelines

5.3.1 Following the Council decision, staff will be informed in the week commencing 27 April 2023.

5.3.2 Clients will be informed from the second week of May 2023. In-person information sessions will be held in early June.

5.3.3 The Commonwealth will be contacted on 27 April to initiate a transition Plan to new providers with the proposed service transition date of 31 October 2023.

5.3.4 Community consultation sessions regarding healthy ageing priorities will be held during May and June 2023, with a report back to Council in August 2023.

6. DECLARATIONS OF CONFLICT OF INTEREST

No officers involved in the preparation of this report have any general or material conflict of interest in this matter.

Several officers involved in the preparation of previous briefings to Council have now declared a Conflict of Interest due to the likely effect of changes on their employment status. They have been excluded from the preparation and consideration of this report.