REPORT OF PROCEEDINGS BEFORE

PUBLIC ACCOUNTS COMMITTEE

INQUIRY INTO THE HOME AND COMMUNITY CARE PROGRAM

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At Sydney on Friday 22 September 2006

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The Committee met at 9.30 a.m.

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PRESENT

Ms N. Hay (Chair)

Ms K. K. Keneally
Mr G. R. Torbay
Mr. J. H. Turner
Mr S. J. R. Whan

CAROL MILLS, Deputy Director General, Department of Ageing, Disability and Home Care, 83 Clarence Street, Sydney, and

CLAIRE VERNON, Executive Director, Home Care, Department of Ageing, Disability and Home Care, 83 Clarence Street, Sydney, affirmed and examined:

JANET MILLIGAN, Executive Director, Strategic Policy and Planning, Department of Ageing, Disability and Home Care, 83 Clarence Street, Sydney, sworn and examined:

CHAIR: I am pleased to welcome witnesses from the Department of Ageing, Disability and Home Care, including from the Home Care Service. We have an hour and a half at our disposal, with a short break for morning tea. This should be enough time to canvass the full range of issues with regard to this important topic. I ask that you consider agreeing to take some questions on notice if we do not complete all of the questions within this time frame or if questions come up as a result of the evidence given. I will swear in the witness then ask one or more of you to make an opening statement. I will proceed to ask the first questions and then open the hearing to the other members of the committee. I am advised that you have been issued with a copy of the committee's terms of reference and a copy of the Legislative Assembly's Standing Orders Nos 332, 333 and 334, which relate to the examination of witnesses. Is that correct?

Ms MILLS: Yes.

Ms MILLIGAN: Yes.

Ms VERNON: Yes.

CHAIR: The committee has received a submission from your organisation. Is it your desire that the submission form part of your formal of evidence?

Ms MILLS: Yes.

CHAIR: Would you like to make an opening statement?

Ms MILLS: Yes, I would like to make a brief opening statement about the Home and Community Care [HACC] program and then pass to Claire Vernon, who will speak briefly on behalf of the Home Care Service.

The HACC is a joint State and Commonwealth Government initiative, funded by New South Wales and the Commonwealth Government at a ratio of approximately 40 per cent to 60 per cent of funding. The HACC program aims to prevent inappropriate or premature admission to residential care by providing a range of community support services to frail older people, younger people with a disability and their carers. HACC services include domestic assistance, personal care, meals on wheels, transport, community nursing, respite care and home maintenance. Each year an annual plan is developed by New South Wales to describe the service provision in New South Wales, including existing services and expansion projects to be purchased with growth funding. The plan must be jointly approved each year by both Ministers before new services can be purchased.

In 2005-06 total funds for the HACC program in New South Wales were $443.955 million, including $415.095 million in base funding, $20.75 million growth for new and expanding services and $9.1 million for cost indexation of existing services. These funds enabled an estimated 11.8 million hours of service, 3.6 million meals and 2.5 million trips to be provided to frail older people, younger people with a disability and their carers in 2005-06. Annual funding for the HACC program includes the amount paid to New South Wales for the previous year—commonly referred to as the "base funds"—plus new growth funding for new and expanded services and cost indexation to maintain the viability of existing services. The base comprises the vast majority of the HACC program funding and is not affected by any delays in joint approval processes. This funding continues from one year to the next and is allocated to service providers on a recurrent basis, enabling services to continue without disruption. Similarly, cost indexation may also be provided to service providers prior to completion or approval of the annual plan.

A feature of the current HACC program arrangements is an emphasis on the growth funding for new available and expanded services. A disproportionate focus on the annual planning and approval process relating to a relatively small component of the HACC budget—just 5 per cent of the total budget in 2005-06—has led to significant criticism and concern about the program over the past few years. However, the total funding for the program has increased significantly since its inception in 1985. Over the past five years alone, the HACC budget has increased from $350.079 million to an estimated $475.392 million in 2006-07, subject to Commonwealth Government approval. This represents an average annual growth in real terms of 5 per cent.

In New South Wales, real growth in the HACC program funding has exceeded the estimated growth in the target population each year. A number of submissions to this inquiry have raised concerns about delays in the joint approval process and the roll out of new funds. I would like to highlight the point that delays in the joint approvals have impacted only on this relatively small component of the total HACC budget. Notwithstanding this, the New South Wales Government recognises that there have been frustrating delays in previous years' approvals and we have worked hard with the Commonwealth Government to improve the process for 2006-07 in a sustained way under a new HACC agreement that will be initiated in 2007-08.

The current planning methodology relies on some portion of growth funding not being expended each year. This generates an amount of funding, or slippage, that is then available non-recurrently. Non-recurrent funding expenditure is actively planned for in each annual plan. Statewide non-recurrent funds are used for one-off purchases, and are a valuable adjunct to the HACC program, supporting infrastructure and essential program supports. Non-recurrent funds are used for one-off purchases such as vehicles purchase and replacement for community transport, minor capital projects, research, evaluations and pilots to test innovative service delivery. Over the years communications and awareness of the HACC program has been developed through the use of the non-recurrent funding and has also contributed to the development of monitoring services, improvements to data collection, additional funds available for home modification and work force development initiatives.

The renegotiation of the HACC agreement that I spoke about a moment ago provides an opportunity to further improve joint administrative processes. It is anticipated that the new HACC agreement, which will be finalised by the end of this calendar year, will have arrangements through a transition period to be wholly implemented for the period 2008 to 2011. It has been agreed that the new HACC agreement will provide for a triennial planning process to enable planning for longer-term strategic objectives and to allow improved continuity and certainty for the Government, service providers and stakeholders. The Government has also negotiated for simplified administrative arrangements and earlier and more consistent annual time frames to improve the timeliness of approvals of the State Plan and to improve the discharge of grants to service providers. A major objective of the new proposed agreement is to improve the allocation of the growth funds to service providers with a target of the majority of funds being allocated by 1 January of each calendar year.

Ms VERNON: The Home Care Service of New South Wales has a strong history of in-home support services. Every month more than 38,000 people in New South Wales receive services from the Home Care Service. There are more than 4,000 staff delivering these services. Service delivery has been enhanced by location within the Department of Ageing, Disability and Home Care [DADHC] with the 42 branches working within the six geographic regions in the department. We have recently moved reporting arrangements for the Aboriginal branches from a statewide Aboriginal region to the geographic regional directors. This is designed to enhance the support provided to the branch managers in the Aboriginal branches and their network within the DADHC service system.

There is a central unit, which I am responsible for, for statewide policy, programs and monitoring. I also manage the Referral and Assessment Centre, which is in place for centralised intake into the Home Care Service. I also liaise regularly with statewide peak organisations, such as the Council of Social Service of NSW [NCOSS] and Carers New South Wales, and I recently met with Carelink to ensure that referrals and links between our services are in place to assist people to access the community care system.

Since we sent our submission to the committee, the department has released the client satisfaction survey on the Home Care Service. The audit office report noted that Home Care had a

history of conducting client surveys and that it consistently had excellent results. However, it was suggested that the survey needed to be independently conducted and that it should contain a number of open-ended questions to allow clients to speak freely about their experience with the Home Care Service. We engaged an independent consultant earlier this year and conducted a survey in May with a sample of Home Care clients. The results have been outstanding: 94 per cent of clients of the Home Care Service said they were satisfied with the service and, in fact, 67 per cent said they were highly satisfied with the service they received. The Director General has written to more than 4,000 staff on the payroll, particularly focusing on care workers, to reinforce the importance of this result and the behaviours that clients said made a difference to their care. We have also produced a two-page fact sheet that has been provided to stakeholders and various interested parties. The full report is on the web site. I would like to table it for the committee.

[Document tabled]

CHAIR: The HACC Act provides for the bilateral agreements between the Commonwealth Government and State Governments specifying how the HACC programs operate and the roles of respective governments. Can you describe how these responsibilities work in practice to produce an approved annual expenditure plan? I understand that you are moving towards a triennial program.

Ms MILLS: That is correct.

Ms MILLIGAN: As you said, the HACC agreement specifies the roles of the Australian Government and the State Governments. There are shared responsibilities around funding, guidelines and producing the plan. As was stated, one of the major reforms in the new agreement is the move to a three-year plan. It also covers things like developing and upholding standards. A group of responsibilities is shared by both levels of government. The specific role of the Australian Government is national program policy and assessment of the State's compliance with the agreement. New South Wales is solely responsible for the management of the program in this State, for developing service delivery policy and process, the planning information and the performance information. In summary, we share responsibility for funding and for some of the key framework parts of the program. The Australian Government is responsible for national policy and we run the program in New South Wales.

Clearly, one of the responsibilities in New South Wales is to develop a plan each year for the program. The plan encompasses the whole program, not just the new money that comes into it each year. So the plan is developed in the Home and Community Care program in a very consultative way. That is also defined and required in the agreement. One of the strengths of the HACC program is that it involves many people in the development of its plans. One of the reasons we are pleased to move to a three-year plan—there are a number of reasons—is that we involve stakeholders significantly. So being able to use their time in a much more targeted way I think is an advance. The plan requires each planning area to consider the needs in their areas.

We have 16 geographically based local planning areas in New South Wales. So we consider demographic information, service provision by this program and other programs, and we consult widely on the local needs. The plan describes the base of the program, its priorities for the coming period, and how any new money will be spent. As my colleague said, one of the things that we grapple with a little is that a lot of the focus on planning often goes into just the new money. While it is significant, it is only about 5 per cent of the program. Over the last few years we have progressively worked with communities to get them thinking about the whole program, not just limiting their thoughts to the new money that comes in each year.

CHAIR: You said that the Federal Government sets the national policy and that the State Government manages the program?

Ms MILLIGAN: Yes.

CHAIR: What does the Federal Government do in relation to this program? Does it have any specific role?

Ms MILLIGAN: As I said, it has a role as a joint funder as the party responsible for setting policy parameters. The way in which that is done, the agreement also specifies another group called Home and Community Care officials, which basically is an official from each jurisdiction. That group of people meets regularly and it would be in that venue that issues of national policy would be presented by the Federal Government, debated and discussed. So the role of the Federal Government primarily is around the policy settings for the program. It also then assesses the compliance of the States and Territories with the policy of the program and with the agreed plan.

Mr JOHN TURNER: Earlier you mentioned a figure of 5 per cent, which seems to be a contentious figure. Is that new money? Why is there a dispute or a problem? Can you enlarge on what sort of problem you have with that figure of 5 per cent and how does it arise?

Ms MILLIGAN: The Home and Community Care program has had a recent history of very regular growth into the program, which is a positive aspect of the program. In fact, in recent history we have had about 5 per cent real growth every year, and that is slightly more than the growth in the target population. So that is one of the strengths of the program. The new money is not a problem. We were commenting on the fact that a number of submissions to the inquiry brought up the issue of delays in getting that money out. So the issue is that the State plan—that is, the one that we have at the moment until we have a new agreement—needs to be developed every year. So it is an annual plan.

That annual plan needs to be approved by both Ministers—the New South Wales Minister and the Federal Minister. Until that plan is approved the new money cannot be applied. So the plan describes in great detail how that new money will be applied, which area of the State it will go to, and what type of service it will be applied to. Until both levels of government formally sign the plan that money cannot be transferred to providers. So that is the issue. The comment that my colleague was making was that it has been a frustration in the program. We would probably like to talk a little later about some of the reforms in the new agreement.

It has been a frustration but we need to keep in perspective that the HACC program for this year is a $475 million program. The vast majority of that money, about 95 per cent of it, flows out each year. It is paid to providers recurrently. There is no disruption to that by a delay in signing the plan. We were just trying to put into context the issue that has been raised by us and by others in their submissions that we have grappled with. We are trying to reform the processes that sometimes lead to a delay in the signing of the plan and, therefore, a delay in how quickly those dollars get to providers.

Mr JOHN TURNER: Is the high level of detail that you mentioned a moment ago one of your roadblocks in getting the money out? Do you have to provide that high level of detail in order to get the extra 5 per cent? What can we do to overcome that roadblock?

Ms MILLS: The level of detail has previously meant that each project is part of the approval process. There have been occasions in the past where the whole plan has been held up when the Commonwealth, for example, has had concerns about one or two projects. So out of the $20 million growth money we may have a delay around a very small proportion of that. Part of the negotiations for the new agreement are that anything held back would be held back by exception until we have much clearer clarification in the rules and responsibilities about the criteria on which the project may be held back. It cannot be an arbitrary decision; there have to be three or four particular characteristics, for example, it does not conform to the current process.

The Commonwealth, through its own knowledge of service funding, might have concerns about the viability of a service provider or other areas. We have an articulated list so that what we do not have is one or two concerns holding the whole plan back. That would be one of the most significant improvements. The other thing we have been looking at streamlining is the announcement methodologies and when we are able to tell service providers that they are recommended providers so that they can gear up. Previously we have not been able to do that until after not only the sign off but also the joint media releases. Whilst some of that process will continue, in the new agreement we are now looking at having targeted time frames for both parties, both the Commonwealth and the State, in the turnaround times for responses so that we can trigger activity if those turnaround dates are not met.

CHAIR: So you believe that will expedite the process?

Ms MILLS: I think so. The three-year planning will have a significant impact on what we can do not only in relation to releasing the money but, perhaps more significantly for us, in enabling us to plan around the full spectrum of the money. Most of the effort now goes into consultation around gaps for the next 12 months and response of allocation of the $20 million to those gaps. The existing funds, which obviously are the vast majority of available resources, are tied up in recurrent projects and perhaps are not reviewed as regularly as they should be. There are a number of restrictions in the current agreement about where money can be redeployed if needs or demands change. Janet Milligan spoke a moment ago about having to plan in local planning areas.

We have restrictions in our planning about where we can move money from one area to another or one service type to another. So if we have an increase in need, for example, for respite services and a decrease in need for meals on wheels, there is quite a cumbersome process at the moment to make that reallocation. So some of those things will also be streamlined. It is worth saying also that these are national issues. Whilst New South Wales has had some issues about its State plan timing in recent years, all the States and Territories have shared those concerns. The process of renegotiation with the Commonwealth around the new agreement has been strongly united in trying to solve common problems across the States.

Ms KRISTINA KENEALLY: I refer again to the Federal Government's responsibility and to your statement that it sets national policy. You gave us a pretty clear understanding of what are the New South Wales Government's responsibilities in planning, trying to meet unmet needs, surveying gaps, and administering funds. I am trying to get a practical description of what setting national policy means. Does that mean, for example, looking at data and population and saying, "We must focus our efforts on respite care"? Can you give a practical description of what is the Federal Government's role in setting national policy?

Ms MILLIGAN: I think the description that you started to give is pretty accurate. If I can give the context, the Federal Government takes that role, as it is primarily responsible for aged care. So certainly it would be thinking about the continuum of aged care services that are provided when it considers this program and where it fits. So, yes, it would consider issues of eligibility, issues of targeting and certainly the funds in the program where we share responsibility. The Commonwealth Government makes an offer of funds to the State so it takes the lead in setting the level of expenditure. Having said that, the HACC officials group is the group through which a lot of these discussions would happen. So while it is a responsibility of the Federal Government to set policy parameters such as target group, eligibility and how much of the program needs to go in certain directions, it is done through discussion and with the involvement of the States.

Mr JOHN TURNER: Who are the HACC officials?

Ms MILLIGAN: Each jurisdiction nominates one person, usually the person who manages the program in his or her State.

Ms MILLS: Presently it is Janet's role.

CHAIR: Are you from New South Wales?

Ms MILLIGAN: Yes.

Ms MILLS: It is policy setting at a fairly high level, so it is very much around who are the target populations for the program. If you look at the current agreement you will see that it is very broadly set. A number of targeted special needs groups have been identified as disadvantaged parts of the community. The Commonwealth wants to have confidence that they get reasonable access to services. But the means by which that is provided and the distribution of services to those groups is part of the State planning process.

Mr STEVE WHAN: Is there a duplication of administrative effort in this process? The Commonwealth appears at a very micro level to look at projects that you are proposing each year. Is that an effective process at the moment?

Ms MILLIGAN: I will talk about the current agreement that was signed in 1998 and compare it to the agreement before that. The agreement before this current one required every project, so every allocation of money had to be approved by both Ministers. One of the major reforms in the current agreement that was signed in 1998 was that the authority to approve new funding is solely with the State Minister. So our Minister has the delegated authority to decide what gets funded in New South Wales. The issue that we are trying to address in this new agreement is that although the State Minister has sole approval for the projects, a protocol ensures that they will not be announced until both Ministers agree on how they want to do that, and a date for doing that.

Occasionally we have come up against what we describe as perhaps a de facto approval at the Federal level. Until the two Ministers agree through negotiation that this is the date on which this funding will be announced, we cannot act to get the funding going. We have had discussions in this renegotiation about overcoming that problem as well. As Ms Mills said, we almost have agreement about processes and time frames for that. If the New South Wales Minister has approved a whole list of projects that he wants to fund in New South Wales, he has a certain number of days in which to advise the Federal Government. The Federal Government can then choose not to join in an announcement about one of those funding allocations, but it cannot hold up the whole process.

Mr STEVE WHAN: It does not have a time frame to turn that around?

Ms MILLIGAN: Correct. That is the proposal in the agreement that we are finalising at the moment.

CHAIR: Given that there is a history of underspending on the program, what amount of interest has accrued from underspent HACC funds in the past three years and how has that been allocated or spent?

Ms MILLIGAN: I will comment on the underspending. As we described in a previous answer, the timing of the approval of the plan sometimes means that the new services start late in the year. The money technically is available for the whole year. So when we have a late start we have an amount of money that is available, not recurrently but one-off. So I am assuming that when you are talking about underspending in the program you are talking about those one-off amounts that have occurred certainly for the last three years because the plans have been signed reasonably late and the new services have started late.

Your question was about the accrual of interest. The department draws down money from New South Wales Treasury as it requires it for the program. Our department would not draw those funds from New South Wales Treasury until it was needed for new services. The technical question about amounts of accrued interest I would probably need to direct to Treasury.

However, it is probably also worth noting that the flow of funds from the Commonwealth to New South Wales happens each month. With the base of the program, the Commonwealth transfers funds to New South Wales Treasury each month. We pay our service providers three months in advance. So the inflows and outflows of the program do not match exactly—I guess that is Treasury's function, to manage the inflows and outflows. New money in the program is not provided by the Federal Government to New South Wales until the plan is approved. So while we did have new money in the program perhaps that was delayed; the cash would not have come to New South Wales until the plan was agreed. It is a reasonably technical question, and I cannot give you the answer.

Ms KRISTINA KENEALLY: I would like to understand a little more about the HACC State plan. Firstly, is it provided to local and regional HACC planning processes? Secondly, is it available to them to help them plan for their ensuing year?

Ms MILLIGAN: As part of developing the plan, certainly a lot of information goes into a local community. We would provide the HACC forums and consultations with quite detailed demographic information and information about other services. The inputs to the plan certainly are available. The plan in its development is not released publicly until it is approved. There has also been an issue that the department has been quite slow, in the last two rounds, in putting the plan out publicly. But the plan is a public document. The plans for last year and all previous years are made available publicly by us, and they are on our website.

I noticed comments in some of the submissions about the late posting of those plans. That is correct; we were late to post a couple of them. But there is no impediment to them being made available to service providers, or publicly, once they are approved by both Ministers.

Ms KRISTINA KENEALLY: The proposal with the reform is to make this a triennial plan?

Ms MILLIGAN: That is correct.

Ms KRISTINA KENEALLY: Presumably it will be available for services over that three-year period?

Ms MILLIGAN: Yes.

Ms KRISTINA KENEALLY: Do you think the reform will then help local and regional services?

Ms MILLIGAN: I am sure it will. I think there are a couple of things we are doing that will help them. Certainly one of the intents of having a three-year plan is so service providers who are involved can anticipate new money in the program, and perhaps position themselves to go for some of that money. I think it is quite difficult for organisations at the moment, where they have 12 months worth of funding; they know what is coming in during this 12 months but not beyond.

Often a provider might make a decision to enter and start providing a service. There is not much money available this year. If they knew that it was going to be a bit more next year and the year after, that might influence their decision. We expect it will give providers much more ability to think about their activities and their organisations, and position themselves much better for that.

We are also getting much better at making sure providers get good information about who has been funded in a particular round. Part of the strength of the HACC program is that it has a lot of providers. That also adds to some of the complexity, but it is also a strength. Providers need to be fairly good in understanding who else is providing services in their local area, who they link with, and who clients may be working with.

HS Net in New South Wales allows providers very good access to information about the other service providers. I think there are a number of things in relation to the planning and funding that is helping providers, and certainly people who refer clients, understand the system and use it much better.

CHAIR: Do you think there is scope for further streamlining in relation to what was suggested an overburden on administrative resources?

Ms MILLS: I think the move to three years will overcome one problem, which is the pre-approval process, which is quite cumbersome; the need, which we spoke about earlier, for very active participation and consultation on a very regular basis; and the need to be able to make a decision quite quickly whether to gear up and bid for funds in the new rounds. People will be able to do that in a more considered way, and we anticipate more of a cycle of that rather than a rushed annual process.

In terms of reporting, we are also very anxious to continue to streamline our reporting systems. In our submission we alluded to changes we have made to our contracting processes in order to ease some of the reporting burden. We are also working across human services on a number of projects to improve the capacity and capability of the non-government sector to be effective providers of services, including strategies such as streamlining reporting, introducing a standardised chart of accounts, looking at ways in which we can support backroom activity more effectively, training boards in governance, and a wide range of things that we believe will have an overarching benefit for non-government organisations.

It must be recognised that in programs like the HACC program we have well over 500 service providers that range from very strongly volunteer based to often very large non-government organisations with multimillion dollar budgets and very professional systems and support. We need to

move also to a risk basis, much more strongly recognising where the funding risks are and where the high level of funds are going, and that we have an appropriate level of reporting and administration around that, but more simplified reporting and requirements where we are allocating quite small amounts of money.

That will include things like the way in which we do acquittals, and our requirements for acquittal processes. We are also keen to invest in e-reporting, so that over time we can take advantage of the ability of most organisations to communicate with us via the Internet or through other computerised means, to ensure that we have a system that provides the data we require but in a more streamlined manner.

Finally, in terms of our burden, the level of detail that we have required in previous HACC plans, as we have said, goes right down to the number of meals produced and very detailed service-type data. We would hope progressively to have some of that data more aggregated, and again that will be subject partly to the future negotiations. But to get it to a point that we move from a strongly input-focused program to, at the very least, an output-focused program, and hopefully eventually to an outcome-based program, I think that would be the most significant shift we can achieve.

Mr STEVE WHAN: The submission notes that the funding formulas do not make a particularly generous allocation for administration of the program. Why are there variations between the States, and are you addressing that? Could you also let me know, if possible, how many staff in the State public service are working on HACC programs and how many of them are based in your head office in Sydney?

Ms MILLIGAN: The first part of your question was about the administration funds in the program. The extent to which the money can be spent on administration is defined by the Federal Government. The comment we have made in our submission is that it was not very generous to start with in 1998 under this agreement, and it has diminished. Let me explain that. I think in 1998 the administration allowance was 1.1 per cent of the program. That amount is fixed, and it is indexed by the indexation rate each year.

Mr STEVE WHAN: But no growth rate?

Ms MILLIGAN: No growth, that is correct. As I said earlier, the program has grown by about 5 per cent in real terms each year. The indexation rate typically has been around 2 per cent or 2.2 per cent. This year, the administration money makes up less than 0.8 per cent of the program, which is not very much.

As part of the renegotiation of the new agreement, this is an issue for all jurisdictions, and it was raised by all jurisdictions with the Federal Government. The Federal Government agreed—in fact, Ministers agreed at their meeting in July—that the jurisdictions would come back to the Federal Government with the proposal for the new agreement to include a different arrangement for administration funding.

Mr STEVE WHAN: Regarding that 0.8 per cent expended on administration, is that all you spend, or is the State topping that up somehow? What does it translate to, in terms of numbers of people working on it at the central office level and statewide?

Ms MILLIGAN: No, it does not cover what New South Wales spends on the program. The administration money is shared between our department and the Department of Health, which takes responsibility for administering the nursing and allied health services. No, it does not cover what we spend. With regard to the question about how many people, we may need to take that on notice.

Ms MILLS: Yes, we would have to take it on notice for two reasons. The first is that Health shares a part of that, and to give you the full cost we would have to look at the number of staff in Health. But also, because the department at the regional level administers disability and HACC programs together, most of the positions are a shared responsibility. So we would have to give you a pro rata costing. Whilst I cannot tell you the number off the top of my head, I can say that our central office planning team in HACC is very modest indeed. I guess that has been one of the challenges for

us in trying to administer a very labour-intensive and administratively intensive program with very small program funds.

Ms KRISTINA KENEALLY: Does Transport also share in those administration funds?

Ms MILLIGAN: Yes, to a smaller extent.

Mr STEVE WHAN: Do you have a comparison of how the other States are going? With regard to the 0.8 per cent figure, is it a similar figure in other States?

Ms MILLS: It is variable. Part of our discussions at the moment across the States and Territories is to come up with a level that all States and Territories think is reasonable. We are at the lower end. But the most would probably be proportionately in the very small States, where we have agreed that there should be some bottom-line figure, that to simply have a percentage does not work for Tasmania and the Northern Territory.

What we are looking at in the new model is a base level of funding and then a shared percentage for all other States and Territories. We would be hoping that would be more around the 1.5 to 2 per cent, still to be negotiated, but based on work being done between New South Wales and Victoria, in particular, to try to quantify a reasonable expectation of how this program can be administered without cross-subsidisation.

CHAIR: The Commonwealth Government, in reviewing community care, proposed to introduce a range of reforms to improve access, service quality and accountability. Do have examples of that?

Ms MILLS: The National Community Care Project—"The Way Forward" is the document that the Commonwealth bases this on—which we are a party to, has been going on for about two years now. There are a number of high-level objectives in the "The Way Forward" document around streamlining access to services and improving accountability, the things you spoke about.

Nationally there are four working groups, in which all States and Territories participate, that are presently examining key elements of "The Way Forward". One working group is focused upon assessment tools and access points. So how do we get a more systematised assessment across the country, and how do we improve access? Although HACC is only one of the community care programs, in all there are roughly 17 that the Commonwealth funds in addition to HACC. HACC is by far the largest. So one of the challenges is to get the balance of access points right so that people do not have to shop around, and so clients can go to fewer service points and be directed much more easily to the most appropriate service. In terms of the progress of the program to date, we have a draft assessment tool that is currently in technical trial.

New South Wales is one of the two States participating in that trial. The notion behind it—and I think this is an important part of community care—is that what we are aiming for through the national project is not complete standardisation but agreed standards. If I take the assessment tool by way of example, different States and Territories have recently invested very heavily in assessment tools and information technology to support those tools. It is not proposed that this tool will replace them but we would agree nationally about what are some of the minimum questions that need to be asked to assist people to get appropriate access to services. If the trial is successful each State and Territory will incorporate those questions—if they did not already have them—in their existing tools.

The other project is looking at more comprehensive assessment tools and how people can access higher levels of service, recognising that the vast majority of HACC clients receive very low levels of support. That is in fact the intention of the program: to provide low-level support to assist people to remain in their own home. But across the country we also have small proportions of HACC users who require higher levels of service to stay in their own home. Programs that the Commonwealth funds, such as the CACP and EACH, are targeted to people who have higher levels of support. So another project is looking at ways in which we can simplify access and be clearer about when somebody moves from a low level of service system to a higher level of support and what are the interfaces between the Community Aged Care Package programs and HACC programs. A number of initiatives are progressing. None of them is fully implemented at this point. Two of the pieces of

work are now also under the COAG umbrella. So that relates to the simplified access to services and the role of the Aged Care Assessment Team Program, or what we call in New South Wales the ACAT teams.

Ms KRISTINA KENEALLY: Following on from that, you seem to be describing developing clear criteria and assessing clients and prospective clients for the program. Are there in place criteria for exiting the HACC program?

Ms MILLS: There are, in a sense, systems in place for people to exit the program. Where a person's support needs change to a level beyond which the program can accommodate, there are referrals to, for example, ACAT teams, who would do an assessment about whether the person is now at a point where they require residential aged care or higher levels of support services. But in the sense of a standardised process—that this is a time-dedicated program—no. One of the things that we are looking at in the community care system reforms is working to find more uniformity about when triggers for reassessment might happen. So if somebody is receiving a service there is a way for us to reassure both the client and ourselves that that level of support is still appropriate.

CHAIR: You said in an earlier response that the vast majority of clients require low-level support to keep them at home. Does the same program provide higher-level service at home as a person's need increases?

Ms MILLIGAN: Yes. One of the interesting policy debates in the Home and Community Care Program is how much of the program should go to people who need very low, almost preventative, support and how much of the program should go to keeping people at home with very high levels of support. There are at the high levels some intersecting programs that the Federal Government funds, like the community aged care packages and extended aged care at home, which are really delivering the level of support you would get in a residential aged facility but in the community. So, yes, the Home and Community Care Program spans the whole range of support. The vast majority of its clients receive a low quantity of not-intensive service. One of the basic tenets of the program is that this basic support does maintain people at home longer. But certainly it is the same program that is delivering very intensive levels of service to quite a small percentage of the population.

CHAIR: Does it involve the same provider?

Ms MILLIGAN: Possibly. At the high-end of the program people may be getting a variety of services so they may be with a provider that does a lot of things, such as personal care, respite care and meals. There are other providers that provide only one type of assistance. So it may or may not be the same provider.

Mr STEVE WHAN: There is mention on page 3 of your submission of the funding formula moving towards national equalisation to equalise per capita funding for the States and Territories by 2010-11. What is the likely impact of that in New South Wales? Does it mean that we will get a higher share of the funding overall?

Ms MILLIGAN: In answer to that question, I might say that the bigger impact on the New South Wales share is one of the other comments we made in our submission. The amount of money that each jurisdiction gets is influenced by two things: it is influenced by our share of the target population nationally and by that equalisation strategy. At the moment in New South Wales the equalisation strategy is probably a secondary issue. Our share of the population is determined by the Federal Government based on the Australian Bureau of Statistics survey of people with a disability and carers. So it is survey based and it happens every five years. The 2003 survey, for a reason that the ABS cannot really explain, gave us a result that we had a drop in the number of people in New South Wales with a disability. It was a quite significant drop—50,000 people. When that figure was then fed into the formula, the amount of the new HACC pie that New South Wales got from last year was less than we expected. So in terms of how much New South Wales is getting at the moment, that is the determinant that is driving it.

Mr STEVE WHAN: What is the equalisation aiming to achieve?

Ms MILLIGAN: The equalisation is really just trying to correct historical allocations of funds that have seen some States get a proportion that is not quite in tune now with their proportion of the target population.

CHAIR: Turning to DADHC's response to the performance audit and the effects for the department in relation to improving access, service, quality and accountability, is the department coping with those changes or have they thrown up new issues?

Ms VERNON: In response to the audit report on home care?

CHAIR: Yes.

Ms VERNON: The report was looking at what we needed to do in order to better manage demand and expectations for access to the services. One of the things the report highlighted was our need to improve people's understanding of the Home Care Service and its place in the home and community care system and in the community care system. Because when a lot of people out there required help they would often equate that with the home care system. For example, one of the things we did very simply was reissue a pamphlet on the Home Care Service that talks about us as being one provider in the home and community care system.

We have also emphasised to people that under Home and Community Care, consistent with that, 85 per cent of our clients receive less than 10 hours a month. So when people are coming to us expecting high levels of service we would say with our HACC funding that Home Care gets we are consistently providing basic maintenance and support. So 10 hours a month can be domestic assistance or personal care. Some 13 per cent of clients get medium to higher level and 1 per cent of clients get the highest level in terms of the high-need pool. It is about managing people's expectations about the community care system and what HACC can provide—which we have found is very important.

The other thing is about reinforcing to people that we refer people with our annual client reviews, which we put in place following the Audit Office report. Some of the outcomes of those reviews are referrals to an Aged Care Assessment Team. There is an increasing number of community aged care and extended aged care packages in New South Wales. We need to ensure that when people's needs cannot be met by the Home and Community Care Program—Home Care—in some instances they need to be referred on and at times some will move into residential care. So we are reinforcing our networks to HACC providers. I notice that some submissions expressed concern about whether Home Care is present at those HACC forums. We are very committed to Home Care being seen with our partners and in linking clients across services. There has been a lot of work done following the report.

CHAIR: Let us say there is no higher need or a different type of need—because obviously the population is ageing and demand is great—it is the same need but you do not have the allocation of hours. What would happen to an individual then?

Ms VERNON: As we talk about in our submission, Home Care is aiming to deliver the hours of service for which we are funded as efficiently as possible. At times that means that one branch may be at capacity and unable to take new clients. When they are contacting the referral and assessment centre our consistent line has been to refer people to Carelink, which is a Commonwealth-funded service that operates a little like the access point, which has been talked about into the future. They know where additional funds have gone and they can refer the person to that service. We have actually gone a step further now. Where new money has been allocated, as my colleagues talked about, through the Home and Community Care Program because that information is publicly available we get the branches to ensure that the Referral and Assessment Centre knows where that new money is going.

I will give an example. There is significant pressure on the home and community care system in Tweed Heads. Significant growth has also been given to the area in recognition of that. So the Home Care branch was at capacity at one point. We know that there has been about $500,000 in HACC money. It did not go to Home Care but went to an organisation called, Feros. That is publicly available; they won the money. We directed people directly to Feros—we gave them the number. So

at the referral and assessment centre we say, "We're sorry; we're unable to assist at the moment with your need for domestic assistance. Here is the number of your local provider who is taking referrals", and we have made links with that organisation ourselves. Because Home Care is such a large provider we have become a de facto access point for a lot of people—they ring our number. So we need to take on that responsibility and assist people with further information.

CHAIR: What about waiting lists?

Ms MILLS: Can I add one thing to that because it is about where we move next? Because the New South Wales Government has invested in ReferralLink and ServiceLink we are going to be establishing systems whereby we can automatically refer people to designated providers. So rather than people having to make multiple phone calls or multiple inquiries themselves, the system will allow us to take the basic information—perhaps even do the full assessment if that is required—and then automatically refer that person to an available service. So from a client's point of view we will increasingly see that it is a seamless service for them, whether it be the first place they call or down a chain. They will not notice the difference. They will get notification automatically. That project will commence soon and will be linked into the community care review as well so that we have common tools. So over the next 12 to 18 months we will be trialling that.

CHAIR: Thank you. That was going to be my next question. It means someone in need does not have to make another call and be re-referred. That is good to hear.

Mr STEVE WHAN: Are people missing out at the moment? If people are referred elsewhere how do we know that they are accessing a service or whether they are missing out? I think the Chair wanted to ask about waiting lists. Will the process have a waiting list component?

Ms MILLS: The answer at the moment is that we do not have a system for knowing that. Claire could certainly speak about that. Home Care has done some work in basically surveying people to whom we have not been able to provide a service in the past and finding out from them whether they secured a service elsewhere, which she can speak about. But in terms of a systematic approach, no.

Ms MILLS: ReferralLink will be able to track the process so we will know if somebody is referred on again. It will not tell us whether the person actually receives a service or not. One of the limitations we have had within DADHC is that also clients do not have, for example, a unique identifier historically, so being able to know whether they are a return service or whether they are, in fact, securing a range of different service types we have not been able to tell. It is also part of the community care review work because we know, again primarily by survey, that across the country a significant portion of people access both, say, Community Aged-Care Packages and Home Care. Part of our planning is really trying to understand why that is the case. Is it about quantum of services? Is it about the fact that different service types are put under different programs and that people, quite rightly, need to package those up?

I believe you are going to ask a question about waiting lists, but, in a sense, it is not quite as straightforward as that because it is really trying to understand what are the packages of service somebody requires and are they getting them. We only know at the moment if somebody is receiving a service from us, we do not know if they are receiving services elsewhere, but we will progressively improve that information.

CHAIR: The other part of that would be whether there is a gap within those packages like, for instance, nursing homes, institutions, home care and home provision services? Is there a gap there that may not be safety netted?

Ms MILLS: We anticipate that a lot of the work around community care review should help us know that. I think the other issue too is not just a gap but also people's expectations. I think we struggle sometimes because—and this perhaps relates to the question that Kristina Keneally asked earlier—when people's needs actually exceed what we think is reasonable under the program they may not want to move to the next program. There are a number of reasons for that. Sometimes it is about fees; sometimes it is about comfort and perception and my familiarity with my current service provider; sometimes the level of support that people need clearly, from our perspective, would require

nursing home-level care, and people do not want to move to a nursing home. So we continue to raise expectations of the level of service we can offer beyond that which the program was really designed for.

Mr STEVE WHAN: It seems possible that people are able to access residential aged-care packages and HACC services but some people are getting quite an extensive level of benefit and there are others who are completely missing out altogether in the community. I notice one of the submissions suggested that sometimes it was dependent on whether you happen to get something available on the day you phoned and the successful people had phoned every day or something like that. It does not seem like a particularly fair way of allocating a service.

Ms MILLS: One of the key aims we have under the community care review is to look at the practicalities of having this standardised assessment tool for people within six weeks of wherever they received the service, and that tool is designed so that we do not just have a self-referral point but we actually look at the needs of the person. If I could give a simple example: I ring up and I have self-identified that I need domestic assistance or I need Meals on Wheels, and I may be eligible for that service and I may receive it. But in fact more robust assistance for me might be something quite different, and it may, in fact, be a different service provider.

So part of the future directions is to say within a six-week period I would receive this fairly standardised assessment and if, in fact, I was more appropriately going to be serviced with another type of service or a different provider, I would be referred on. That will make a significant change to the sorts of issues you are talking about at the moment.

(Short adjournment)

Mr RICHARD TORBAY: The Australian Bureau of Statistics reported in 2003 that New South Wales had 30.5 per cent of the Australian total of people aged 65 and over in need of assistance. For at least one daily activity, of those people 35.2 per cent of the total self-reported a partial unmet need. Does DADHC have any update on the quantum of unmet need for HACC services across the State?

Ms MILLIGAN: You are referring to the 2003 ABS report?

Mr RICHARD TORBAY: Yes.

Ms MILLIGAN: I might just comment on that first. The figures in that report said that New South Wales had a bit under one-third, about 30 per cent, of the target population of people with a disability who needed some sort of assistance. It is not necessary that all of that assistance needs to come from the HACC program. So certainly that is the quantum of people who were saying they had some sort of need for some sort of support, and there was a percentage of them who were saying that not all of that support was met. I think it is not necessarily a clean jump then to say that that is unmet need for the HACC program.

Certainly there were people who needed some form of support they did not feel they were getting. We do not actually have an update. The 2003 report is still reasonably current in our terms. I mentioned earlier that the ABS survey of people with a disability and carers until this year's census has been the primary source of data on people with a disability and their carers. That happens every five years, so there was one in 1998 and there was in 2003. So I guess we consider the 2003 results, which were then published some time after that, to be still pretty current. As you know, this year for the first time the census included a question on disability.

Referring back to the discussion we had earlier about the size of the population in New South Wales and the fact that that had declined in the survey, I guess we are hoping that the fact that there was a complete census question about disability might give us some more robust data and estimations of the population in future.

CHAIR: In your evidence earlier on you mentioned that the 10 per cent less than expected need for New South Wales, as described by the ABS, was an aberration. Was that comment taken into account when preparing the new agreement?

Ms MILLS: We have raised the issue. It is a very difficult one because ultimately the Commonwealth will allocate on the available data. And there is, I suppose, a consensus that the data looks aberrant, but we have not been able to get any rational explanation of an alternative number so the data will stand as the allocation.

Ms MILLIGAN: If I could make one other comment, the Federal Government acknowledged that it was problematic and, in fact, it was helpful in saying it would look at the figures from the previous three surveys and work on an average. It certainly was helpful in trying to ameliorate the impact on New South Wales but there was still an impact of that survey result. So the money was less than we expected but there is probably not much we can do about that in the short term.

Mr JOHN TURNER: I turn now to administration at the grass roots level, do you still have local committees in various areas?

Ms MILLIGAN: Of the HACC program generally or of the Home Care Service?

Mr JOHN TURNER: The HACC.

Ms MILLIGAN: We do not have committees as such but, as I said, we have 16 local planning areas and HACC does have the strength of being pretty grass roots. So it would be typical in the local planning areas for there to be a forum of HACC providers. In almost all towns there would be at least a couple of HACC providers and in the bigger centres there would be a larger number of providers. The networks are quite strong in the Home and Community Care Program and, typically, the providers would meet regularly as a forum as an interagency. They would address service delivery issues, of course, but they also address policy and planning issues. It is from there that we get a lot of the comment and contributions to the development of the program generally and to the plan.

I would say that in all of our local planning areas there is a strong local network. We also in the Home and Community Care Program fund what we call HACC Development Officers who are individuals who work in the system, not employed by our department but employed in various parts of the system. Their role is simply to address issues of development, communication, skill building and issues resolution in the program.

Mr JOHN TURNER: If someone wanted to seek funding through HACC or a service that may or may not have legs, would they would have to go through the forum process? Where do they enter into it? Do they write you a letter or do they have to get approved at the forum level?

Ms MILLIGAN: So it is someone who wants to come in and be a service provider in the system?

Mr JOHN TURNER: Yes.

Ms MILLIGAN: They would respond to an expression of interest process that we would run. The plan that we have described would say for each of those local planning areas how much new money would be available and what service type is it going to be spent on. There would be so many dollars for new respite care and so many dollars for new domestic assistance. We allocate money in one of three ways: we directly allocate some funds. That would be typical where we have small amounts of money to add to existing providers; we allocate funds through selective tender sometimes where we know that there is a limited number of potential providers; and we also publicly advertise for providers to apply for new money. So someone who wanted to enter the system would do that by responding to an advertisement to become a provider for a fixed amount of money for a service type.

Mr JOHN TURNER: Do you reference them back to the forum to get advice informally or formally on whether the service is needed?

Ms MILLIGAN: The decision about whether the service is needed has already been made and, yes, the forum would be involved. So in writing the plan, the information that comes from the local community about what are the gaps and what are their top priorities for next year certainly

comes from the local community. So we in the plan say X-amount of dollars for this service type. We do not say who will be the provider. Yes, the local community and forum influences how much money gets spent on what service type. The department then runs the process to identify who will deliver the service. The forum is not involved in that. We would refer it back within the department to our local staff if we had questions about a local provider and the quality of their service, but the forum is not involved directly in selecting which providers are funded.

Ms KRISTINA KENEALLY: I refer to the Home Care Service Your submission notes that the Home Care Service maintains a register of unmet need but claims it is not an accurate measure of unmet need. Would you explain why?

Ms VERNON: In our submission we say that we keep a registration of unmet need which is the difference between the clients determined as eligible for home and community care, however, they are not progressed through for service and that is because the home care service at that point does not have capacity to assist. Why we say it is to be interpreted with some caution is because it is very common for referrers to contact more than one provider to seek service. Seventy per cent of people contacting our Referral and Assessment Centre are health and community care workers and 30 per cent are family members. For those 70 per cent we know that they will often contact a number of providers and put the name down, for example, or register that this person needs a service.

There is no requirement on that referrer to come back to us and say that that person has since found a service, which was your point. There is no requirement for them to come back and say "We then contacted Feros" and they got a service. So we provide that information to the regions for their HACC planning so that we can say from what Home Care has seen there is an unmet need in a branch in a region for a certain service type. That contributes, along with a whole lot of other inputs, into understanding what may be needed. The caution is that it is not to say that the next phone call the person does not get a service. We do not follow people through.

Following the audit report, they said, "What do we do to follow up people in those cases?" So we did an exercise where we recontacted 300 people who were then placed on the register of unmet need to see, four to five months later, whether they still required a service. We found that only 30 per cent—it is referred to in one of the submissions as 50 per cent—still required a service. What commonly happens when a contact or a referral is made is that often the client goes home and says, "I no longer need a service. My family is assisting; I am managing." They have found another service provider in their region because there are a number of providers in the system.

That then adds to the discussion that if you had a waiting list, how would you monitor and ensure that people were recontacting you when they did get a service. We think that it is really important, from a provider perspective, to inform the funder about what we recognise as unmet need but we put a caution around it in its interpretation.

CHAIR: Will that become more accurate when the system of assessing is in place?

Ms MILLS: Yes, but at the moment I would call it a list of expressed unmet demand rather than need, as we do not know if the need is being met elsewhere and we do not know if a portion of their need is being met elsewhere.

CHAIR: That will address some of the concerns in the audit report about not having the information post the contact?

Ms MILLS: Yes.

Ms MILLIGAN: I will add one comment to that. One of the interesting figures was that about 70 per cent of the referrals come from workers within the system. That is a really important point because these are professionals employed in the community care system. They typically have taken on the role of case manager. If you refer a client to a service and these services cannot respond, it is part of your professional role as a case manager to follow it through. You get to the point where you have found a service for someone or to have a follow-up so that you, as their case manager, will follow them up.

The home and community care system, as we said earlier, includes a very broad scope of people. Some people are seeking a very limited domestic assistance service to help them with housekeeping every second week and so clearly have the capacity to follow that through and find out where there is an alternate system. For people in the system who have complex needs and are vulnerable, the Home and Community Care Program has a service type that is called case management and is funded. We fund a significant number of organisations to provide case management. They would help someone negotiate the system and work out how you can get some response to their need. The fact that we have a reasonably high number of referrals in the system coming from another professional also gives us some level of information that there is someone in the system following them through.

Mr STEVE WHAN: That worries me in a way in that many people do not have anyone advocating for them and telling them what services are available. How do we actually get the message out into the community about what services people can access? All of us would come across people who would not have a clue about what services are out there?

Ms MILLIGAN: That is a good question. There are a couple of things. Ms Mills talked earlier about the Carelink Service, which is a federally funded one point of information about the care system. As you may know, that is advertised fairly broadly. The Home Care Service clearly has a brand name that people know. It is something that we just keep at. We keep looking for opportunities to give people information. We spend a lot of time resourcing and working with professionals in the community care system and making sure that we are part of the system and that people know what we do. People often get information from other service providers such as general practitioners or hospital staff if someone has been an in-patient and is going home. We put significant effort into making sure that those key people in the community and in the system are informed but it is ongoing work.

Mr STEVE WHAN: One of our other submissions suggested addressing unmet need by going to a voucher system in that eligible people can get a voucher so that they can shop around for something. Do you have any comments to make on that?

Ms MILLIGAN: The idea of a voucher in community care has been discussed for some time. Given your previous comment about people in the system who would find that difficult, I think that is one concern. It also assumes that there is very extensive provision out there and that everyone who has a voucher will know where to go and be able to go somewhere to get the voucher redeemed. It is not an approach we are pursuing at the moment. I can see why at some levels people would think it attractive and for people in the system who have lower level needs and more ability to shop around, that sort of approach may be attractive, but given the nature of the Home and Community Care Program generally and the fact that is targeting people who are at risk of institutionalisation prematurely, it is not a policy direction that we are pursuing at the moment.

Mr RICHARD TORBAY: I am sure all my colleagues would be aware of this problem that I am keenly interested in. The Continence Aids Scheme has a waiting list of three to five years. Barely a week goes by that someone does not make representations to me about this, and I am sure it is the same with other honourable members, particularly in the regions. These problems are well known yet nothing seems to be done about it. Can you tell us why?

Ms MILLS: It is not something that falls under our program area. Continence aids are funded in New South Wales under the PADP Program, which is administered by Health. Recently there has been a review conducted of the PADP Program, which is fairly close to completion and is looking at ways in which a number of parts of the PADP Program can be more effectively managed, including smoother procurement processes, et cetera. I am not in a position to comment on that other than to say work is being done under the other program.

CHAIR: The Committee has heard that a report was recently completed for DADHC providing information on the size of the target population's services and indicators of unmet need. Can you comment on this, and is this report publicly available?

Ms MILLS: You would be referring to a report commissioned by our Minister as Minister for Disability Services to help inform the new funding initiative from the State Government under the program known as Stronger Together. That report is not publicly available. It is with the Minister.

There are two things I can say about it however. It targeted the population under 65 years of age because it was about people who are funded and covered under the disability programs rather than the aged and disability program, so it would have only limited information about a large percentage of the HACC client group and rather than look expressly at unmet need, it looked at types of services, not only with current usage—and again looking at the same data sources that we have spoken about earlier, the 2003 survey in particular, but also population projections from DIPNR, so that we can actually look at the growth in the disability population over the next decade.

CHAIR: Has the increase in HACC funding over the last five years met the growth in the target population as those five years have progressed?

Ms MILLS: Yes, in fact, it has slightly exceeded it over those five years.

Mr STEVE WHAN: One of the comments about the Home Care Service raised the question of the structure of the whole organisation. You have 42 branches, 16 planning regions but six regional offices. Are there inefficiencies in what appears to me to be so many different administrative arms?

Ms MILLIGAN: We have 16 local planning areas, which are the building blocks, and they build up into our regions so that boundaries coincide. We have a northern region that constitutes three planning areas: the New England, the far North Coast and the lower North Coast. The reason we have three planning areas is that they are three distinct communities of interest however those three come together to form one of our regions. It would be a generally held view that there is not a complication in that. I think people like the fact that we have larger administrative regions, and certainly that keeps our overheads down and is reasonably efficient.

The local planning areas within it allow communities to feel as though they are talking about a community of interest and they are planning for what makes sense at the local level. The 16 build up into the 6 and that does not cause us problems. The next part of your question was about home care branches?

Mr STEVE WHAN: Yes, the 42 home care branches. How do they fit in?

Ms VERNON: They are consistent with the local planning areas because a majority of Home Care funding is under the HACC funding. Those branches also have outlets attached to them. The branches are in the larger regional centres and then there are outlets throughout rural and local New South Wales. That means there is a service co-ordinator, often part time in place to look after a team of care workers, the people going into the people's homes.

Mr STEVE WHAN: They are on the ground?

Ms VERNON: They are on the ground, front-line services, so that the branch manager has a team of service co-ordinators. Care workers are working primarily in the community in people's homes. They are not office based. We found it really important to be linking up with those local communities. Even in places where we do not have a branch as such we have a presence and a service throughout New South Wales. We are often located in HACC centres throughout rural New South Wales so we are often co-located with Meals on Wheels and transport services, which really assists in networking.

Mr RICHARD TORBAY: I would be interested in your view in relation to the Auditor-General's performance audit, which identifies some of those inequities. You mentioned how you manage some of those demand issues but particularly from a rural, regional and remote point of view, I am interested in equity and access to services generally.

Ms VERNON: HACC planning ensures that funding is provided to regional areas. Who that provider is will be a matter of history to some extent. That is, the Home Care Service is out there and often in some rural and remote communities we are the only provider. We not only run the local HACC service we are often getting money from the Commonwealth to run the community aged care programs that we talked about. We often run the range of HACC services. Even though we predominantly talk about personal care and domestic assistance Home Care sometimes is the provider of the Meals on Wheels service and the local transport service. For the funding that is in the regional

services, often Home Care is the provider in the rural and remote areas. In metropolitan areas you are more likely to see a range of other providers on the ground, so the funding is linked to those formula around population and profile of clients.

Ms MILLS: It is also true to say that individual services inevitably have their own prioritisation systems and they take into account the high level policy prioritisation as well as local needs of people, and whether they can be met elsewhere. Within the department we also have an Aboriginal Home Care Service, which not exclusively but predominantly operates in rural and remote areas where there are high proportions of indigenous people to ensure that we actually provide a culturally appropriate and accessible service for them.

CHAIR: The Committee has heard that here is a problem with Home Care Service provision of people with mental illness, people with HIV/AIDS and people with episodic conditions. What is the Home Care Service policy with regard to the people and situations indicated?

Ms VERNON: People with those conditions often apply under the Home and Community Care Program for in-home support services. The Home and Community Care Program guidelines are not linked with any condition as such, but with whether one needs assistance with functions of daily living. For example, people with palliative care who have a need for personal care, showering for example, may be eligible under HACC, and Home Care would go in and provide the service. If the need is for overseeing medication or some other health-related need, Health would be the provider. With people with mental illness, if the need is for personal care or domestic assistance, HACC would be the program. Where, with mental illness, other services might be required, for example behavioural monitoring in home visits, that may not come under HACC, so Home Care would not be providing those services; they would be provided by the local mental health service. We spend a lot of time talking with groups about the way we operate under the Home and Community Care Program and eligibility and prioritisation under the program, and we assist people who have those conditions.

Ms KRISTINA KENEALLY: What sort of information sharing, if any, takes place between Community Health, Department of Health and in some cases perhaps the Department of Housing regarding people that you might co-service, if I could put it that way?

Ms VERNON: From Home Care's perspective, that is a very important role of service co-ordinators on the ground. We know when we are going into a home what other services are in place. Often we are liaising at a case conference level—particularly with the COPS people, the case management people—where clients have quite complex needs. Home Care will be around the table with the other providers, Housing and Health, to ensure that the services are co-ordinated and supported. In addition to linking at a case level, we also link at community forums and interagency meetings in general. We would not be discussing cases at those venues, but would be talking in general about areas of need in the community. So that is happening at a local level.

Ms MILLS: Obviously, the Privacy Act is a significant issue.

Ms KRISTINA KENEALLY: How does the Privacy Act operate in that environment?

Ms MILLS: We can only pass across information with the permission of the individual; we cannot pass on third party information. I spoke earlier about ServiceLink and ReferralLink. In order for referrals to be made from one organisation to another, we have had to build into the system an approval process so that data can be shared. A number of initiatives have been developed across human service agencies under the umbrella of the human service chief executive officers to improve data sharing within the constraints of the Privacy Act. But, of course, that does mean that at times there are restrictions on the way in which we can share some levels of knowledge about clients.

Ms KRISTINA KENEALLY: Does that include sharing information with non-government service providers?

Ms MILLS: Yes.

Ms KRISTINA KENEALLY: You are able to do that with the permission of the client, I assume.

Ms MILLS: With the permission of the client, yes.

CHAIR: The Committee has a number of other questions on notice that we will provide to you, and organise a convenient time for you to return.

Ms MILLS: We would be very happy to assist in any way we can, either with written responses or by another appearance.

CHAIR: Thank you, and thank you for your attendance and your input.

(The witnesses withdrew)

MICHELLE ANNE BURRELL, Acting Director, Council of Social Service of New South Wales, 66 Albion Street, Surry Hills, and

CHRISTINE ANNE REGAN, Senior Policy Officer, Council of Social Service of New South Wales, 66 Albion Street, Surry Hills, affirmed and examined:

CHAIR: I am advised that you have been issued with a copy of the Committee's terms of reference and also a copy of the Legislative Assembly's Standing Orders 332, 333 and 334 that relate to the examination of witnesses. Is that correct?

Ms REGAN: That is correct.

CHAIR: For the record please state your occupation and in what capacity you are appearing before the Committee today.

Ms BURRELL: I give evidence in the capacity as the Acting Director of the Council of Social Service of New South Wales [NCOSS]. My profession is social policy analyst.

Ms REGAN: I am appearing on behalf of NCOSS. My position there is senior policy officer for older people, people with disabilities and community care, and my profession is community development worker.

CHAIR: The Committee has received a submission from your organisation. Is it your desire for that submission to form part of your formal evidence?

Ms BURRELL: Yes.

CHAIR: Would you like to make an opening statement?

Ms BURRELL: NCOSS appreciates the opportunity to provide input to the Public Accounts Committee inquiry into home and community care [HACC] and the Home Care Service of New South Wales. In preparing for the NCOSS submission, we received feedback from the New South Wales HACC issues forum, which we convene, and the New South Wales Aboriginal Community Care Gathering Committee, and we thank them for their participation in our NCOSS submission. Clearly, the population of older people and people with disabilities is growing more rapidly than the general population, and HACC is well placed to provide the necessary support for people at home. The Productivity Commission report on government services, however, shows that while the quality of service is generally high, the performance in terms of adequacy and quantity in New South Wales seems to lag behind the Australian average and certainly Victoria in comparison.

One key issue we address in our submission is joint arrangements in HACC and the challenges that creates. The delay in the release of funding has certainly had an adverse impact on HACC in New South Wales. These delays have become more serious in the past three years despite assurances each year that things will get better. The effect of these delays include delayed services to consumers, confusion around planning for service provision, financial accountability and reporting, and significant accumulated and unplanned one-off funding. While NCOSS says that these are some reasons for the delay, we cannot make comment on where the responsibility lies. It is one of the challenges of Commonwealth-State relationships and we do not want to get in the middle of that particular debate.

NCOSS has, however, made some recommendations for improvements to the processes for HACC approvals, and we think that everybody is interested in those approvals and increasing the capacity of HACC through better efficiency. We believe there should be joint approval of the core elements of the HACC plan prior to Federal and State budgetary processes. We believe there should be a memorandum of understanding regarding the processes and time frames for the approval of the HACC annual State plan. We also believe that it would be more efficient to have State plans be approved on a three-year basis and enough flexibility could be built into that system.

There should be contingency planning for prior approval of non-recurrent funding and that that be implemented after consultation and feedback from the HACC sector. We also believe that HACC indexation should be automatically adjusted to cover State industrial relations awards and funding obligations as part of those joint obligations. We also made significant comment in our submission around the Auditor General's review of the Home Care Service [HCS] of New South Wales. We welcomed that review but we were disappointed that it did not significantly cover Aboriginal Home Care, despite a couple of recommendations contained in the final report.

We are particularly concerned about the lack of public reporting on progress against the reviews findings and implementation. A lot of the NCOSS submission concerns ongoing home care service issues, and these have been discussed at our HACC issues forum and through the Aboriginal Gathering Committee, and that is what informs our position on most issues. We have ongoing concern regarding unmet need and the effectiveness of HCS services, the role of consumer input into HCS and monitoring and reporting around that program. We have included a lot more information in our submission about that, and we are happy to give you more detail in evidence today. I will conclude there and commend Ms Regan, who is the specialist policy officer on these issues in NCOSS and she will probably take the detailed comments and questions from you today.

CHAIR: So you do not have an opening statement?

Ms REGAN: No, Ms Burrell gave our opening statement.

CHAIR: In your submission we note the disproportionately low reported use of HACC services by people in New South Wales in the target populations and how this is linked to unmet need in the population—that is on page three of your submission. Can you briefly outline why you think this is a problem and how it should be addressed?

Ms REGAN: There are a couple of historical factors. One you will notice later in the submission is that the New South Wales Government identifies that there is public underreporting, so it is hard for us to determine if there was 100 per cent reporting compared to the other States. We know that New South Wales has 70 something per cent reporting, which is not bad, but the average for Australia is 80 something per cent and Victoria has much higher than that. Also, HACC is arranged differently in New South Wales than in most other States. I do not think that is a bad thing. I think it actually lends to more innovative services and probably better community networks. However, I think, too, that over time there have been various State government authorities looking after various sections of HACC. In the past there was the Ministry of Transport, which is still involved, but there were three or four other government departments involved in administering the Home and Community Care Program.

I do not think the same priority was given to some of the other services that were administered by other departments. So some of the services have lagged behind. Our submission indicates that there are a couple of significant areas that are consistently underreporting, and we suspect that there are other historical ones. We also believe that it could be more expensive to provide services in New South Wales than in some of the other States, although that is anecdotal. We would like to see evidence to see whether or not that is true. We know that New South Wales spends more per capita on administration than in other jurisdictions but we are concerned about significant unmet need.

CHAIR: What process would you envisage for a joint sign off by respective governments or for core elements of the HACC State plan and how could the appropriate balance of consultation and administration efficiency be achieved?

Ms REGAN: In the submission we have tried to set out how the HACC planning cycle works. It is very up and down but it is our best vision of how the cycle works. Generally, the planning cycle is completed before either the State or Federal budget is handed down so it is in advance of the State and Federal budgets. If we were to combine, say, three of our recommendations so that we have some contingency planning for non-recurrent, we have the three-year plan perhaps and we have the core elements of all those signed off in advance of budgets. All the planning has been done for all those things so we can move forward.

I envisage that the government department would undertake the normal consultations that it mostly does now. They are organised either by the government officer or by a HACC development officer, which we rely on in this State. It generally puts priorities up that have been added to by departmental priorities and other data. That then identifies what we call the planning grid, and that planning grid can be signed off in advance. So we would imagine, although we are not working for government, that the department would collate those into a nominal State plan with some broad priorities, then those would go to the Minister for sign off—broad priorities over the next three years, with some room for movement with being able to react.

Also, then it should go to the Federal Minister. You will also notice that in the past there has been an arrangement between the State and Federal Ministers where there would be a 10-day turnaround. The memorandum of understanding that we propose could set in place some of those time frames and processes. We think that if we had a three-year plan we could then have the broad priorities already signed off so it would only be a matter of the detail. As long as there is the detail—the Riverina receives some $100,000 to provide home maintenance but home maintenance is one of the major priorities—those kind of broad things, then there would not be so much uncertainty and there would be fewer areas of possible contention for negotiation between the Commonwealth and the State when it came to actual signing off each year. That is how we envisage it going. Of course, how that fits with the processes, I am not sure.

Mr RICHARD TORBAY: Are there precedents for a memorandum of understanding, which you have mentioned, concerning the process and time frames for HACC State plans? How did the previous 10-day turnaround work in practice?

Ms REGAN: As I explained in my last answer, that is how we understood it to work in practice. It did actually work for three years so we did know when the State Minister said, "We have delivered the plan to the Federal Minister" that we could expect that there would be a sign off. There is always still a month or six weeks of negotiation around who will do what media releases, after which time the State Government can start to distribute funding through whatever process it has identified. There are various precedents for memorandums of understanding and in fact that 10-day turnaround was part of the HACC agreement at that time. As you know, we are about to go forward to negotiate a new HACC agreement from 2007 so it could be one of two things. It could be part of the HACC agreement or it could be a memorandum of understanding as an addendum to the agreement that both Ministers have agreed to. What we would like to see though is that that agreement would not be between the two actual Ministers; it would be between the offices of the two Ministers. So regardless of who was in the office of the Minister, that process would continue, rather than just the actual people themselves.

Ms KRISTINA KENEALLY: You have spoken about the three-year funding cycle which we have heard is something that has been recommended as part of the reform process. From your perspective how would that work at a service provider level in terms of outcomes for consumers and program accountability improvements? How would that benefit service providers?

Ms REGAN: At the moment on another front NCOSS is negotiating as part of a group that is negotiating with the department to go to three-year funding agreements, which we fully support. The funding agreements are about the money that you now receive and the contract that you now undertake to provide for the period of the funding agreement. Yearly funding agreements for direct service providers can be quite limiting, particularly in an uncertain environment. It has been a bit easier for home and community care because there has been certain growth each year and the level of demand continues to grow.

Changes have been as a result of other issues, for example, changes in population that have been known or re-auspicing organisations, or things that have come from the ground up rather than the top down. We would see a three-year State plan put some certainty into community transport for a period of growth. If we just talk about community transport as an example, we are finding that transport is such an enabling service for all other HACC services, and is often overlooked to the point where trying to get money into community transport to enable access to many of the other services has been really difficult. There have been all sorts of discussions and negotiations around whose responsibility it is to provide what sorts of transport.

We think that if there were a three-year plan with a priority for the next three years to look at certain levels of, perhaps, benchmarking for community transport with some certainty then we would know that over the next three years other services could confidently plan around being able to provide an increased level of transport. The HACC networks in New South Wales are very strong. In most cases for non-government organisations they connect with each other on a very regular and quite intensive basis, which we think is one of the good things about Home and Committee Care. If we can continue to do that then that would improve all of the services. We might get a broad core element of community transport for three years, a broad core element of X per cent increase in respite services, et cetera, those kinds of elements signed off for three years and then we would know.

Ms BURRELL: If you think about the service system, the HACC agreement sets the relationship between the Commonwealth and the State, and the broad priorities. A three-year plan would deliver that relationship into a set of defined outcomes, including growth. Three-year funding for services that makes sure that that is delivered. There is a certain amount of policy alignment between lining up all those things and it gives a certainty in all elements of the process, and get over some of the difficulties we have at the moment about renegotiating every year.

Mr STEVE WHAN: You made a couple of comments about New South Wales lagging behind Victoria and underreporting in New South Wales. Will you explain what you mean by underreporting, and how that impacts on our ability to deliver services, given that the Commonwealth determines allocations based on statistics?

Ms REGAN: The reporting is on the minimum dataset, which is a data collection process that direct service providers are required to return. In New South Wales we are not getting enough returns at the minimum dataset to get a full picture of what is happening from a direct service provision viewpoint.

Mr STEVE WHAN: The people who are delivering the service are not feeding the information back?

Ms REGAN: Some people, not enough people. We have a higher return rate. That evidence came to us through the Productivity Commission Report on Government Services. At the end of each of the chapters the Federal and each of the States and Territories do a one-page response to the chapter on disability services, older people services or any of the others. New South Wales consistently is saying, "Our figures cannot be taken as true because we have underreporting." There has been no comment on the strategies to increase our reporting. In preparation for this submission I tried to track the figures to find out where the underreporting is happening, and while I cannot determine data directly and I also cannot get any direct information, some of my sources and the Productivity Commission say that it is not just non-government services that are underreporting, there is significant underreporting in Government and non-government HACC services.

Mr STEVE WHAN: What is the basis of the comments that New South Wales is lagging behind Victoria?

Ms REGAN: This year Victoria said that it underreported, and gave its reasons for underreporting. If New South Wales has 35 per cent of the HACC population and we deliver 24 per cent of the services, but Victoria has 24 per cent of the population and it delivers 29 per cent of the services that is a pretty stark contrast, even with underreporting. We would like to see the reporting improved to see if that changes. I counter that comment by saying, despite that underreporting and despite the fact we think we are lagging behind, it seems that the quality of service in New South Wales is high, which is something we can be pleased about.

CHAIR: You have noted the funding for SACS award increases have been the subject of past delays and contention in joint funding arrangements. Have these problems been overcome?

Ms BURRELL: No. We are currently in the process of trying to secure proper funding for HACC services and all non-government services in New South Wales. The New South Wales Government has responded by providing 3.3 per cent indexation. It has included a potential 3.3 per cent in the draft HACC plan, which is being submitted to the Commonwealth Government and it is awaiting a reply. It is NCOSS perspective that indexation is not necessarily the best way to deal with

the SACS award in this round, simply because it comes in under growth. Growth was supposed to be 8 per cent, and we take 3.3 per cent out to pay the award. You have to be able to keep the services running. There is no point increasing services unless you stabilise what currently exists. We understand the logic that the New South Wales Government has applied in the HACC State plan. We would have preferred to see an additional payment to cover the wages we are legally obliged to pay. The New South Wales Government has done the right thing in terms of its bit. We are waiting to see what happens with the Commonwealth. There is a risk associated with that strategy that it will delay the plan again. We hope that the Commonwealth will see commonsense.

Mr STEVE WHAN: In past years it has not.

Ms BURRELL: That is right. In the previous last big round on the SACS award the Commonwealth did not pay.

Mr RICHARD TORBAY: Through your forum and in your submission you commented on the waiting list for Home Care Services. I would be interested to know the resource intensiveness of it, and whether it would be effective.

Ms REGAN: We believe that it probably is resource intensive. We talk about waiting lists at nearly every meeting regardless of whether they are on the agenda. Mostly we have consumer advocate organisations as well as service providers and development workers who say that nearly all other HACC services have to keep waiting lists. It is also resource intensive for them. The Auditor-General's report for the Home Care Service said that they will not need to keep waiting lists except for those clients likely to receive services from anywhere else. While we were pleased that it was a recommendation that they kept some kind of waiting list, we were very disappointed because that almost knocks out anybody depending on whether they have the capacity, the skills and resources to access other services and where they leave and what kind of person they are, meaning their cultural background. The proposal was that if other HACC services have to keep waiting lists, which they do as a best practice and procedure, then Home Care should, too. They feel particularly strongly about that because of the way they get access to the Home Care Service, which is ring on the day and if, on the day, there is capacity they would take your referral, which means that you will then be assessed about whether you will receive services, not you will receive services. If there were a waiting list then perhaps people who need services might get it earlier than having to ring up every day, or hope that someone does that on their behalf.

Ms BURRELL: Clearly, the process for setting up and running that waiting list needs to be proportionate so that you do not waste money on red tape. But imagine having to ring up the a hospital every day and having to say, "Please, is there a hospital bed so that I can have my essential operation?" It is a strange way to run a service or system that is all about letting people stay in their homes and lead good lives.

Mr RICHARD TORBAY: It is equity of access that you are trying to get to.

Ms KRISTINA KENEALLY: We understand that one of the reforms DADHC is considering is using a client identifier to attract clients who contact the service. Do you have any views on whether that is an appropriate mechanism?

Ms REGAN: We know about the client ID for the minimum dataset, and there is a series of confidentiality and privacy issues, although that has been very well received within the Home and Community Care process. This is the first I have heard of tracking unmet need through client IDs. It is an interesting proposition.

Mr STEVE WHAN: So that you knew when a person had various contacts?

Ms KRISTINA KENEALLY: A person contacts the Home Care Service and they are able to tell whether that person has contacted them before, whether they have referred them on to others before and how they can follow up with that person.

Ms REGAN: If it delivers those kinds of outcomes, and privacy and confidentiality could be protected, then those are the kinds of outcomes we want. At the moment if you are unsuccessful you

are on your own again, and nobody is watching what happens to you. It was reported to the HACC issues forum in April last year that Home Care did a follow-up check-up with a number of unsuccessful clients six months after they had their contact with Home Care. We are really concerned that they said 50 per cent did not need them any more. That does not mean that when they made the contact they did not need the service, it means that they either struggled through or something dreadful happened to them. What of the other 50 per cent who are still not getting a service who still need it? I do not think that kind of feedback gives you a picture of what actually happened. The kinds of tracking you are talking about would be superior.

Ms KRISTINA KENEALLY: We heard evidence from DADHC today that 70 per cent no longer required a service. Their explanation was that largely because people often contacted several services at the time of need and if they cannot meet the need they will often refer them on to another service. Their understanding is that that reflected the people who had found a service somewhere else.

Mr STEVE WHAN: Or their family made arrangements.

Ms KRISTINA KENEALLY: Or they found another way to meet their needs.

Ms REGAN: I heard that 70 per cent, but what was reported to us last was 50 per cent.

Ms KRISTINA KENEALLY: They acknowledge that there was an earlier report.

Ms REGAN: We would be concerned that the service providers, and direct providers and consumer advocates who speak to us about the people Home Care rejects, something has to happen, some inappropriate service provision will be picked up by people who do it out of the goodness of their hearts and sometimes under the radar so that they do not report them in the dataset, and it is inappropriate or an unacceptable form of service provision. But it gets them off a particular radar. You would need to do a proper survey to find out exactly how these go, but certainly that is absolutely consistent with feedback we get at services to say, "Home Care is saying it is all okay." But the services say, "They have come to us and we are providing an inappropriate band-aid service rather than an appropriate catch-up service." That has been a problem.

Mr STEVE WHAN: Home Care was presenting itself as one provider out of a number that are out there, and there are others that are contacted. I suppose they see themselves as being almost in a market and they are one provider in a market. Is it really appropriate for them to do that monitoring of demand and unmet demand, or should someone else do it?

Ms REGAN: Most HACC services give whatever information they can on unmet demand for their own services anyway. There are other people like HACC development officers who are regional development officers who would look at monitoring the unmet demand, not on a client-by-client basis but certainly anecdotally. The Home Care Service is part of a Government instrumentality. In many areas they are the only service provider out west. In rural New South Wales they are the major service provider, historically they are the largest service provider, and they are the focus or a way into a community care system that might be thin on the ground, even in city areas where demand is so high, but particularly in rural areas where they might be the major or the focal service provider.

Mr STEVE WHAN: But the point is whether there is a separation between their role as a provider of service and as perhaps a co-ordinator of service?

Ms REGAN: We would not see that Home Care would take on the role of co-ordinator of service, and that is a little bit difficult because you would notice in our submission there has been varying success with the contact between the Home Care Service branch and other local service providers. But we would say that as the major service provider, yes, they have a responsibility, particularly as most governments provide services to people who genuinely cannot get services from other sources.

CHAIR: We have a fairly restricted timeframe, and I apologise for the confusion about the time. We would like to submit some questions to you on notice.

Ms REGAN: Certainly. In closing, one of the big things that we raise in our submission, but we do not know if it was raised to any great extent anywhere else, is Aboriginal Home Care, which Ms Burrell raised. Since submitting our submission I have looked for a previous report that the New South Wales Aboriginal Community Care Gathering Committee wrote at the time of release of the Auditor-General's report. I would like to table that for your information.

(Report Tabled).

CHAIR: Would you like to put any other comments on record in that regard?

Ms BURRELL: We would be happy to engage in discussions and the New South Wales Aboriginal Community Care Gathering Committee would also be directly involved. We are the conduit at the moment.

CHAIR: As we indicated to the early group, we will invite you back. Obviously, this is a fairly broad topic and rather than cut it off short and the Committee not get all the detailed information it is probably appropriate to bring you back, and perhaps get more information on the Aboriginal Home Care.

(The witnesses withdrew)

(Lunch adjournment)

CHAIR: I am pleased to welcome witnesses from the New South Wales Audit Office. We have about 45 minutes at our disposal. That should be enough time to canvass the full range of issues of this important topic. The procedure will be that I shall swear in the witnesses, then ask one or more of you to make an opening statement. I shall then ask the first questions of the witnesses and then open it up to other members of the Committee.

ANTHONY THOMAS WHITFIELD, Acting Auditor-General, Audit Office of New South Wales, 1 Margaret St Sydney, sworn and examined:

JANE TEBBATT, Director of Performance Audit, Audit Office of New South Wales, 1 Margaret St Sydney, affirmed and examined:

CHAIR: I am advised you have been issued with a copy of the Committee's terms of reference and also a copy of Legislative Assembly Standing Orders 332, 333 and 334, that relate to the examination of witnesses. Is that correct?

Mr WHITFIELD: Yes.

CHAIR: Would you like to make a brief opening statement?

Mr WHITFIELD: We are happy to assist the Committee with its follow-up of our audit of the Home Care Service. We completed the performance audit of Home Care in 2004. We chose this topic because of increasing demands on the service. The proportion of people aged over 70 is expected to increase dramatically over the coming years, placing further pressure on home-based care and support services. People who are old, frail or disabled can often continue to live independently at home if the appropriate support services are available, rather than moving into full-time residential care. This is preferable to the individual and it is a far better outcome for the community.

As you are aware, the Home and Community Care program is a joint Commonwealth-State initiative established to fund home-based support and assistance. The Home Care Service is the largest provider of domestic assistance and personal care services in New South Wales. Our audit examined how well the Home Care Service assists people to remain living at home. We found that Home Care operated in a complex environment with increasing and changing demands on its resources. At the time, Home Care was spending more than $180 million on providing services for over 50,000 people. The majority were receiving less than two hours of domestic assistance a week. Yet, it also provided personal care services to high-need clients, capped at around 15 hours a week and reduced to 12 hours a week in 2002.

We found that the demand for services far exceeded the level of resources available. At the time of our review less than 50 per cent of those eligible to receive service actually received any help. The Home Care Service was managing demand by capping the available hours and closing intake at particular branches. Overall, whether or not you received a service depended on where you live, the time of your call, and if this coincided with the hours becoming available at your local branch. Our report highlighted the need for Home Care to change in order to be better equipped to face the demands of an ageing population. The report also suggested changes to eligibility criteria to allow fairer access to services. It identified the need for Home Care to refer clients to other service providers where appropriate and call for improvements in service quality. Following our report, the Department of Ageing, Disability and Home Care indicated that it had accepted most of the recommendations and was proceeding with implementation. We would be pleased to answer any questions the Committee may have of us.

CHAIR: The performance audit report recommends, in recommendation 1 on page 3-16, that DADHC reconsider and clarify whether the Home Care Service should sit as a provider of home care services in the community care continuum. Why was this approach recommended and, if it were to be implemented, what are the implications for DADHC and other HACC service providers in New South Wales?

Mr WHITFIELD: Home Care was established to provide services for people who are frail, aged or disabled and their carers so they could remain living at home. The continuum of care refers to

the level of intervention required to maintain an individual in their own home. Originally the Home Care Service provided short-term domestic housekeeping assistance to women who were unable to manage due to illness or other emergencies. Since the 1940s, Home Care has evolved into a provider of domestic assistance, personal care and respite services to those who are eligible. In 1996 the service was reviewed, and one of the concerns raised in this review was that Home Care was shifting away from its traditional role of providing domestic assistance to providing more and more personal care. In order to maintain that balance between those services, the review recommended a cap on personal care of just over 40 per cent of the available resources be put in place. That cap seem to help for a while, and at the time of our audit the demand for Home Care Services significantly exceeded the level of resources available. There is a considerable level of frustration and confusion from clients assessed as eligible for services but unable to get help. We found that in 2003 only one in two people received a service, and that declined to one in four in 2004.

The Home Care Service correctly gives priority to those most in need of assistance. The way it has done that is by interpreting that as meaning those at most risk and being unable to remain living at home. This risk group was generally people requiring high levels of personal care. That has skewed the profile towards fewer clients with increasing personal care needs. Home Care has put some mechanisms in place to help to control this, and even though there are around 700 providers of HACC services in the State, Home Care was considered by the community as the provider of all service types and intensities and was the first point of contact for those services. Our recommendation was for the department to consider whether Home Care should specialise in a particular service type and intensity rather than provide the service right across the spectrum. That is my response to the first part of your question. Would you like me to respond to the second part, if the changes were implemented?

CHAIR: I might just follow-up. When you say a cap on personal care, that was to stop the personal care component running away with all the funds, was it?

Ms TEBBATT: Yes, that is correct. They set up a high needs pool, which took the 60 hours and above, and quarantined funds in that, so they were not drawing all the resources into the higher-needs end of the personal care spectrum.

CHAIR: It still left a fairly reduced level of assistance?

Ms TEBBATT: That is correct. Then they decided to split between the two and, as Tony said, 40 per cent—41.4 per cent, I think—to personal care and the remainder to the domestic and respite, to try still to control that level of money that was going to personal care, since the intention of the program originally was to do a lot of domestic service and help a lot of people rather than a few. What we found was when they were making decisions at the branch about who would get a service, they would still tend to give a service to those people most in need, who are usually those people who need really high levels of personal care. So we are still getting a skewing at branch level.

CHAIR: In your view, is that driven by the fact that the HACC funding was focused on keeping people out of institutions?

Ms TEBBATT: The intent of HACC is to allow people to remain at home and to live independently in the community. We also said in a report that in the absence of an exit policy as well from the Home Care Service, not from HACC, Home Care may have been holding people within their service who may have been better served by other providers in the system. So, we were saying to the Home Care Service that you need to define what you are going to be doing within that service delivery continuum rather than trying to meet the needs of the whole lot, because by trying to meet the whole needs nobody was being satisfied.

CHAIR: If you would answer the second part?

Mr WHITFIELD: That really goes to the second part of your question. If the changes we recommend were implemented, what we would be saying, as Jane has just pointed out, is that there should be a definition of the types of service that Home Care should provide, so that they can service those people within those criteria, and that other agencies within the system should then pick up the appropriate service that they can provide to the people that require it, so that there is a more clear definition of which part of the HACC process the different agencies will provide the services in.

CHAIR: Following on from that, I take it that it would require each of those services to identify what the specific target groups were.

Mr WHITFIELD: That is right, and, as Jane has said, if a person is being provided services by Home Care, there should be an exit policy so that once they need additional services, they should move on to the next appropriate agency to deal with them rather than Home Care retaining them and using their funding to provide services that may be better provided by different agencies.

CHAIR: Do you think that is because with the Home Care Service providing a domestic service, there is a different skill level of employee who would provide personal care?

Ms TEBBATT: Yes.

CHAIR: So the personal care costs, in terms of hours required plus additional costs in terms of skills required, in providing a service delivery agent perhaps is more than it would be if the client was moved on.

Ms TEBBATT: We tried to benchmark the costs of provision, both in domestic care and personal care, within the report, but there is not much data available and Home Care itself was not too clear on the cost drivers. They had a great deal of cost differential, depending on whether the service was provided in the metropolitan area or a rural area because of additional factors. So it was very difficult for us to do that. But I do think that there are probably people who specialise in a particular type of service who, you would hope, would be more efficient than somebody who is trying to serve the whole spectrum.

Mr RICHARD TORBAY: The whole issue of unmet need and/or demand raises the suggestion in relation to the other service providers about whether there was any assessment of capacity among them undertaken.

Ms TEBBATT: Other providers?

Mr RICHARD TORBAY: Yes.

Ms TEBBATT: No.

Ms KRISTINA KENEALLY: Your report notes on page 30 that Home Care Services cost more than other providers, and that costs were higher than the sector averages. Do the calculations include overheads, such as administration and the cost of Home Care Service's screening and referral service?

Ms TEBBATT: I cannot recall. I know at the time that we were finding it difficult to actually get data on the cost of services. That certainly would not have covered or included the referral expenses at that time. It was mainly an hour charge for the services to be provided.

Ms KRISTINA KENEALLY: This question follows on from the issue that Mr Whitfield raised in terms of exiting out of home care. Speaking parochially, in my local area one of the issues is people who are using the Home Care Services finding that their situation improves, and they are no longer reliant on the services. It is not that their situation worsens and they need a higher level of care. They actually do not require the same level of care because they are now able to use, for example, public transport as opposed to community transport. Did you have any opportunity to look at whether or not there was a portion of people using services but no longer requiring them because there was no exit strategy?

Ms TEBBATT: There was no formal review mechanism. There were some informal review mechanisms, but no formal review mechanism. The Home Care Service tended to keep its clients until death or until they moved into full-time residential care. We did not see many examples of services being dropped back because I think once somebody gets it, they tend not to give it up. Our suggestion to the department was to look at putting in a review process and also to put in some exit policies and that would then pick up those sorts of issues.

Ms KRISTINA KENEALLY: For people who, say, have been in car crashes and no longer require services, or they are out of their wheelchair or their brain injury has improved—

Ms TEBBATT: Exactly, or care arrangements change, which can be temporary as well.

Mr STEVE WHAN: I wish to come back to the unmet need area. The report mentions the one in two figure, which was mentioned before. I just mention that in 2004 you felt it had declined to being one in four people who might be eligible for services who were getting a service. What is that one in four based on? We had a discussion this morning with the department about the difficulties of actually measuring the demand that is out there in the community.

Ms TEBBATT: Yes. The one in four was actually one in four that had contacted the agency and had been assessed as eligible for a service, but could not be provided with a service. Only one in four actually received a service although the other three were just as needy and eligible for that service.

Mr STEVE WHAN: So they had been determined eligible. It was not based on an estimate or anything else.

Ms TEBBATT: No. They have actually made contact, were assessed as being eligible for a service, but could not be provided with it.

Mr STEVE WHAN: One of the issues raised with us this morning was that people make multiple contacts. Is that something that you have any way of assessing—whether people are contacting more than once, or were contacting more than one agency?

Ms TEBBATT: The system at the time encouraged people to contact more than once. I think that what they talk about, when they talk about multiple contacts, is shopping around the system to see what other providers are available. Under the system we looked into at the time, people would contact Home Care and at that point in time be assessed. We have said that they are eligible. We said, "You are eligible, but, sorry, ring back next month and we will see if we have something available." The current Referral and Assessment Centre process that they have established means that they can be a bit better handled now rather than before when we used to contact branches directly. So it is a little bit better now than what it was when we looked at it.

CHAIR: You referred to one in two in 2003 and one in four in 2004. The report indicated that Home Care was not keeping any lists.

Ms TEBBATT: No.

CHAIR: Where did you find the date on the number of people who phoned and were eligible?

Ms TEBBATT: From branch lists. The branches were keeping monthly records of the people who had contacted, so we knew how many people had contacted that had been assessed as eligible and how many people actually got a service. It was different from branch to branch, and what had happened was that at that time they were monitoring the budget at branch levels and stopping services because they had hit their budget level.

CHAIR: Each individual branch received a budget.

Ms TEBBATT: Yes, at that time, but it has certainly changed. I am sure it has changed now. When we saw it, it was just coming in under the department's structure, so it was just moving to the Department of Ageing, Disability and Home Care [DADHC]. Before that it was a separate entity. What they had done was actually allocate budgets at branch level. Once the branch had to spend its money on servicing, that was it. This is where we were concerned because you could live at Hornsby and ring up the Hornsby branch and get a service, but you could just be needy, or more needy, and live at Dee Why and not get a service because they had already spent their budget.

Ms KRISTINA KENEALLY: That one in four figure is an aggregate figure across the State?

Ms TEBBATT: Yes.

Ms KRISTINA KENEALLY: This is a compilation of all the branches?

Ms TEBBATT: Yes.

Ms KRISTINA KENEALLY: Did you break that down into the individual branches?

Ms TEBBATT: I do not know. I would have to go back and have a look at the original data.

Ms KRISTINA KENEALLY: In relation to that same point, we heard this morning from DADHC that it is the responsibility of the Commonwealth Government to set the national policy and allocate funding. If so many people are going missing for services, that would seem to suggest that somehow the national policy framework and the funding has actually missed or misunderstood the need.

Ms TEBBATT: Yes. Possibly, yes.

Mr WHITFIELD: That is a possibility, or, as we said earlier, some of these services that are being provided should be provided by a different agency under a different program.

CHAIR: None of this brought about a view on the amount of funding to HACC from the Federal Government?

Ms TEBBATT: No because what we were looking at—we were not looking at the HACC program, unfortunately. We were actually looking at Home Care Service—a piece of the puzzle, not the puzzle.

Mr STEVE WHAN: In terms of the other agencies being more appropriate to deliver the funding, are you suggesting that people are double dipping, or are you just saying that they are less efficient at providing it than a specialist agency would be?

Ms TEBBATT: No, we were not suggesting that. We were not looking at it, but I think one of the ideas under the new structure with the Referral and Assessment Centre—I am not too sure whether the department covered that this morning—is that the push from the Commonwealth Government is to have central assessment centres which then refer you onto providers, irrespective of whether that is the Home Care Service or another provider. But it is a central assessment, so we get a bit more equity in the allocation of resources.

CHAIR: I am aware from the evidence of the Home Care representative that if we take the fact that you say that perhaps Home Care should not be the provider of some services and should be referred on to somewhere else or another provider, do you have a view on whether those alternative providers may have been HACC funded as well?

Ms TEBBATT: No. I mean, in some cases, it may have been a nursing home. It may be full-time residential care. It may have passed the point where the Home Care Service could still retain that person in their home, but there was no point in a system which allowed somebody who was providing a service to actually make an assessment and make that judgment. We said that you should be having a point somewhere where you can make those sorts of judgments.

CHAIR: Were you happy with the response from DADHC in relation to the review?

Ms TEBBATT: Yes, we were.

CHAIR: I can see why you would be.

Mr RICHARD TORBAY: I am interested in the equity of service issue in respect of regional, rural and remote parts of New South Wales. You have mentioned some of the criteria problems and efficiencies, but were there any assessments made in relation to distance and remoteness and the impact of equity of service there?

Ms TEBBATT: No, we did not do any specific work on looking at the differences between regional, rural and remote, I am afraid.

Ms KRISTINA KENEALLY: Did you have any opportunity to look at whether Home Care workers are paid the same, whether they are working for the Home Care Service or for other HACC service providers?

Ms TEBBATT: No. We did not include that in the report.

CHAIR: Is the Audit Office aware, through its interactions, of any progress by DADHC's Home Care regarding the implementation of recommendations of the performance audit report in October 2004? I know we have established that you are aware, but we should put on the record your response to that.

Ms TEBBATT: We have not done any formal follow-up work, but, as you know, we received a response from the department to recommendations made in the report. We are also aware that they have been reporting on progress in their annual reports, so that gives us a bit of an idea about the progress that has been made. As far as we have seen, they seem to be working on a policy that will distinguish their services; a policy on conducting the client reviews, which we have spoken about; looking at a consistent statewide policy on fees, which is another problem we raised when we looked at it; and doing some more work on the referral centre in clarifying its role in the process and improving performance reporting arrangements, including some assessments of service quality and value which we thought were problematic as well. So, as I said, we have not done any work to assess what progress has been made or what has actually been happening with this at this time.

Mr STEVE WHAN: One of your recommendations was that DADHC conduct a regular program of assessing the quality of Home Care Services in the home. The Committee understands that this is not being done. Do you have any views on how this could be done without invading the privacy of people involved?

Ms TEBBATT: My recollection is that at the time they were relying very much on complaints from clients as a means of determining satisfaction with services. All branches use different approaches. There was no consistent approach across the Home Care Service. We were suggesting that people may not tend to complain about a service, if they felt that they may lose the service if they raise issues, so just waiting for complaints was not good enough to assess. At the do it without invading the privacy of people—we were suggesting things like telephone surveys and things like that, but by a neutral person, not by somebody necessarily is attached to the service of the service provider.

Mr STEVE WHAN: I think they did do a telephone survey.

Ms KRISTINA KENEALLY: Not all of their clients have telephones.

Mr STEVE WHAN: I think we had a question on the same issue about people being willing to complain.

Ms TEBBATT: Yes. That is what we thought was problematic—that they needed to look at other mechanisms, apart from that single one.

Mr RICHARD TORBAY: There is an explanation provided by DADHC about why services provided by Home Care are provided at a higher unit cost. I would be interested if you could expand on where there are opportunities to improve efficiencies.

Ms TEBBATT: We did not actually examine that, but one of the reasons I think for their high cost was some of their workers compensation.

Mr RICHARD TORBAY: Okay.

Ms TEBBATT: I think we actually have in the report that one of the issues was about workers compensation and they had some strategies in place to start looking at that and to reduce some of the claims.

Mr STEVE WHAN: Was that because of the high claims history?

Ms TEBBATT: And the high-risk environment in which they operated.

Ms KRISTINA KENEALLY: The performance audit review also indicates the need for a client fees policy, which DADHC has indicated some progress towards. Do you have any view regarding elements that should be included in a client fees policy for the home care service?

Ms TEBBATT: There was not one. At the time when a person would contact the service and was being assessed, they would be asked about what they were capable of paying. The home care service would suggest a recommended fee and ask what the person could afford to pay. Some people would accept that fee and some people would not, and would say that they could not afford to pay it. We found that people who were on similar pensions or similar allowances were paying totally different fees.

Ms KRISTINA KENEALLY: There was no income test?

Ms TEBBATT: No, there was not. There was no testing about whether the person was capable of paying, and there was no questioning of the basis on which they said they could not afford to pay.

Ms KRISTINA KENEALLY: Are you aware whether or not that has changed?

Ms TEBBATT: No, I am not.

Mr STEVE WHAN: Would they have the capacity to determine that? They would have to rely on the client volunteering income details, would they not? They would not be able to access them.

Ms TEBBATT: The only thing they could probably ask is if someone is on a pension, and then probably set what they consider is a reasonable fee for somebody in those circumstances; and then allow some flexibility around that for specific problems. At that time it depended on what people asked. The other thing they missed out on was a review of fees over time. So that even though costs went up, they did not come back and review the fees that were being charged.

Ms KRISTINA KENEALLY: Or if the client's circumstances had changed.

Ms TEBBATT: Yes.

CHAIR: Did anything come out in the review that you felt either was not satisfactorily responded to by DADHC or you feel could be enhanced upon now?

Ms TEBBATT: I fee the only recommendation they did not accept was the working with children checks for employees working in homes.

Mr STEVE WHAN: I saw that they were not going to do that, but I did not really understand the reason behind it. Did they provide you with a reason for that?

Ms TEBBATT: No, I can only assume that it was some administrative problem related to the number of employees they had. I think the problem was that they were introducing it for all new employees. They took up the recommendation for all new employees but I think they were not willing to apply it to previous employees.

CHAIR: They probably have on the order of 4,000 employees.

Ms TEBBATT: Yes, exactly. It was probably because of that.

Mr STEVE WHAN: How important did you think it was that they do that?

Ms TEBBATT: Working with children checks are exercised for a lot of reasons. For example, for work that we do looking at files maintained by the Department of Community Services—or even, at the moment, the Department of Juvenile Justice for children—we have to go through working with children checks to review the files. We did think at the time that working in a home where there may be children may require that level of checking as well.

(The witnesses withdrew)

KRISTINA VESK, Manager, Corporate and Community Relations, Alzheimer's Australia (New South Wales), Cox's Road, North Ryde, sworn and examined:

CHAIR: The Committee is pleased to hear your evidence. I am advised that you have been issued with a copy of the Committee's terms of reference, and with a copy of Legislative Council standing orders 332, 333 and 334 that relate to the examination of witnesses. Is that correct?

Ms VESK: Yes.

CHAIR: The Committee has received a submission from your organisation. Is it your desire that the submission form part of your formal evidence?

Ms VESK: Yes.

CHAIR: Would you like to make a brief opening statement?

Ms VESK: Very briefly I would like to thank you for the opportunity for Alzheimer's to appear and to give you an indication that I will not be going into any great detail about the program but will be providing more general statements about how HACC funding affects not-for-profit organisations, and in particular Alzheimer's Australia. I would have to say that it is a great program and benefits many people, but of course we would like to see whatever improvements can be made, particularly to efficiency because it is a very complex program.

CHAIR: In your submission you propose one level of administration and planning for HACC rather than the statewide and regional planning that currently exists. On what matters do you believe the State and Commonwealth would need to seek prior in-principle agreement before detailed local and regional planning could commence?

Ms VESK: I think that the main issue is about the quantity of the funding and the ability to plan. When it is annual, it makes it very difficult. We are not talking about matters that change drastically from year to year. We all have access to good demographic data. I think that the point we are trying to make is that, rather than devising really excellent plans from the ground up and then finding out that there is not the money to fund them, it would probably be more efficient to get a better sense—at least with some core funding and some core issues—of the availability of that funding, and then plan. It is an allocation of resources and it is probably better to have an idea of what those resources are and then identify how best to distribute them.

Mr RICHARD TORBAY: In terms of unmet need, you propose an entitlement to program and voucher system for those assessed as eligible. How would you envisage this would work in practice? You believe it would be inherently more costly than the current program? Would quality of service improve as a result of this approach?

Ms VESK: I think the issue there is that a number of people qualify for services under HACC but the services are not available. There is an issue of waiting lists that I am sure you are familiar with. Obviously, it could be an endless sum of money, which clearly is not going to be a reasonable approach. But, if there were some formula that would calculate it, that assessed the minimum standard of meeting need, and if those services were not available through the HACC program people might be able to purchase them independently in the market—whether it be nursing services or whatever it might be—is the thinking behind that.

Obviously I do not think our proposal is suggesting that a blank cheque should be written. We are well aware there are competing demands on government and on the public purse. It is about having a little bit more certainty of services and funding, particularly for people in need, that if that service is not available, they might be able to go elsewhere to get some service that they need.

Mr STEVE WHAN: To follow up on that, taking the point that obviously there is not an unlimited amount of money, do you see that as a way of trying to develop competition in the market for services and bring down the price? How do you see it being more equitable to distribute vouchers than it is to distribute a service, for example?

Ms VESK: I do not think the thinking behind it was about introducing competition. It was more about if a service that is available under HACC is not available to a person in need, can it be accessed from some other source. The thinking behind that was about the end user and the recipient of the service, rather than the providers.

Mr STEVE WHAN: How would you see a voucher being distributed equitably to people? Or who would govern the distribution of the voucher? For instance, would you see there being an income test to go with it? One of my fundamental problems with a voucher system in other areas is the capacity for topping up by people who have money, which could lead to disadvantages for those who do not.

Ms VESK: The thinking was not about presenting a whole system solution again; it was about individuals in need, however that might be determined: we were not making the point. I said earlier that they are not unlimited resources, so we would obviously prefer to see that they were distributed equitably and that people who could afford services will be less likely to receive vouchers or any other assistance while people are in need. Our concern is that the people who need assistance and who want to stay at home in the community, can be supported to do that. It is a matter of government policy about how you determine that distribution. Our view would be, certainly, that there is equity in that system between people in different areas, between people of different backgrounds, and certainly related to income.

Ms KRISTINA KENEALLY: Page two of your submission refers to inbuilt inefficiencies or perverse incentives in the system. What do you think needs to occur to enable the overarching program responsibility for HACC to promote improved efficiency and to eliminate those perverse incentives?

Ms VESK: The key issues might be longer-term plans and security of funding. For example, when you get a grant and there is six months or so to go with it, it is very difficult for an organisation with limited funds to use that on an ongoing program, because you have not got certainty that it will be funded the following year. Let us say that it is a part of an ongoing program. In most years you tend to get the money for it, but you are never quite sure. It makes it really difficult to recruit staff, because you are recruiting people on short-term contracts, which is not very attractive for them. If they find something else they will go; and then you have staff turnover; and you have costs of hiring; and there is the accounting systems—all those things, all the time.

The result for the organisations using the money is often that we have to put a lot of effort into administration and things that do not really deliver service, such as recruitment. If we were given longer-term plans and greater certainty of funding, those costs would come down and it would be more efficient. As well, there is the issue of whether you can sustain a program over a long time or does it have to be a one-off? The nature of it can create a lot of problems for the organisations administering the money, and it means you have to be very nimble. It is probably not the best use of those resources. We would rather see that they are being put directly into service delivery than administration.

Ms KRISTINA KENEALLY: The Committee heard from DADHC today that it is considering three-year funding plans. I take it from your submission that is something you would endorse?

Ms VESK: That would be really helpful.

Mr RICHARD TORBAY: When you talk of equity of service and needs, have you ever looked at it from a regional, rural and remote perspective? Have you looked at some of the impacts of equity of services from their perspective?

Ms VESK: I can only speak for Alzheimer's Australia (New South Wales), I am not familiar with all the other services and would not want to speak on their behalf. For our own part, we certainly make a commitment to reaching as many areas as possible. A lot of our service is done by telephone; we do counselling and support and information by phone. That is the cost of a local call from anywhere. Certainly that meets the criterion.

We take education of dementia care workers and family carers out to different areas as much as possible. From our point of view we are very cognisant of it. Yes, it does cost more, because you have much greater transport and travel costs when you take something, and deliver education in regional and remote areas. But that is a cost that we bear, and we certainly think it is important.

CHAIR: Your submission suggests addressing growth in demand for services by establishing a benchmark for service provision per demographic group, and increasing that as the population ages. You commented that this system is used in aged care places. How would that work in practice with the HACC program?

Ms VESK: I think you probably need to speak to DADHC officers on that. In theory, it is about making sure that there does not have to be that annual competition for funding, when we know that the population is ageing, when we know that the profile of certain groups means that they have particular care needs, when we know what services can assist people to stay at home and be able to stay at home longer. If there were a benchmark, our view is that there would not be any need for that portfolio to have to make an annual claim for why that funding is important.

It becomes a given that if there is x per cent—and we have only given an example, that is not a number that we are advocating—that is something that the Government would have to look at in terms of available funds. It is about making sure that there is some guarantee of service and we know that the population is ageing. I guess there is a lot of concern about how we are going to cope with that in terms of service delivery.

Mr STEVE WHAN: Do I take from that that you do not think the current system of allocating the growth funding is meeting the needs? Is there too much competition in it? Is that what you are suggesting? Or is into driven by who is best at writing an application? Is it unfair in that way?

Ms VESK: Rather than making a remark on how it is now in terms of its pluses and minuses, I would rather stick to saying that what we would like is some certainty. We would like to see some certainty of service delivery outcomes for the ageing population so that people know that in future there will continue to be services available to them. We would like a greater certainty of funding for the groups that deliver those services so we can better plan and make more efficient business plans about what we are doing, so we can find economies in that and deliver better and smarter. There are a number of things that can encourage innovation as well. Sometimes, ironically, imperfections in the system can also do that. The main thing is having a sense of certainty, which is the most important thing.

Mr STEVE WHAN: Would you see a three-year plan as providing that, or do you want a longer term than that?

Ms VESK: I think a three-year plan would be very welcome. It is probably difficult for a longer-term cycle than that in terms of governments. In principle, certainly the longer the better. Having a longer-term vision, perhaps a three-year business plan within that, would be ideal.

CHAIR: Do you wish to add anything?

Ms VESK: We have a really good relationship with the officers of DADHC and we think their people are very concerned and committed and work hard. We are appreciative of that.

Mr RICHARD TORBAY: It is very good to hear that.

(The witness withdrew)

(The Committee adjourned at 2.00 p.m.)