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| MRSC RGB Col-1**Non-confidential report****Scheduled Council Meeting****Wednesday 24 August 2022 at 7pm****Gisborne Administration Centre****40 Robertson Street, Gisborne** |

At the Scheduled Council Meeting on Wednesday 24 August, Council made the decision to change the way it would support older residents in the future, determining that it will transition out of direct service delivery in all funded Commonwealth Home Support Programme services.

The provision of aged care support services has been a feature of Victorian local councils for 40 years, with Macedon Ranges Shire Council being a long-term provider of in-home services to older people in the community.

Council has not made this decision lightly, with a number of key considerations discussed and workshopped since the commencement of aged care reforms ten years ago.

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

Due diligence required Council to review its policy and business strategy in the context of the reforms. Council officers and Councillors have invested heavily and maintained a watching brief over the past ten years, to better understand the implications of the reforms on local government’s capacity to deliver home support services, with a regular review of its service delivery.

Council is contracted to deliver Commonwealth Home Support Programme (CHSP) services until 30 June 2023, at which point all CHSP clients will transition to a new provider. There will be no immediate changes to services currently delivered by Council. Over the next 10 months leading to this transition, Council officers will work closely with clients to provide any support required to transition to a new care provider.

Based on this decision, Council will now enter into a process of staff consultation as part of the introduction to change aligned to its Enterprise Agreement, as well as broad community consultation to understand what the community would like us to prioritise our focus on in the aged care area.

While this decision was made during a confidential meeting, Council resolved to release a non-confidential version of the report through Council’s website, once the confidential resolutions had been acted on, to ensure transparency in its decision making process.

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| **Officer:** | **Naomi Scrivener, Manager Community Wellbeing** |
| **Council Plan****relationship:** | **2. Healthy environment, healthy people** |
| **Attachments:** | **Nil** |

Summary

The purpose of this report is to provide sufficient information to allow Council to fully consider the in-principle decision on its future role as a provider of the Commonwealth’s new Support at Home Program.

This outcome of this report will initiate service agreement, transparency and industrial obligations to provide notice and advice of its decision to the following parties:

* the Commonwealth Government
* clients and families; and
* affected staff, volunteers and unions.

Underpinning the basis for this decision, Councillors:

1. Note that since 2011, the Commonwealth has progressed implementation of a consistent and integrated national aged care service system, based on increased consumer choice and control and competition between providers to drive quality improvements and service efficiencies, with a final transition date of 1 July 2024.
2. Acknowledge that due to inherent service cost, financial constraints, competition policy and other structural challenges, Macedon Ranges Shire Council (Council), along with many other Victorian councils, may not be able to play a meaningful future role in, in-home service delivery.
3. The basis of this report’s recommendation will enable direct engagement with clients, families, staff and unions. It will also allow Council to develop an appropriate transition plan with the Commonwealth.
4. Note that a future decision to transition out of the CHSP will trigger industrial obligations to long-serving staff and will have outside of budget cost implications.
5. Resolve to receive a further report no later than November 2022 to confirm this decision and the details of transition, including timing of transition, safety-net provisions, transition arrangements for clients, transition support for staff, implications for Council assets and facilities and the communication of this to the broader community. This will also include recommendations based on community consultation for the future direction of Council’s role in supporting older persons.

Recommendation

**That Council :**

1. **Determines that it will transition out of direct service delivery roles in all funded Commonwealth Home Support Programme services:**
	1. **Domestic Assistance;**
	2. **Personal Care;**
	3. **Flexible Respite;**
	4. **Social Support – Individual; and**
	5. **Centre based meals.**
2. **Commits to working with the Commonwealth Government to negotiate timing and transition processes that will protect the interests of clients, their families, staff and the broader community.**
3. **Notes that under its service agreements, all processes and matters related to the transition process will remain confidential until the Commonwealth provides consent for release of information.**
4. **Affirms that, in taking this decision, it will continue to play an active role in ensuring its community will receive high-quality aged care services and will advocate for the needs of vulnerable members of the community.**
5. **Commits to the values and principles outlined in Appendix A of the report, to underpin and support decision making through the transition process.**
6. **Review its policy direction towards future investment in positive-ageing initiatives and ensuring that Council’s universal services and facilities are designed to meet the needs of a growing population of older residents. Further policy work and recommended directions will be referred to the 2023/24 budget process for review and approval.**
7. **Notes that Council’s policy objective of ensuring that older adults seeking to live independently in the community will continue to have access to home support services.**
8. **Provides delegated authority to the Chief Executive Officer, or their nominee, to undertake or commission all tasks and activities related to the implementation of this council decision.**
9. **Appoints the Mayor and CEO as spokespersons for all matters related to the Home Support Program Transition process.**
10. **Approves that a non-confidential version of this report and resolutions be made public through Councils website once the confidential resolutions have been acted on to ensure transparency in Council’s decision making process.**
11. **Approves immediate notification of its decision to, and appropriate consultation with:**
	1. **clients and families;**
	2. **staff, volunteers and union representatives;**
	3. **media and other communications; and (d) the broader community.**
12. **Receives a further report no later than November 2022 to confirm the details of transition, including timing of transition, the process for appointment of new provider(s), safety-net provisions, transition arrangements for clients, transition support for staff, implications for Council assets and facilities and communications to the broader community.**

Background

Council has been an important provider of home and community care services, which assists older people to live independently in the community. Through the previous Home and Community Care (HACC) program, this was an important part of the core mission for Victorian Local Government for almost 40 years. This highly integrated system was peculiar to Victoria and was not replicated in other states.

Australia’s integrated national aged care program has been undergoing significant reforms over the past 10 years, following a Commonwealth direction to take full responsibility for aged care in August 2011, including the establishment of the National Disability Insurance Scheme at around the same time.

The key drivers for the aged care reforms included:

* the number of people in Australia requiring aged care (in some form) would increase by 350 per cent between 2011 and 2050;
* significant system weaknesses (difficult navigation, limited services, variable quality, and no consumer choice) and inefficiencies (duplication of effort, no competition, and high-cost structures) that needed to be eradicated; and
* real concern that the cost of providing adequate care for older people in future would be unaffordable as a nation.

Attributes of the current aged care model include:

* CHSP – ‘entry level’ basic home support and community-based services – domestic assistance, personal care, shopping etc. – this program provides services to 839,400 older Australians nationally
* Home Care – four levels of ‘packaged care’ funded from basic to high care to maintain independence – services were provided to 175,000 older Australians
* Residential Care – funded residential aged care (respite and permanent) – 310,000 older Australians nationally

Design principles for the aged care reforms have remained very consistent since initiation, these include:

* **Consumer Choice and Control** – funding is provided directly to the clients based on assessed need to support choice and control – the client purchases services from a range of providers. This has a strong human rights and philosophical basis but introduces competition and signals the end of ‘block funding’ certainty for providers in most circumstances.
* **A Simplified Gateway** – My Aged Care is the single point of entry for all Australians to access aged care services – the 2017 Legislated Review of Aged Care has recommended merging of the RAS (Home Support) and Aged Care Assessment Teams (ACAT) (Residential Aged Care) into a streamlined national assessment service.
* **Demand Driven System** – the current ‘block funded’ and supply driven system will progressively move to a ‘demand driven’ funding system to ensure consistent services are delivered, rather than region based. This ensures that individual older people’s needs will be better assessed and met.
* **Competition Policy** – there is a renewed national focus on competition policy to drive economic growth, productivity, and efficiency in service delivery. It is likely that future program design will be based on market and competition principles meaning that local government will face direct market exposure and ratepayer subsidies will be in effect prohibited.
* **Monopoly Market** – the current protected market arrangements are being completely dismantled to facilitate open competition and improved efficiency. Local government is not equipped to effectively operate under market conditions. (Block funding may be retained for some niche programs and regional and remote areas, but most of the program will likely be on a ‘most efficient’ multiple provider basis).
* **Market Efficiencies** – the Commonwealth is seeking to reduce transaction costs by having fewer contracts with larger organisations who can operate across large geographic areas – it is unclear whether there will be direct contracts between the Commonwealth and individual local governments after June 2023.
* **Client Contribution** – the Commonwealth expects that all Australians will make a consistent contribution to care, depending on their capacity and capability.

Recent reform decisions

Since the May 2021 Federal Budget there has been ongoing and significant response to the Aged Care Royal Commission, which included:

* $6.5 billion for 80,000 additional aged care packages;
* $3.9 billion for improved front line residential care;
* $630 million improved access for vulnerable Australians;
* $365 million for better transition to residential care;
* $230 million to strengthen aged care quality and compliance;
* $49.4 million for aged care training;
* $21 million for improved sector governance; and
* $13.4 million to Primary Health Networks to drive better coordination.

The budget included an announcement of an extension of the CHSP program to 30 June 2023 to enable the design and rollout of the new ‘Support at Home’ program. The original reform timing was for completion by 30 June 2018, and this has been subject of four extensions: one to 2019, then to 2020, again to 2022 and to 2023 with further advice that this will now be extended to July 2024.

The ‘Support at Home’ program will be a new integrated program commencing 1 July 2024, combining CHSP, Home Care Packages, Residential Respite and Short-term Restorative Care. This integrated model will most likely be client-directed, offer a range of providers (i.e. a market-based model) and require that providers offer a suite of services across in-home, personal, nursing and allied health.

The Regional Assessment Service that undertakes intake and assessment for the CHSP and HACC PYP (Program for Younger People) programs was on a pathway to a national streamlined model by 1 July 2020. This initial plan was delayed, pending the outcomes of the Aged Care Royal Commission. In May 2021, the Commonwealth announced that it would initiate a unified assessment model in 2022, and this new program will have responsibility for the new ‘support at home’ program from July 2024.

The Aged Care Royal Commission and broader aged care reforms have a critical focus on quality and compliance frameworks. This is already reflected in the rigorous requirements of the Aged Care Quality Standards, which have applied since 1 July 2019, bringing an increased focus on training of staff, compliance, and outcomes for clients. Enhancing quality and safety is a major focus of the final Royal Commission Report, and the Commonwealth has confirmed there will be an increased emphasis on compliance and reporting for all providers.

The Commonwealth has advised that the future extension period for CHSP will be based on “payment in arrears”. CHSP providers will invoice at the end of each month for actual services delivered, rather than Council being paid in advance each quarter with any unspent funds being recouped through the end of year acquittal or subsequent audit. The Commonwealth has identified four benefits of this approach:

* Alignment with future reforms – the Support at Home program will support availability of services through funding following the individual client in most cases. Payment in arrears facilitates this process and ensures a consistent consumer experience across all levels of care.
* Better consumer choice – payment in arrears encourages a more direct relationship between services that are available and what consumers want. It also ensures access to services in a timely manner.
* Accountability – paying for services that have been delivered is a more accurate and accountable use of government funds.
* Reducing unspent funds – payment in arrears reduces unspent funds and allows reallocation of funding to where it is most needed as quickly as possible.

Macedon Ranges Shire Service Profile

Council is considered a small provider of CHSP services. The largest Victorian Local Government providers deliver over 120,000 hours of in-home services per annum compared with Council’s 22,645 hours. Some larger not-for-profit providers deliver many hundreds of thousands of hours of service across CHSP and Home Care Packages, under multi-million dollar agreements with the Commonwealth. Council services are funded under CHSP, a national program aimed at maintaining independent living for people over 65 (or 55 for Aboriginal and Torres Strait Islander people) funded by the Commonwealth.

Services are funded from three main sources:

* Unit price – under block funding, the government pays Council a unit price for services delivered under each program
* Client contribution – the client or carer pays a fee for service, depending on their means
* Ratepayer – the cost of delivery is subsidised by income from rates

In addition to CHSP services, Council has current funding agreements to provide the following services and projects that support the needs of older people in the community:

* **Regional Aged Care Assessment Services** – assessment of seniors and referral to funded support organisations (currently funded until 30 June 2023). Has contact with over 1,000 seniors annually through assessments and reviews.
* **Village Connect** – This project aims to bring older people together both online and in person and attend activities that support good mental and physical health and enable better connections to the local community. This program is funded to June 2024.
* **Healthy Hearts** – Healthy Hearts of Victoria aims to improve health outcomes for the community living in Central Victoria. The initiative is a joint initiative of the Loddon Campaspe Regional Partnership and involves the shires of Macedon Ranges, Greater Bendigo, Loddon, Mount Alexander, Central Goldfields and Campaspe. It will fund updates to existing spaces, facilities and programs that help Macedon Ranges residents to be more active, healthy and well. This project is funded until June 2026.

Further to the above externally funded services, Council funds the following functions that support and advocate for older people:

* Social and affordable housing advocacy
* Seniors housing units
* Municipal Public Health and Wellbeing Plan
* Disability Action Plan
* PARTICIPATE: Healthy Ageing Strategy

Beyond this Council holds accreditation to the World Health Organisation Aged Friendly Cities and Communities, and is a signatory to the EveryAGE Counts campaign.

Discussion

Support at Home Program

Council must consider whether it is able to play a meaningful role as a provider of services under the future Support at Home program. Further whether the provision of these services to a limited number of residents is in the broader public interest. Council could consider its options including transitioning out of direct service delivery to focus on broader policy areas such as positive ageing, health and wellbeing and adaptation of universal services to better meet the needs of older citizens.

Participation in ‘Support at Home’ will likely require Council to extend its suite of programs well beyond current entry level services, for example, more complex personal care. This extension will require higher standards and clinical governance further adding to costs and complexity.

In 2021/22 financial year Council delivered services to less than 5 percent of its population of older persons. The vast majority of clients (approximately 322) receive domestic assistance as the key service requested.

Mandate to operate

Council’s current mandate was established over 30 years ago, and has been as a ‘block funded’ service provider for the majority of CHSP program hours and units for the shire. Block funding provided certainty and security for Council in how services are planned and delivered.

* A future mandate under the Support at Home program will most likely be on the following criteria:
* Area – preference will be given to providers operating across one or more Aged Care Planning Regions, including state-wide or national basis.
* Consumer directed funding – funding will be directed to the consumer, and they will have choice and control over which provider they will select. This automatically places Council under market or competition arrangements, and severely reduces certainty.
* Payment in arrears – payment will be based on delivered units and paid following submission of monthly invoices. Council will need new business systems and sufficient cash flow to sustain operations.
* Expanded service suite – there will be an expectation that single providers will span entry-level to complex care requirements; this will invoke increased quality, compliance, and clinical governance requirements.

Workforce

Most Victorian Local Government providers have experienced significant competition for qualified direct care workers in recent years. Like other councils, Macedon Ranges has been challenged by varied community demand for services, the uncertainty of year-to-year contract extensions and other issues related to recruiting in regional and rural localities.

Cost of Services

In the context of what the Commonwealth is seeking to deliver, Victorian councils are a relatively inefficient and expensive provider of services. Unit costing analysis conducted on over 30 councils found that the delivery of all in-home services requires a ratepayer subsidy of between $20.00 and $35.00 per hour to deliver.

From a public interest perspective, if Council was not the provider, the Commonwealth will be responsible and accountable for the delivery of services and the ratepayer subsidy could be redirected to alternative priority areas.

Other financial implications of this decision include:

* the Commonwealth is facing an incredibly significant increase in demand for services (> 350 per cent) and must find the most efficient means of delivering a universal service platform for all Australians, no matter where they live;
* the Commonwealth believes services can be delivered for a cost equal to the funding provided, plus the fee paid by the client, with no other subsidy (around $50.00 per hour);
* all levels of government should be seeking to achieve the most efficient means of delivering outcomes for the community. Market sounding completed by Mach2 Consulting indicates there are regional and national aged care providers who would be able to deliver CHSP the Macedon Ranges Shire;
* Victorian ratepayers are currently subsiding a service that is the responsibility of another level of government (essentially voluntary cost-shifting) – the Commonwealth has taken full responsibility and does not require local government support or subsidy to deliver services; and
* National Competition Policy states that any level of government should not subsidise services where there is a reasonable alternative.

Risk Management considerations

A comprehensive risk and community impact analysis has been completed for Council. The high-level risks associated with this decision include:

* **Future Cost of Services** – the current estimated ‘cost to council’ for the main Home Support services is based on ‘block funding’ and a consistent demand for service. It’s highly likely that, with increasing demand and the introduction of competition and consumer directed care, the future cost of service will increase and there will be higher volatility and commercial risk.
* **Avoided risks** – by choosing to transition out of service delivery, Council is avoiding a significant number of risks, these include commercial risk, business continuity, competition policy and clinical governance.
* **Investment in Innovation** – if Council seeks to remain as a provider of services post 2023/24 it will need significant investment to support the reorientation of its operating model. This will require renegotiation of industrial arrangements, investment in business processes and technology, reducing overheads, working capital (move to payment in arrears) and capability to quickly increase and reduce scale of operations.
* **Unit Cost** – the unit cost of delivery by local government is relatively high when compared to the level of funding provided and the operating costs of not-for-profit and other non-government organisations. Significant industrial and operating reform would be required to seriously change local government cost structures, and/or an increase to costs attributed to the older person receiving service.
* **Commercial Risk** – the introduction of ‘consumer directed care’ and likely end of ‘block-funding’ will introduce significant commercial risk for Council. Councils have operated in a highly collaborative, almost monopoly market, for 30 years and will have difficulty in adapting operating models to meet these challenges.
* **Scale of Operations** – some councils have examined if growing the scale of operations might be a solution to responding to the reforms. Investigation of this option has indicated that growth in a highly competitive market is unlikely, due to inability to expand geographic boundaries, inherent cost structures, limited range of service offerings and lack of experience.
* **Full Cost Attribution** – most local government budgets reflect only direct operating costs and local management overhead. Full cost attribution will reflect direct and indirect operating costs, local and corporate overheads, costs of assets deployed in service delivery and adjustments for tax and other advantages derived from being a level of government.
* **Market Competition** – it’s more likely than not that ‘limited or full-market competition’ will be introduced in the commissioning of aged care services. Council will need to restructure its operating model and cost structures to adapt to this emerging challenge.
* **National Competition Policy** – NCP requires Council to completely remove underlying rate-payer subsidies or pass costs on to consumers. Council can undertake a Public Interest Test, but it is not likely to be able to justify continued subsidisation when in competition.
* **Thin Market** – the lack of viable alternate providers is a real risk in regional areas. The responsibility for ‘market stewardship’ and ensuring viable providers sits with the Commonwealth, who have significant market power and influence. The Commonwealth has been clear in their responsibility and direction to ensure market choice for seniors now and into the future.
* **Industrial and Employee Relations** – every scenario or pathway for Council contains industrial and employee relations risks. These include industrial obligations under the Enterprise Agreement; renegotiation of employment arrangements and a moral obligation to long-serving staff.
* **Managing Transitions** – Council will need to manage the transition of many individual clients, should it choose to exit in a timeframe negotiated with the Commonwealth. Investment will be required to provide a safety-net, to ensure positive outcomes for clients and community.
* **Addressing Vulnerability** – most clients will make a transition with limited support from Council. It is understandable that Council has a high level of concern for vulnerable members (social isolation, at risk of homelessness etc.) of the community, and therefore it will invest in transition programs and safety-nets to provide appropriate support structures.
* **Advocacy** – There is a clear need for strong advocacy to the Commonwealth Government on the risks for local government arising from the reforms. This includes holding the Commonwealth accountable for service delivery outcomes, ensuring the market stewardship roles are fulfilled and making representations on the needs of vulnerable citizens and communities.

**Pathway options for Council**

Option 1 – Plan for service provision beyond 30 June 2023

Preparation for service provision under the future Support at Home program will require Macedon Ranges to completely redesign its service and business model, as well as reduce its cost structures by at least 35 per cent to 40 per cent. Expansion of the traditional service model into more complex care will significantly increase risk and require commitment to clinical governance.

Market competition will be used as a driver of quality and efficiency under the new program, and this will invite commercial risk and application of National Competition Policy competitive neutrality principles. Local government cost structures are inflexible and the biggest barrier for Council (and all local government providers) is scale of service provision and inability to amortise local overhead costs.

Option 2 – Transition out of direct service delivery and focus on broader policy

This option is recommended as being in the public interest and aligned with Council’s broader obligations to the community, including the endorsed Positive Ageing Strategy. Council accepts that Commonwealth policy is moving towards a consistent national integrated aged care system and that this will require more efficient providers who can deliver services across a broad spectrum of needs.

A decision to transition out of its long-term commitment to service delivery is a significant one, and not taken lightly. Council has an obligation to resource and support an effective transition for clients and staff under this pathway. Council will proactively manage an effective transition out of service delivery and ensure that all clients (and especially those clients that are vulnerable or at risk of social isolation) are provided with support.

Consultation and engagement

A decision to change its future service delivery model will require Council to enter into a process of staff consultation as part of the introduction to change aligned to its Enterprise Agreement.

The outcome of Council’s decision will trigger an extensive community consultation, which will include surveys, face-to-face meetings and a series of Q&A documents to clearly communicate changes affecting current clients and staff, but also providing an opportunity for all older persons to engage in the conversation regarding Council’s future direction in support of seniors. Face to face sessions will be undertaken by an external consultant and be focused on sessions for clients, community members and carers in five townships, with a communication and outreach strategy aimed at reaching a broad range of seniors.

A report will be provided for Council’s consideration, based on the outcomes of this consultation no later than the November 2022 Scheduled Council Meeting.

Collaboration

Public collaboration has not been required at this stage.

Officers have engaged with the MAV, senior Commonwealth advisors, regional Directors and Managers, and subject matter experts in understanding and developing the aged care reforms and service review data provided to Council to date.

Leadership has also ensured all impacted staff and the Australian Services Union have been informed, and provided with opportunities to ask questions and provide feedback over the past several months. A copy of the questions that staff have asked from May – August 2022, and the answers to these have been provided to Councillors to ensure transparency.

Innovation and continuous improvement

Council has been briefed over the past decade with the progression, implementation and impact of aged care reform. Over this time, consultant Mach2 has been engaged to brief Councillors and officers on the impact of these changes to Council. Two reports have been prepared; June 2022 - Pathway options and financial analysis, and July 2022 – Benchmarking. These reports have guided this report and recommendations.

Relevant law

Commonwealth Policy

The Commonwealth took full policy, funding, and commissioning responsibility for an integrated aged care program in August 2011, and has proceeded to implement a range of reforms, based on very consistent design principles. The Commonwealth is seeking to design and deliver a nationally consistent consumer-centric, integrated and flexible aged care system that meets the needs of all older Australians.

National Competition Policy

A constraint on Council decision-making is the application of National Competition Policy to local government in Victoria. The Commonwealth is likely to apply market principles to a future Home Support service model, meaning National Competition Policy and Competitive Neutrality Principles would therefore apply to local government operations.

Principles apply to the significant business activities of councils and not to non-business or non-profit activities. The concept of ‘significance’ is defined on a case-by-case basis, looking at the importance of competition in a specific market. Given the Commonwealth is moving to a market-based model for delivery of future services, it is reasonable to assume that there will be a high degree of focus on ensuring the market is not distorted or disrupted by government-subsidised activity. There is a mandated ‘public interest test’ that must be undertaken if Council wishes to continue to provide services that are subsidised in competition with other ‘not-for-profit’ and ‘for-profit’ providers. There is no viable or significant public interest in Council continuing to be a provider in competition with more efficient and more effective non-government providers.

Industrial obligations

Council has industrial obligations to staff to ensure engagement, notification of change, and consultation with staff aligned to its Enterprise Agreement. The changes anticipated by this decision will trigger these obligations, and therefore Council must be clear on its position around engagement of staff and notification of unions.

Human Rights

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

Relevant regional, state and national plans and policies

* Commonwealth Aged Care Reforms and related policies as previously described in this report.
* Royal Commission into Aged Care Quality and Safety (2018 – 2021)

Relevant Council plans and policies

* *Council Plan 2021-2031*
	+ This report relates to the Council Plan 2021-2031 strategic objective Healthy Environment and Healthy People: Support our community to ensure better access to connection for facilities and services.
	+ Council’s transition from being a provider of home support services will potentially strengthen its capacity to invest in positive ageing and health and wellbeing initiatives for older citizens.
	+ Council can continue to play a strong advocacy role to ensure older residents have access to quality aged care services. Not being a provider will enable Council to take a more active planning and coordination role, eliminating any conflicts.
	+ Council can have a future focus on adaptation of universal services (recreation, leisure, libraries, open space etc.) to meet the needs of older citizens and people with a disability.
	+ It’s in the interests of the Commonwealth and Council to have a diverse range of home support and aged care providers servicing regional needs. The aged care system is much larger than home support services, and future providers can bring additional benefits, investment, and employment opportunities to the shire
	+ Future providers will deliver across aged care planning regions (eight to 10 local government areas) and deliver services to meet entry-level through to complex care needs, meaning more access to services for those in our region.
* *Participate: Positive Ageing Plan 2020-2025*

Participate recognises that the term ‘older person’ covers a large age range. The attributes, needs and interests of older people are as diverse as with any other population group. An age-friendly Macedon Ranges needs to cater for the diverse interests, abilities and lifestyles of older people. The 2021 census identifies that the over 65 population for Macedon Ranges is 9,834. Of these, 428 people are currently accessing services through Council. This is 4.35 per cent of the population of over 65s. Should Council exit services and reinvest into other focused activities, there will be more scope to meet the diverse interests and needs of older people in the Macedon Ranges.

Financial viability

This report has significant financial implications for Council.

The ongoing ratepayer subsidy is not required to deliver Commonwealth policy objectives of an integrated aged care program to support older people to live independently in the Macedon Ranges Shire community.

Should Council endorse the recommendation to not become a Support at Home provider, it will need to commit resources to support an effective transition process. Any outside of approved budget requirements will follow a transparent and appropriate approval process to be determined post endorsement of the Commonwealth directed transition process.

The cost to transition into Support at Home is unknown but is likely to include investment into new IT systems, change to finance processing and upskilling of staff. There is increased financial risks associated with the competitive market and shift away from block funding. Significant service delivery changes may be required to bridge the gap between the funded unit cost and actual service delivery costs. Council would need to reduce its service delivery costs by approximately 40 percent to make up its current shortfall.

It is recommended that Council’s Audit and Risk Committee receive a review report at the end of the transition process, which summarises all costs and addresses lessons learned.

Sustainability implications

There are no environmental sustainability implications associated with this report.

Officer declaration of conflicts of interest

All officers involved in the preparation of this report have declared that they do not have a conflict of interest in relation to the subject matter.

All Council Officers involved in the development and advice provided in this Report affirm that no general or material interests need to be declared in relation to any matters in this Report.

Appendix A

Officers propose that any work, discussion and decision regarding the delivery of services will be aligned with Council’s values:

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| **Honesty:**  | We will be transparent and accurate with the information provided.   |
| **Working together:**  | We acknowledge the difficult role that Council has been required to take, due to the reforms. We will work with all of our stakeholders and partners towards the best possible community outcomes.  |
| **Respect:**  | We will ensure that clients, staff and volunteers are all provided opportunities to give feedback and be part of the process. We will always acknowledge the valued work delivered by our staff and volunteers, some who have supported Council for many decades. Any decisions will be communicated first to those impacted, and any required supports will be provided.  |
| **Accountability:**  | We will do what we say we will. We will meet timelines and communicate any changes to the project.  |
| **Innovation:**  | We will look towards best practice models, which will support current client and carers, as well as emerging older persons as their needs and aspirations evolve over time.  |