

The Parliament of the Commonwealth of Australia

There's No Place Like Home

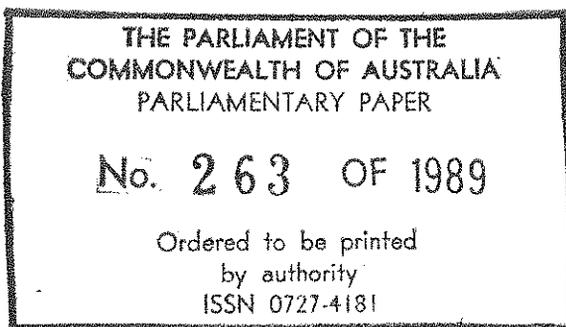
A Review of an Efficiency Audit of the
Department of Community Services and Health
Home and Community Care Program

Report of the House of Representatives
Standing Committee on
Finance and Public Administration

October 1989

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Membership of the Committee

Chairman: Mr S.P. Martin, MP

Deputy Chairman: Hon. I.B.C. Wilson, MP

Members: Mr R.A. Braithwaite, MP
Dr R.I. Charlesworth, MP
Mr M.R. Cobb, MP
Mr B.W. Courtice, MP
Mr R.F. Edwards, MP (from 12 April 1989)
Mr G. Gear, MP
Dr J.R. Hewson, MP (to 20 October 1988)
Mr H.A. Jenkins, MP
Mr F.S. McArthur, MP
Mr J. Saunderson, MP
Mr R.F. Shipton, MP (from 20 October 1988)
Mr D.W. Simmons, MP (to 12 April 1989)

Secretary: Mr P.F. Bergin

Membership of the Subcommittee

The following Members served on the subcommittee during the course of the inquiry

Chairman: Mr S.P. Martin, MP

Members: Mr G. Gear, MP
Mr H.A. Jenkins, MP

Secretary: Mr P.F. Bergin (from 7 February 1989)
Ms M. Telesny (to 7 February 1989)

Inquiry Staff: Ms S. Fisher
Ms A. Garlick

Terms of Reference of the Committee

The Standing Committee on Finance and Public Administration is empowered to inquire into and report on any matters referred to it by either the House or a Minister including any pre-legislation proposal, bill, motion, petition, vote or expenditure, other financial matter, report or paper.

On 28 July 1988 the Minister for Housing and Aged Care referred to the Committee an inquiry into the efficiency Audit Report of the Department of Community Services and Health: Home and Community Care Program.

List of Abbreviations

AAO	Australian Audit Office
ACOSS	Australian Council of Social Service
AMA	Australian Medical Association
DCSH	Department of Community Services and Health
EA REPORT	Efficiency Audit Report
F & PA	Finance and Public Administration Committee
HACC	Home and Community Care
MRCWP	Macarthur Respite Care Working Party
PP	Parliamentary Paper

Summary of Conclusions and Recommendations

The Conduct of the Efficiency Audit

The Committee concludes that the EA Report identified a number of significant problems with the HACC Program (para 2.22).

The Committee recommends that the Auditor-General designate an efficiency audit of the Home and Community Care Program after the release of the Second Triennial Review of the Program (para 3.21).

The Committee recommends that the Auditor-General consider and report to the Parliament on the ways the conduct efficiency audits of joint Programs can be improved (para 8.7).

Accountability

The Committee concludes that:

- (a) That the states continue to have a key role in the HACC Program.
- (b) This role has been acknowledged in both the EA Report and the HACC Review.
- (c) There have been some measures taken to assist the States in the program.
- (d) The national guidelines and the state strategic plans are part of the accountability structure (para 5.37).

The Committee recommends that the Department of Community Services and Health detail in its annual report the States which have not provided the appropriate statement and the measures taken to assist those States to provide the statement (para 4.25).

The Committee concludes the preparation and publication of the state strategic plans is a most welcome initiative (para 5.31).

The Committee recommends that the states strategic plans be regularly reviewed and discussed by the Commonwealth and State officials (para 5.37).

The Committee recommends that the National Guidelines be the subject of regular review (para 5.37).

Local Government

The Committee recommends that the Department of Community Services and Health draw to the attention of Local Government authorities the role that Local Government can play in the further delivery of the HACC Program and encourage the participation of Local Government in the Program (para 6.10).

The Committee concludes that:

- (a) A feature of the HACC Program is its involvement with the community.
- (b) There is a requirement for a community input into the Program.
- (c) The HACC Advisory Committees provide the opportunity for such a input and should be encouraged (para 6.23).

Meals on Wheels

The Committee concludes that the Meals on Wheels Service makes a significant contribution to the Home and Community Care Program (para 7.14).

A feature of the Meals on Wheels service is the daily contact that it provides for the recipient of the meal. It also provides an acknowledgement for the volunteer. While the efficiency aspect of weekly deliveries might be worthy of further investigation the Committee, because of the wider social issues, would be reluctant to endorse such a proposal unless there were special circumstances (para 7.19).

The Committee recommends that DCSH facilitate and support the establishment of a National Meals on Wheels Organisation (para 7.21).

Other Issues

The Committee concludes that the availability of appropriate information is crucial to the long term development of the HACC Program, however it is the receiver of the service who should be the prime concern, not the information about the service (para 6.30).

The Committee concludes that the assessment teams have a critical role to play in the HACC Program (para 6.38).

The assessment teams however must be responsive to and aware of not only the community it serves, but the individual in the community who is the subject of the assessment. The Committee recommends that the individuals and the individuals needs be the focus of the assessments teams (para 6.38).

The Committee recommends that the provision of respite care for carers be allowed for under the HACC Guidelines (para 6.47).



CHAPTER 1

INTRODUCTION

Introduction

Background

1.1 This report examines an Efficiency Audit (EA) Report by the Auditor-General of the Department of Community Services and Health: Home and Community Care Program (HACC). It is the tenth audit report to be reviewed by the House of Representatives Standing Committee on Finance and Public Administration (F&PA).

1.2 The EA Report was tabled in the House of Representatives on 24 May 1988 and referred to the Committee by the Minister for Housing and Aged Care on 28 July 1988.

1.3 The House of Representatives Standing Committee on Expenditure presented two reports on accommodation and home care for the aged. The first one of those reports was included in the list of previous reports included at paragraph 1.4 of the EA Report. That report, In a Home or At Home: accommodation and home care for the aged, was presented to the Parliament in October 1982. The Expenditure Committee found that most elderly people wanted to remain in their own homes but there were factors which prevented this and went on to note:

The Committee identified the basic reason for the predominance of institutional care as the relatively generous financing provisions for the construction and operation of nursing homes compared to the resources available for alternative forms of community based care (P P No 283/1982, p. viii).

1.4 The second report, a follow up report, was presented in October 1984. That report In a Home or At Home: Accommodation and Home Care for the Aged A Follow-Up Report, considered the responses to the earlier report. It noted that the first report had been considered:

The most impressive of a number of reports on aged care which had been presented over the last decade (P P No 292/1984, p. 53).

1.5 The second report went on to note that the Government had announced that it would implement a new HACC Program which would not only consolidate some existing community care programs into a single program but which would also incorporate some new initiatives in community care for the aged (P P No 292/1984, p. 54-55).

1.6 In its submission the Department of Community Services and Health (DCSH) acknowledged that:

The HACC Program was introduced in 1985-86 following the McLeay (In a Home or At Home: accommodation and home care for the aged, Report from the House of Representatives Standing Committee on Expenditure, October 1982) and other reports which identified that existing community services were relatively undeveloped and fell short of community need (Evidence, p. S104).

1.7 This long standing interest in and commitment to the HACC Program led the Committee to seek the reference of the EA Report to the Committee.

Aim of the Report

1.8 As with earlier reviews of EA Reports by the former Expenditure Committee and the Finance and Public Administration Committee, the aim of the review was to:

- . assess the substantive content of the audit exercise and quality of the EA Report
- . examine the response of the auditee to the EA Report.

1.9 The Australian Audit Office (AAO) noted that the HACC Program is a Commonwealth State Program involving local government and other interested parties. According to AAO:

It is a difficult program to administer and it was difficult for Audit to review (Evidence, p. 3).

1.10 The review of the EA Report presented the Committee with a challenge since it involves three spheres of government as well as community organisations.

Conduct of the Review

1.11 In accordance with established practice the Committee appointed a subcommittee to conduct the inquiry.

1.12 The inquiry was advertised in the national media and submissions invited. In response to the invitation the subcommittee received 48 submissions. These submissions were authorised for publication and are contained in separate submissions volumes.

1.13 The subcommittee conducted four public hearings in Canberra and one in Melbourne at which some of those who had made submissions were invited to appear before the subcommittee.

1.14 Details of witnesses who appeared at public hearings and submissions authorised for publication are at Appendixes I and II, respectively.

1.15 The transcripts of the public hearings and other evidence authorised for publication have been incorporated in separate volumes and copies are available for inspection in the House of Representatives Committee Office and the Parliamentary Library. References to evidence in the text of this Report relate to page numbers in those volumes.

1.16 In addition to conducting formal public hearings the subcommittee went out of the hearing rooms and into the program areas. Discussions were held with the deliverers and recipients of the service in Brisbane, Sydney and Adelaide. During the visits members assisted in the delivery of Meals on Wheels and on one occasion sampled a meal.

The Home and Community Care Program

1.17 The Program was introduced in 1985-86 following a number of reports which suggested existing community services were found to be:

- . unevenly distributed
- . could not meet demand for domiciliary services
- . had insufficient resources to provide the full range of domiciliary support services required to maintain aged and disabled people in the community (Evidence, p. S104).

1.18 The DCSH noted that prior to the introduction of HACC, services in this area were provided under four Acts:

- . Home Nursing Subsidy Act 1956
- . States Grants (Home Care) Act 1969
- . States Grants (Paramedical Services) Act 1969
- . Delivered Meals Subsidy Act 1970.

1.19 The services provided included home care services, home nursing, senior citizens centres as well as paramedical services such as podiatry and occupational therapy.

1.20 The total expenditure on the Program has more than doubled in the three years since 1985-86.

1.21 The expenditure in recent years is set out in Table 1.

Table 1

Home and Community Care expenditure 1984-85 to 1988-89

Financial Year	State/Territory Expenditure (\$m)	Commonwealth Expenditure (\$m)	Expenditure %	Total HACC Expenditure (\$m)
1984-85	75.5	78.5	51.0	154.0
1985-86	81.3	90.8	52.8	172.1
1986-87e	105.1	135.7	56.4	240.8
1987-88e	124.8	169.4	57.6	294.2
1988-89e	146.7	209.0	58.8	355.7

Notes:

1. Expenditure includes fund provided under the HACC Agreements as well as additional unmatched money provided by the Commonwealth.
2. e = estimated.

CHAPTER 2

THE EFFICIENCY AUDIT

The Efficiency Audit

The results of the Audit highlighted many of the problems and the Department has agreed to implement many of Audit's recommendations (EA Report, p. 2).

Conduct of the Audit

2.1 On 17 June 1987 the audit was designated an efficiency audit report. That designation was preceded by preliminary examinations including a minor project audit by the Sydney Audit Office according to AAO.

2.2 The audit was not an Australia wide exercise. It was conducted in DCSH's Central Office in Canberra and the State offices in Sydney and Brisbane. The decision to conduct the audit in Queensland 'was more a function of the staff availability in that State' (Evidence, p. 5). The officers who conducted the audit were drawn from the Sydney and ACT offices and 'were familiar with the audits of programs in departments as well as financial statement information' (Evidence, p. 5).

2.3 The EA Report was presented to the Parliament on 24 May 1988 at a cost of \$163,533.

2.4 The DCSH suggested - 'there was quite a long process of them learning about the program from the Department and other sources' (Evidence, p. 39). In response to a question regarding familiarity with the subject matters and the qualifications of the audit team DCSH noted:

Obviously they have expert backgrounds in auditing and financial matters ... The obvious point to make is that the auditors are not program managers ... (Evidence, p. 39).

Timing of the Audit

2.5 The HACC Program is a Commonwealth initiative which formally commenced on 1 July 1985. As noted earlier the audit was designated on 17 June 1987, ie within two years of the commencement of the Program. It was only some 14 months after the last formal agreement on participation in the Program had been signed. The last State to join the Program, Queensland, joined on 8 April 1986.

2.6 The timing of the EA Report, was according to DCSH, 'difficult for a number of reasons' and DCSH went on to suggest that the audit was premature:

Firstly, that the HACC review process which is a joint Commonwealth-State process was about to start; secondly, there were major pressures on staff in terms of the implementation of the program; and thirdly, the point to which you yourself have referred and that is simply the newness of the program and the early nature of its life. For those reasons we thought the audit process was a little premature (Evidence, P. 33-34).

2.7 In evidence the New South Wales State Government stated:

... it was a very unfortunate time to undertake an audit that was as far reaching or sweeping into its scope and at a time when the program had really only commenced (Evidence, p. 159).

2.8 The Victorian State Government questioned:

if the Auditor General's particular approach of an efficiency audit, barely 12-18 months after the program actually commenced, was in fact appropriate (Evidence, p. S506).

2.9 The Queensland State Government suggested:

The commissioning of an Efficiency Audit less than two (2) years after the national starting date of this relatively large and complex joint Commonwealth/State Programme did not allow adequate time for Commonwealth/State relationships to develop and for the development and smooth functioning of networks between service providers. This was unrealistic and could only have been expected to find fault in the administrative processes of the Programme (Evidence, p. S540).

2.10 The AAO in response noted that the comment by Queensland overlooks the point that each State had formally agreed with the Commonwealth to develop the Program and to achieve certain things at specified times (Evidence, p. 3).

2.11 The Queensland State Government reaffirmed that the Auditor-General was premature in his comments and suggested there was nothing in the agreement which indicated an efficiency audit during the second year of the Program.

2.12 The audit also coincided with the commencement of the First Triennial Joint Commonwealth/State Review of the operation of the HACC agreement and related Program issues. The final Report of the 1988 Review has since been made available to the Committee.

Focus of the Audit

2.13 The South Australian State Government acknowledged that the report has highlighted a number of legitimate concerns with the current operations of the Program yet it was critical of the conduct of the audit as 'it fails to provide a balanced view of the program from the state's perspective' (Evidence, p. S471).

2.14 The report criticizes the Commonwealth Department for its perceived inadequacies in ensuring the fine print of the agreement is complied with (Evidence, p. S472).

2.15 According to the South Australian State Government the report:

- provides an excessive focus on the minutiae of accountability and control
- fails to reflect the 'risk-management' ethos now favoured by governments
- does not take into account joint Commonwealth/State action currently underway to redress the administrative problems
- fails to give due recognition to the structural and administrative restraints inherent in the Agreement particularly in relation to
 - . the duplication of effort
 - . the complex approval requirements
 - . the financial arrangements and absence of roll-over provisions
 - . the development of a national HACC Information System
 - . the difficulty in defining 'excluded' and 'no growth' services (Evidence, p. S472).

2.16 The South Australian State Government then went on to suggest that the EA Report placed more emphasis on the process of providing services rather than the results of the services.

2.17 The Northern Territory Government referred to differences between the States implementing the program and to the audit examination being conducted in only two States:

the Auditors have based many of their recommendations on an examination of files and reports relevant to only two states and that there would obviously be differences with the operation of the program in the other States/Territories (Evidence, p. S463).

The Findings of The Audit Report

2.18 The EA Report concluded that:

it was a Program that had aims stated for it in the second reading speech and we found that there was very little progress and difficulty in the Department making progress and implementation (Evidence, p. 5).

2.19 The EA Report included 24 recommendations which are dealt with in general terms later in the report. The audit received a mixed reaction. The Queensland State Government claimed that the recommendations would bureaucratise the process more and make it more unmanageable (Evidence, p. 215).

2.20 Others such as the Australian Geriatrics Society, in general, agreed with the report and felt it was timely because it addressed many of the criticisms concerning the HACC Program (Evidence, p. S77).

2.21 The EA Report provided a very reasonable assessment according to the Hunter Region Geriatric Assessment Service, (Evidence, p. 286) while the Australian Medical Association considered 'the Auditor-General's Report identifies the main problems associated with the HACC Program' (Evidence, p. 182).

Summary

2.22 The EA Report has contributed to the debate on the HACC Program and identified some of the problems with the Program. The problems appear to have been evident, and to be expected as a result of measures to bring together four separate programs.

The Committee concludes that the EA Report identified a number of significant problems with the HACC Program.

CHAPTER 3

DEPARTMENTAL RESPONSE

Departmental Response

In the final analysis I think the report captures quite well many of the issues in the HACC program. (Evidence, Mr Rees, Deputy Secretary, DCSH, p. 39).

Introduction

3.1 The response of the DCSH is set out in the EA Report. There were 24 recommendations in the report which in the main were accepted by DCSH. The EA Report:

was helpful to us possibly to have issues of achieving accountability from a Commonwealth view point flagged, in the way that they were flagged (Evidence, p. 40).

And 'many of the issues in the audit report we would have no quarrel with as the focus of future discussion and debate' (Evidence, p. 41).

3.2 However it was considered that certain conclusions had been sensationalised. The EA Report suggested:

the Program is not yet achieving the goals and objectives set by the Commonwealth (EA Report, p. 1).

3.3 In response the DCSH referred to the Program as being in the early stages of development in assessing the relative effectiveness of different types of services. It suggested that more recognition could have been given to the progress made with assessment and co-ordination.

The Recommendations of the Report

3.4 The EA Report contained 24 recommendations and 12 of those were, according to AAO, of sufficient importance to the Program for the Department to proceed to implement them without delay. Three of the 12 were of particular significance to be given priority. They dealt with the mainstream of the Program and had a direct effect on the target population.

The First Priority

3.5 The first priority, Recommendation 11, suggested that DCSH initiate action to rationalise services and review projects. In reply the DCSH noted that action on this was in hand as part of the Triennial Review of the Program. In addition the matter was to be raised with the States and Territories. DCSH later advised:

Both the Commonwealth and the States agree on the need to review the operation of former Commonwealth funded projects. State strategic Plans for 1988-89 include a program for priority review of services. A wide range of reviews have already been undertaken and/or identified in State plans developed to date (advice to the Department of Finance, January 1989). Appendix III

The Second Priority

3.6 The promotion of the integration of program services was another recommendation considered of particular significance. The first part of the recommendation suggested that the DCSH:

accelerate promotion of an integrated range of home and community care and an integrated and co-ordinated approach between the Program and related health, welfare and residential programs, (EA Report para. 5.5.15).

That part of the recommendation was accepted.

3.7 The second part recommended the examination of the concern of the Office of Disability that service providers may be providing services to disabled persons in ways contrary to the long term objective of the Program. This was to be taken up with the States and Territories and DCSH later advised:

Several solutions are being adopted in this area, including education service providers, promoting flexible service delivery and tailoring care packages to individuals needs (Letter, 9 January 1989). Appendix 3

The Third Priority

3.8 The third most important recommendation was for a review of procedures for assessing program services. The text of the recommendation is set out below.

The Department in consultation with the States and service providers, should review procedures for assessment for Program services with a view to achieving the goal of an effective and integrated means of assessment for services. In doing so the Department should consider adopting the brokerage approach favoured by the Office for the Aged and the Office of Disability and give particular attention to the needs of younger people with disabilities and their carers (EA Report, para 7.3.39).

3.9 DCSH responded by noting:

The Department is conscious of the need for improved assessment procedures and the fact that adequate assessment for services is essential and central to the achievement of Program objectives. A number of approaches is being pursued to this end including education of service providers; development of co-operative networks among providers; reference to geriatric assessment teams where appropriate and trialling of the brokerage approach (EA Report, p. 73-74)

3.10 DCSH later advised:

Assessment procedures vary among States/Territories. Whilst assessment is usually undertaken by individual service providers there is increased recognition of the need to develop co-ordinated assessment procedures. The HACC Review Report contains a number of recommendations for improvements in this area (Evidence, p. S122).

3.11 The Department, in consultation with the States and service providers, is planning to develop a resource kit for service providers which will include guidelines for assessment.

The Response

3.12 A progress report on the response to the recommendations is provided by DCSH to the Department of Finance.

3.13 The responses are provided progressively and those for January, April and July 1989 are at Appendix III. As noted in the letter of 5 July 1989 DCSH asked whether further responses are required. This implied no further responses were necessary.

The HACC Review

3.14 As noted in Chapter 2 the conduct of the audit coincided with a Triennial Review of the Program by a Working Group appointed by the Commonwealth, State and Territory Ministers in November 1987. The Review Working Group was chaired by Dr Peter Saunders of the Social Welfare Research Centre of the University of New South Wales and comprised senior Commonwealth, State and Territory officials. The report of the Review was presented to a meeting of Commonwealth, State and Territory Ministers in Hobart and made available to the public on 20 March 1989.

3.15 The Review contained 50 recommendations. According to DCSH:

At the Ministers meeting in Burnie in Tasmania recently Commonwealth and State Ministers endorsed with very few minor exceptions, all the recommendations in the review (Evidence, p. 267).

3.16 A feature of the conduct of the Review was the consultation conducted. DCSH provided \$57,000 to the Australian Council of Social Service (ACOSS) to allow ACOSS to conduct a series of consultations around the country on the Review's terms of reference.

We had the advantage of in framing the review of both State based consultation reports as well as a national document which ACOSS drew together on the basis of those State level consultations (Evidence, p. 268).

3.17 The Review is a most welcome document providing as it did the opportunity for a Commonwealth State Working Group to make recommendations regarding the HACC Program and provide the HACC Program with an effective path for future development.

3.18 The final recommendation of the Review Report is for an annual meeting of officials to monitor progress on the issues identified in the report.

3.19 The report of such a meeting would provide an indication of the progressive development of the Program and the report of such a meeting should be made available to the Parliament.

3.20 Another recommendation deals with the next Triennial Review of the Program which is due by 1991. The specific recommendations are:

That Ministers:

49 agree that the future review/evaluation of the HACC program have two components:

- . an ongoing review through the setting of objectives and measurable targets on an annual basis which will form the core of State/Territory strategic plans
- . a review by the end of the next triennium (1991) where
 - performance resulting from State/Territory strategic plans can be aggregated
 - overall performance can be assessed against the criteria outlined in section 9.2 of this report (HACC Report)

50 agree that Commonwealth and State/Territory officials meet at least annually to monitor progress on the issues identified in this report as requiring further work noting that there may be task specific working groups established from time to time.

Summary

3.21 Elsewhere in this report it has been suggested that the efficiency audit was undertaken too early in the life of the Program. Another audit, after the completion of the 1991 Review would probably provide a more independent review of the Program. It would not be seen as being conducted by the officials involved in the Program. The AAO would also be able to utilise both reviews of the working groups.

The Committee recommends that the Auditor-General designate an efficiency audit of the Home and Community Care Program after the release of the Second Triennial Review of the Program.

CHAPTER 4

ACCOUNTABILITY

Accountability

Formal accountability for Program funds needs to be improved, particularly in the timing of annual statements of expenditure from the States and provision of accountants' certificates (EA Report, p. 1).

Introduction

4.1 The EA Report suggested:

After more than two year's operation of the Program, the Department has been unable to find out details of specific services being provided, who is being serviced and to what extent (EA Report, p. 1).

4.2 At the hearing AAO acknowledged:

there has to be a balance on getting on with the job and that accountability (Evidence, p. 28).

4.3 And DCSH responded by noting that:

It was helpful to us possibly to have issues of achieving accountability from a Commonwealth view point flagged in the way that they were flagged (Evidence, p. 40).

And,

the national guidelines have been published and one of our principal objectives from the Commonwealth's side in approaching that administrative set of issues was to achieve greater accountability through a planning process that would inject into the program a greater sense of direction in terms of projects and geography (Evidence, p. 40).

General Accountability

4.4 The issue of accountability arose in a number of the submissions received from interested parties.

4.5 The Australian Medical Association - NSW Branch - suggested that the services often have been poorly targeted and poorly monitored. The Branch went on to suggest that new services have not always been properly evaluated (Evidence, p. S66).

4.6 According to the South Australia Branch of Meals on Wheels assessment tends to have a low priority.

4.7 The Hunter Region Geriatric Assessment Service claimed:

Lack of accountability of the State Administrative organization and lack of the Communities confidence in that organisation are major state issues (Evidence, p. S293).

4.8 By contrast the South Australian State Government suggested:

this state has observed a tendency on the part of its Commonwealth partners to err towards the side of caution in the form of trying to impose a surfeit of accountability requirements rather than to take a more liberal, or minimalist approach (Evidence, S476).

The Audit Report

4.9 As noted earlier AAO is concerned about the timing of annual statements and the provision of accountants' certificates.

4.10 The EA Report made five recommendations regarding the annual statements of expenditure and devoted a chapter of the report to that topic (Chapter 6). In that chapter AAO noted that the accountability deficiencies are not new and similar deficiencies had been reported on in earlier AAO reports.

4.11 Under Clause 27 of the HACC Agreement the relevant State Minister is required to provide, by 30 November of each grant year statements and certificates which provide:

- (a) a statement of expenditure of Commonwealth financial assistance and expenditure incurred by the State, local governments and community organisations, together with a certificate from an authorised person certifying that
 - (i) expenditure by the State was in accordance with the agreement
 - (ii) the person has received a certificate from a qualified accountant that the expenditure by a local government or community organisation was in accordance with the agreement
- (b) a statement specifying
 - . the operation of the agreement
 - . the provision of approved projects
 - . the manner in which financial assistance and State expenditure has been applied
(EA Report, para 6.1.1).

Submission of Statements

4.12 The State Ministers were required to provide statements of expenditure to the Commonwealth by 30 November 1986 for the year 1985-86, the first grant year. No state had provided the statement by 30 November, but most States had provided the statements during the following year. However AAO claimed the statements received did not fully comply with the requirements of clause 27, of the HACC Agreement (EA Report, para 6.2.3). AAO went on to note that the degree of non-compliance varied from State to State.

4.13 The deficiencies in accountability were noted in the EA Report and there was reference to similar deficiencies in relation to other programs of grants to outside bodies (EA Report, para 6.2.14).

4.14 AAO suggested that DCSH seek to improve the situation and recommended the Department:

- (a) obtain from the States satisfactory statements and certificates of program expenditure in respect of 1985-86 and 1986-87 required under clause 27 of the agreement, and
- (b) indicate in its annual reports which States have provided the required statements (EA Report, para 6.2.16).

4.15 The non-compliance of the States was raised with the AAO at the public hearing on 17 October 1988. AAO advised in regard to the 1985-86 acquittals Victoria and the Australian Capital Territory had still to comply. In regard to 1986-87 Victoria, South Australia, Tasmania, Northern Territory and the Australian Capital Territory had still to provide satisfactory statements (Evidence, p. 26-27).

4.16 One of the problems in providing the information required by the Commonwealth was that the states were required to report retrospectively. The financial systems were not in place:

there was quite a degree of difficulty that all states faced in having to go back and rework accounts and other financial transactions to put it into the appropriate format (Evidence, p.69).

4.17 Another difficulty was that the:

States had not been accustomed in this area to meeting the standards of accountability that the Commonwealth required of them. They had not developed systems appropriate to responding to those in a timely fashion (Evidence, p. 69).

4.18 The previous requirements were, it was acknowledged by DCSH very relaxed by comparison (Evidence, p. 69).

4.19 The situation has improved and on two occasions payments to the States were withheld.

4.20 In 1987-88, payments to Victoria and South Australia were with-held until March and May respectively until the 1985-86 acquittals were provided.

Currently we are withholding payments to Victoria, South Australia and the Northern Territory pending lodgement of the 1986-87 acquittals which were due on 30 November 1987 (Evidence, p. 71). (31 October 1988)

4.21 The New South Wales Government suggested that the accountability requirements in New South Wales are based on normal procedures. The delays in providing the statement primarily related to the transition arrangements (particularly in relation to the so called former Commonwealth projects). This was

compounded by the retrospective nature of the Commonwealth legislation requiring retrospective conversion of financial and other information back to July 1985, despite the fact that New South Wales did not enter into the Agreement until the latter half of the financial year (Evidence, P. S571).

4.22 The recommendations of the AAO have been accepted by DCSH which will now publish in its annual reports which States have provided the required statements.

4.23 In addition DCSH advised:

we have also provided substantial assistance at the State office level to individual states to assist them in the development of appropriate acquittals. We have agreed arrangements now through the HACC review, which have also finalised a program manual which lays out for them what the essential steps are, which should mean that in future they are able to respond in a more timely fashion (Evidence, p. 72).

4.24 The delays in the submission of the statements have been explained in general and are due to the circumstances involved with the introduction of the HACC scheme by the amalgamation of four schemes into one. Yet, there is also a legislative requirement for the submission of the statement. The requirement cannot be overlooked.

4.25 The Department has agreed to publish in its annual report details of the receipt of statement. The Committee considers that it should also draw Parliaments to attention those States which have not met their legislative obligations under the program.

The Committee recommends that the Department of Community Services and Health detail in its annual report the States which have not provided the appropriate statement and the measures taken to assist those States to provide the statement.

Provision of Accountants Certificates

4.26 There is a requirement that a qualified accountant certify that the expenditure under the HACC Program was in accordance with the terms and conditions of the grant to local government or a community organisation.

4.27 According to the AAO:

The requirement generally is that they be signed by an accountant or someone with similar qualification ... the standard of accountancy varies tremendously, particularly in the back blocks (Evidence, p. 27).

4.28 And further:

There is a degree of variability in the certificate giver and the certificate required is in general terms, as I recall it (Evidence, p. 28).

4.29 The New South Wales Government responded to AAO concern about the provision of certificates of expenditure by the mayor rather than by an accountant by noting that Local Government Councils are statutory corporations and under the Local Government Act 1919 the Council's accounts are to be certified by a qualified auditor.

4.30 It went on to suggest:

that the State's requirement for certification by the Mayor or President of the council that expenditure of capital grant funds paid to councils has been in accordance with the conditions of approval and should be acceptable to the Commonwealth Department and to the Auditor-General. The suggestion that councils should have their Treasury staff provide accountants certificates appears to be based on criteria applied to incorporated companies and associations and is not sensitive to the formal structure of local government councils (Evidence, p. S572).

And,

I am confident that the financial accountability for the program is adequately taken care of (Evidence, p. 160).

4.31 The representative did note that there is a need to have a wider vision of accountability than just in financial terms (Evidence, p. 161).

4.32 The concerns of the New South Wales Government were acknowledged by DCSH who referred to advice from the Attorney-General's Department that there was:

no need to change the wording in the agreement that referred to certification consistent with the objectives of the agreement (Evidence, p. 277).

4.33 The AAO had suggested a variation to clause 27 but following advice from Attorney-General's DCSH advise there was not need to change the agreement or procedures.

Summary

4.34 The comments by the AAO about accountability have been noted by the DCSH and presumably the other participants in the Program. The accountability requirements have been set out and cannot be overlooked. The AAO must draw any accountability shortcomings by DCSH to the Parliament. The DCSH must also draw to the attention of the Parliament any lack of accountability by the other participants in the Program.

CHAPTER 5

**ROLE OF STATE
GOVERNMENTS**

Role of State and Local Governments

There are indications of inequity in the allocation of funds among the states and evidence of inequity in the allocation of funds among regions (EA Report, para 1).

(HACC) Is a relatively recent innovation in terms of the community services area and I think the States were fairly nervous about it, and Queensland more than most (Evidence, p.35).

Introduction

5.1 Table 1 of this report details the expenditure on Home and Community Care for the five years from 1984-85. The table indicates the increasing Commonwealth contribution to the Program. In 1984-85 the Commonwealth contribution of \$78.55m was 51 per cent of total expenditure on the program. By 1988-89 the estimated Commonwealth expenditure was \$209m which is 58.8 per cent of the total expenditure.

5.2 The expenditure on a state by state basis is set out in Table 2.

Table 2

Home and Community Care expenditure 1987-88 and 1988-89

	1987-88		1988-89	
	HACC Expenditure ¹		HACC Expenditure	
	\$m	C'wlth % ²	\$m	C'wlth %
NSW	104.3	57.05	124.9	57.94
VIC	92.3	57.03	111.0	59.12
QLD	32.7	60.20	39.3	61.78
SA	24.9	58.22	26.6	59.26
WA	31.0	57.51	37.7	58.85
TAS	6.8	52.11	8.3	53.92
NT	1.3	62.86	1.5	63.92
ACT	3.0	42.96	3.5	42.98
Direct ³	0.2	-	0.4	-
TOTAL	294.2	57.8	355.7	58.76

Source: HACC Review

Notes:

Any discrepancies between totals and sums of components are due to rounding.

1. Expenditure includes funds under the HACC Agreement as well as additional unmatched money provided by the Commonwealth.
2. The balance of total funds is provided from within each State or Territory.
3. 'Direct' expenditure consists of planning and development expenditure and unmatched money paid direct to organisations.

Joint Program

5.3 The EA Report made a number of comments in relation to the allocation of funds, not only among states but also in relation to regions within the states:

Program funds are granted to State Government Departments and authorities, Local Councils and community organisations to finance services for frail aged and younger disabled people to allow them to continue living at home rather than in institutions. It is a difficult program to administer because of the numerous parties and interests involved (EA Report, para 1).

5.4 The AAO considered the EA Report worthwhile in spite of the difficulties involved in assessing a program with a number of parties participating:

because there is a danger that joint programs of this kind will go unaudited at the Commonwealth, State or Local Government level (Evidence, p. 3).

Whenever you have a joint administration you are going to get friction and overlap and administration falling down cracks (Evidence, p. 17).

5.5 It was also claimed that:

the Department is somewhat limited to get the States to act, essentially, against a State interest (Evidence, p. 17).

5.6 A feature of the joint program is the challenge it presents to the auditors. There is more than one level of government involved and there is a requirement for auditors at each of the levels to co-operate.

The Audit Report

5.7 As noted at para 1.2.1 of the EA Report two of the aspects examined by AAO were the agreements with the States and the allocation of program funds to the States. The audit could not examine the management procedures of the States directly, as the powers of the AAO did not allow such an examination. What the AAO did was examine DCSH's procedures for monitoring the States' management.

5.8 The EA Report included a table which set out the total expenditure and expenditure per head of national target population. The EA Report drew attention to inconsistencies in the Program per head of target population and suggested:

it would seem appropriate for the Department to review the situation to see whether there is a reasonably equitable distribution of program expenditure in each state (EA Report para 3.1.6).

5.9 The distribution of funds within the states is commented on in the EA Report. While acknowledging that the allocation of program funds could be influenced by the Commonwealth 'in practice appears to be mainly left to each State to decide' (EA Report para 3.2.1).

5.10 The EA Report referred to grants to Queensland in 1986 where there were no accountability conditions attached to the grant of funds from the allocation of unmatched monies (EA Report, para 4.5.7).

5.11 The State Government recommended eight of twenty applications for modifications or extensions to senior citizens centres.

5.12 According to the EA Report:

4.5.5 the State recommended proposals from Kingaroy and Beenleigh but not proposals from Nundah and Coolangatta. DCSH in Brisbane said it would be inclined to reverse the State's decisions on those proposals because Kingaroy and Beenleigh were well served and there may be insufficient numbers in need of respite care to justify a five days a week service; Nundah and Coolangatta, on the other hand, had ageing populations and the latter town was not providing respite care.

4.5.5 In the event the Commonwealth Minister approved the eight proposals after obtaining an assurance from the State that they had been assessed on the basis of relative need. He later approved a request for a further \$85,000 for additional furniture and equipment for the eight respite day care centres.

5.13 The Program in New South Wales was also commented on in the EA Report which noted that the allocation of resources across New South Wales was of concern to the Public Accounts Committee of the State Parliament.

5.14 The Office of the Aged also commented on the Program in a 1986 report:

the lack of adequate planning data has created a situation where the distribution of HACC funds still relies on submissions (EA Report, para 3.2.3).

5.15 The EA Report went on to claim that in relation to New South Wales, the rigidity of funding allocations had been the subject of considerable community criticism and had led to a fragmented approach in the regional planning of new services.

5.16 The EA Report recommended:

that the Department, in consultation with the States and as the new data collections permit, examine the allocation of Program funds within each State and advise the Minister on measures to be taken to ensure that home and community care services are provided equitably between regions and are responsive to regional differences (EA Report, para 3.2.17).

Commonwealth Response

5.17 The DCSH responded by noting that currently it is developing a comprehensive regional planning data base and that the new and expanded 1988-89 projects would be based on considerations of regional need. In its submission to the inquiry DCSH referred to the future directions of the Program and to the role of the States. Reference was made to the State Strategic Plans and DCSH claimed:

State co-operation has now been served in addressing those aspects of the Program such as assessment co-ordination and linkages between the Programs where ongoing improvement are required (Evidence, p. S118).

5.18 It also went on to suggest that the states now have a better understanding of accountability requirements. The introduction of State Strategic Plans, has placed the planning and review of HACC services on a more formal and objectives basis (Evidence, p. S118).

State Response

5.19 The representatives of the States did not accept all the recommendations of the EA Report as constructive criticism. The Queensland State Government responded by suggesting the EA Report went beyond the brief of looking at the operations of DCSH and included express criticisms of Queensland (Evidence, p. S539).

5.20 The comment in the EA Report regarding the acceptance of proposals favoured by Queensland was drawn to the attention of DCSH who advised that the Queensland Government:

was adamant that the projects that they were putting forward were in fact based on needs assessment and perhaps while the Commonwealth did not find the case compelling, it nevertheless did not have evidence of its own sufficient to overturn that view (Evidence, p. 63).

5.21 This was supported by the Queensland Government representatives who referred to the lack of experience in Queensland of the Commonwealth officers. The Commonwealth officers were only able to assess the situation from flying visits or raids to various areas around Queensland, talking to various people and coming back as best informed as they can be (Evidence, p. 227).

5.22 By contrast the State Government had the local knowledge and skill of 462 Health Department Staff and went on to claim:

Their judgement of course is accurate, is continuous and is historical. The judgement of the Commonwealth Officers is limited, superficial and based on brief visits (Evidence, p. 227).

5.23 The AAO did not comment on whether there had been a political input into the decision making process:

The Minister is required to approve all projects. We were not able to determine the extent of any political input, we were just able to record that there was a difference of opinion between the Commonwealth and the State on the priorities in this case (Evidence, p. 20).

5.24 The New South Wales Government referred to reports quoted in the EA Report and suggested:

Audit uncritically quotes several reports which identify problems or concerns with how the needs based planning methodology has been applied in New South Wales (Evidence, p. S564).

5.25 It went on to suggest that it was unfortunate that New South Wales did not have the opportunity to reply to the criticisms and in some cases had not seen copies of the reports. The comments by the AAO were:

it would appear that some of the criticisms are based on a faulty or incomplete understanding of the existing arrangements (Evidence, p. S564).

5.26 The Office of the Aged, which had prepared one of the reports quoted by the AAO, acknowledged the reference to the early reports:

I think it is fair to say that the Auditor General in his report primarily focused on the 1986 Report, although the report also was able to include some of the further work of the office in particular states (Evidence, p. 242).

5.27 At the hearing in January 1989 a witness noted that there have been significant changes since the introduction of the Program and the changes are not reflected in the report.

They (AAO) did not use the data that was available (Evidence, p. S564).

5.28 The Office of Disability went on to refer to changes since the 1986 report:

There are some areas in which there has been significant change...The program has since moved to a different kind of focus away from those subprogram guidelines and towards the adoption of national guidelines ... but the focus has moved to the individual and the meeting of individual needs and that has been the Office's contention all along (Evidence, p. 242).

State Strategic Plans

5.29 The agreement to an annual State Strategic Plan has been according to DCSH, one of the important developments in the context of the HACC Review (Evidence, p. 37). The plan should provide a more sound base for financial planning and allow an earlier start to the funding process each financial year.

5.30 Each State and Territory agreed to prepare the strategic plan. The plans identify the areas to target in a particular year which relate back to the broad goals and objectives of the Program. DCSH suggested that:

those strategic plans and the acquitting of them will be, from the Commonwealth's point of view, the main vehicle through which we are able to keep a controlling grip on the direction of the program, (Evidence, p. 48).

5.31 All States have since developed and completed the strategic plans which are prepared in consultation with the Commonwealth Ministers and then made public.

The Committee concludes the preparation and publication of the state strategic plans is a most welcome initiative.

National Guidelines

5.32 The HACC Agreement proposed that the States manage the Program in accordance with national program guidelines. The guidelines which relate to the scope, setting of standards and the level of provision of services are published in the Commonwealth Gazette by the Commonwealth Minister after consultation with the State Minister.

5.33 The EA Report noted:

At present there are no national or sub-program guidelines (EA Report, para 4.72).

5.34 Draft national guidelines had been prepared and were to be published in May 1988. The AAO had reservations about the draft guidelines as did the Office of Disability.

5.35 According to the AAO:

4.7.8. The national guidelines are to be one of the most important program documents and a means by which the Commonwealth can influence the States' project assessment and review procedures and the States' management of the Program. Although it is desirable that they be introduced as soon as possible, it also seems desirable that the present draft be reconsidered in the light of comments made above and elsewhere in this report.

4.7.9. Audit recommends (Recommendation 7) that the Department reconsider its draft national Program guidelines and as soon as possible publish completed guidelines in the Commonwealth Gazette as required by the agreement.

5.36 DCSH acknowledged it was a failure that it did not have national guidelines promulgated at an earlier stage:

There were however draft guidelines but these did not have the status of final guidelines (Evidence, p. 53).

The national guidelines were published on 18 May 1989.

5.37 The Committee welcomes the publication of the guidelines, however it considers the guidelines should not be regarded as fixed but be the subject of regular review. The HACC Program is, in part, a Commonwealth Funded Program and there should be appropriate accountability measures.

The Committee concludes:

(a) That the states continue to have a key role in the HACC Program.

(b) This role has been acknowledged in both the EA Report and the HACC Review.

(c) There have been some measures taken to assist the States in the program.

(d) The national guidelines and the state strategic plans are part of the accountability structure.

The Committee recommends that the states strategic plans be regularly reviewed and discussed by the Commonwealth and State officials.

The Committee recommends that the National Guidelines be the subject of regular review.

CHAPTER 6

OTHER ISSUES

Other Issues

Local Government

6.1 The method of delivery of the HACC service varies from state to state. The Australian Local Government Association referred to Local Governments key role as planning and co-ordinating Government body involved in the HACC Program (Evidence, p. 224).

6.2 It went on to note:

There is a wide variation in the extent of Local Government involvement across Australia (Evidence, p. S224).

6.3 The involvement of Local Government is dominated by the situation in Victoria where Local Government accounts for 85 per cent of the total allocations going to Local Government throughout Australia.

6.4 The Municipal Association of Victoria claimed:

the Home and Community Care Program will continue to bring credit to the Commonwealth Government as long as it builds on the patterns of service delivery that have been established in the State for over 40 years. As long as it does that, and recognises Local Governments' legitimate claim to partnership through a functioning joint officers committee, the Commonwealth's objectives will be met in an effective and efficient manner (Evidence, p. 113).

6.5 While Local Government made a significant contribution in Victoria DCSH suggested it is not representative of all states.

In Victoria, ... It is a very important, significant provider which has done a lot of pioneering work in the past. In other States Local Government does have an involvement, and that is true of all States. But it is very small. In Queensland, I think, Local Government attracts only about 3 per cent of program expenditure... The Commonwealth and the States collectively do have a very positive view of the role of Local Government (Evidence, p. 269).

6.6 Whilst a positive attitude is taken by DCSH towards the role of Local Government, :

we would not take a position that said Local Government should be the only agency through which services should be delivered (Evidence, p. 269).

6.7 Local Government does however appear to be in a position to carry out the role of service delivery as it generally has an established network within the community it serves.

6.8 The Australian Local Government Association suggested that there had been:

a failure by Commonwealth and State Government to utilise existing networks experience, expertise and knowledge of other parties involved in the program, namely Local Government and non-government organisations (Evidence, p. S217).

6.9 It went on to note that some 323 Local Council were directly receiving HACC funds while many other supported their community organisations in providing HACC services.

6.10 The potential for Local Government to increase its involvement in the HACC Program should be assessed and encouraged.

The Committee recommends that the Department of Community Services and Health draw to the attention of Local Government authorities the role that Local Government can play in the further delivery of the HACC Program and encourage the participation of Local Government in the Program.

Consultation

6.11 AAO noted that:

There was confusion about the appropriate and legitimate roles of the HACC Planning and Advisory Committee (EA Report, para 4.2.10).

6.12 The Office of Disability had in September 1986 suggested there was confusion about the appropriate roles of the HACC Planning and Advisory Committees and these suggestions were repeated in the EA Report. Two issues were identified by AAO from the assessment of projects in Sydney and Brisbane, one dealt with the Advisory committees and the other with the lack of information on approved projects.

6.13 The AAO recommended:

4.2.11 (Recommendation 6) that DCSH:

- (a) arrange with the States for Program advisory committees to express more formally their views regarding needs and priorities under the Program.
- (b) publish a summary of each project after it has been approved, or table a list in each session of the Parliament.

6.14 The HACC Review noted that the HACC agreements made specific references to the need for consultation with community organisations, service providers and service issues about several aspects of the Program (EA Report, para 7.1).

6.15 The lack of consultation about the Program was commented on in a number of the submissions to the inquiry. The Picton District Meals on Wheels Service noted that while community consultation is written into the project briefs:

there is a lack of resources at the community level to allow for adequate and appropriate community consultation (Evidence, p. S492).

6.16 The Office of Disability referred to advisory structures and claimed:

Partly because of the history of the HACC Program and partly because of experience in the states of providing HACC-type services to younger people with disabilities and their families, to date advisory structures have not adequately represented the needs of that part of the target group (Evidence, p. 242).

6.17 The Australian Medical Association (AMA) suggested that the Commonwealth-State Working Parties which had been established to develop a consultative process had failed to achieve an appropriate level of consultation. The meeting was rushed and:

Many groups were left confused as to what the implications of the consultation would be (Evidence, p. S182).

6.18 The Australian Council of Community Nursing Services endorsed the theme of the EA Report and claimed:

Advisory Committees have no mechanism by which they can influence the program. The membership is not representative (Evidence, p. S190).

6.19 The HACC Review provided for consultation around the country. The Australian Council of Social Service was provided with funds (\$57,000) to conduct consultations on behalf of the Review Team. These consultations were in addition to the State based consultations:

Those consultations addressed the whole range of issues from assessments, standards, consultation arrangements, and so on. In places they were highly critical of where we were at. On the other hand, they endorsed - and I think this is very positive - the importance of the HACC program, building on it and ensuring it achieved its objectives (Evidence, p. 268).

6.20 The structure and operations of the Advisory Committee's varied from State to State. The HACC Review found that there had been two factors which had limited the consultative ability of the existing Advisory Committees. The first factor was the lack

of an agreed planning framework for the Program and the second was the lack of an adequate data and information base on service provision and client characteristics.

6.21 The continuation of the Advisory Committees was recommended by the Review. It also recommended that structural links be established between the HACC Advisory Committees and the Aged Care Advisory Committees. It further recommended that the size and composition of the Committees be such that the views of community organisations be heard and that these Committees have an adequately resourced secretariat.

6.22 The establishment a National Advisory Committee was recommended by the Community Consultation Report and this Committee supports such a proposal.

6.23 As noted in the Review the principal activities of the National Consultative Group would be the provision of community input for the next Triennial Review.

The Committee concludes that:

(a) A feature of the HACC Program is its involvement with the community.

(b) There is a requirement for a community input into the Program.

(c) The HACC Advisory Committees provide the opportunity for such a input and should be encouraged.

Data Collection

6.24 The final recommendation of the EA Report is that DCSH review the data it proposes to collect and the performance indicators it expects to need. DCSH responded by noting that the items in the national data collection are kept under review to ensure their ongoing appropriateness.

6.25 The EA Report referred to the provision in the HACC Agreement for the development of an information system. Under that agreement:

the States would collect the data and ... the Commonwealth would keep its data requirements to a minimum (EA Report, para 8.13).

6.26 The States:

raised a variety of arguments for opposing the collection of data (EA Report, para 8.1.3).

6.27 The first concern of the AAO was that there had been no collection of data as required under the agreement (Evidence, p. 14), and

there was no data bank of the kind that was envisaged by the Minister originally in 1985 or by the agreement (Evidence, p. 15).

6.28 The concerns of some of the providers about the onerous nature of the data collection were acknowledged by DCSH. However, it was suggested that a distinction should be drawn between service provision and user characteristic collection.

6.29 Once the benefits of the data collection are realised the situation should improve. The importance of data collection was noted in the report of the HACC Review:

Recommendation 33 talks about the importance of this data being used for setting priorities for 1989-90 and their inclusion in State strategic plans, and that data should be made publicly available at that point so that

people can understand the basis on which those priorities have been set. I think that is a very important step (Evidence, p. 274).

6.30 DCSH indicated that it was satisfied that the information prepared at the national level is getting through the State bureaucracies down to the service providers.

The Committee concludes that the availability of appropriate information is crucial to the long term development of the HACC Program, however it is the receiver of the service who should be the prime concern, not the information about the service.

Assessment Teams

6.31 It has long been known that a significant proportion of aged people have been placed in long term institutional care unnecessarily (EA Report, para 7.1.1).

6.32 The review of procedures for the assessment of the Program was the third most important recommendation of the EA Report priority and is commented on in Chapter 3 of this report.

6.33 The EA Report referred to a major concern of the Expenditure Committee in its report, In Home or At Home Accommodation and Home Care for the Aged, that is the problem of matching available services and facilities with needs. The Expenditure Committee supported a formal assessment through regional teams. This would be the focus for the coordination of the range of services provided to aged people. A major theme of the McLeay Report was the need to provide an opportunity for people to remain in their own home rather than live in an institution.

6.34 The EA Report in its overview noted:

Coordination and improved assessment procedures offer the prospect of making the Program more satisfactory to the target population and directing Commonwealth funds specifically to that population. If the frail aged, younger disabled and their carers are satisfied with the way home and community care is provided, they may reduce the demand for residential care (EA Report, p. 2).

6.35 The assessment teams have a dual role. The first is to provide advice to individuals on the care appropriate for them (Evidence, p. 47) and the secondary role is to act as gatekeepers for residential care services (Evidence, p. 47).

6.36 About \$26m was to be invested in assessment teams in 1989, which compared with \$14m in 1988. One of the aims of the teams, the composition of which vary considerably is:

identifying better the target group and ensuring that services are planned around the individual rather than the individual being planned around the particular services that the particular agency offers (Evidence, p. 43).

6.37 The investment in the assessment teams is a very important part of the strategy and only half of those people who might have been recommended for nursing homes are now being recommended:

assessment teams are probably proposing for nursing homes about 50 per cent of those who previously would have been recommended for nursing homes by the Department's Commonwealth medical officers (Evidence, p. 281).

6.38 This reduction is considered a major achievement of the Program since it represents not only a better quality of life for the individual but a saving in taxpayers funds.

The Committee concludes that the assessment teams have a critical role to play in the HACC Program.

The assessment teams however must be responsive to and aware of not only the community it serves, but the individual in the community who is the subject of the assessment. The Committee recommends that the individuals and the individuals needs be the focus of the assessments teams.

Carers

6.39 The EA Report noted that in addition to the frail aged and younger disabled the target population for the HACC program included the Carers of those persons.

6.40 Carer Consult suggested that:

the HACC program did not directly benefit carers and it failed to services those carers most at risk (Evidence, p. S361).

6.41 It went on to suggest that carers are unpaid health workers who:

serve as a cheap method of providing home care and as such will continue to be exploited receiving support only to the extent necessary to keep them functional (Evidence, p. S361).

6.42 The Macarthur Respite Care Working Party (MRCWP) also referred to the crucial role of carers in the HACC program and suggested that carers:

be provided with a range of respite options that could accommodate for their diverse and changing needs.

6.43 Specific reference was made to respite care which would assist carers to cope with changing family circumstances. Examples of such care are 'in home care', short-term host family care and respite care beds. However there needed to be a community based respite cottage which could be in a position to provide carers with 1-2 weeks of the respite needed on regular occasions each year. This arrangement would provide carers with a break from the responsibilities and duties of caring for a person who has severe/profound level of need.

6.44 The HACC Review noted that respite care is available under both HACC and Disability Services program. The MRCWP suggested that a proposal for a respite cottage did not come under either program as the service offers accommodation.

6.45 It was suggested that while the host family model complies with the guidelines the proposed respite cottage did not meet the guidelines.

6.46 The respite cottage would appear to offer opportunity for the third part of the target population an opportunity to 'take a break' from the demanding duties of a carer for a short time and then again take up duties.

6.47 The MacArthur proposal has been drawn to the attention of the Committee but it is almost certain that the situation would exist in other communities.

The Committee recommends that the provision of respite care for carers be allowed for under the HACC guidelines.

CHAPTER 7

MEALS ON WHEELS

Meals on Wheels

Departmental documents record that meals are of variable quality, often poorly prepared and lack nutritional value (EA Report, para 5.4.3).

Introduction

7.1 The above comment in the EA Report about the Meals on Wheels Program and the publicity that it generated became one of the major issues of the inquiry. Six of the 48 submissions received were from organisations directly involved in the delivery of Meals on Wheels.

7.2 The EA Report referred to comments by the Office of the Aged which doubted whether the Meals on Wheels Service met the objectives of the Program. The office suggested:

many current recipients would be better served by an alternative service which actually responded to their particular needs; eg shopping services (purchase of food for preparation of meals at home), cooking lessons or involvement in outside social activities.

(EA Report, para 5.4.6).

Audit Response

7.3 At the public hearing the AAO played down the comments about Meals on Wheels.

The Meals on Wheels question covers something less than one page in something like 70 pages; it was not a big issue from our point of view (Evidence, p. 8).

7.4 According to the AAO it was a very small point but 'there was criticism of the quality and the standard of Meals on Wheels' (Evidence, p. 6). AAO went on to refer to suggestions that it might be more efficient to arrange fortnightly delivery of the Service.

7.5 Three reports were referred to by the AAO in support of the comments about Meals on Wheels. All three reports dealt with the situation in New South Wales. The theme in all three reports was that the situation needed to be improved.

7.6 The AAO suggested:

the delivery of meals themselves may be increasing the dependence of the clients and make them think more about moving into a nursing home (Evidence, p. 13).

The Meals on Wheels Response

7.7 The Meals on Wheels organisation responded to the AAO comment in no uncertain terms:

We were well aware of the unjust attack made in the audit report on meals service nationally (Evidence, South Australia Association, p. S52).

Any attempt to reduce the number of delivery days for any reason, economic or otherwise, would destroy a very important and distinctive component of the Meals on Wheels service (Evidence, Tasmania Association, p. S69).

This Association is extremely concerned at the adverse publicity generated by the press printing criticism from the report regarding the delivered meals services. This publicity has resulted in unwarranted anxiety and anger in both recipients and volunteer workers (Evidence, Queensland Association, p. S310).

7.8 The reports which the AAO referred to as being critical of Meals on Wheels related to the service in New South Wales. One report was prepared in 1986 by a consultant and dealt with the Randwick - Botany Meals on Wheels service. The second report was prepared in early 1987 'a document by the Home Care Service in New South Wales', (Evidence, p. 10). A third report had been prepared by Coopers and Lybrand, WD Scott Consultants, for the New South Wales Minister for Family and Community Services.

7.9 The New South Wales Meals on Wheels Association, which had only recently been formed, noted the criticism:

we also copped a lot of press. I think a lot of it was unjustified because 50 per cent of our meals come out of hospitals where there is a nutritionist and a dietitian and most of the criticism was about meals that did come out of hospitals. But we have chosen to disregard the bad reports, to forget about them, and to try to make a good start with the Association (Evidence, p. 197).

7.10 The issues relating to Meals on Wheels were raised with DCSH which referred to the volunteer effort involved in the service and to its role as a key element in the HACCC Program. It also made reference to the minimum standard required:

We (DCSH) are looking to develop outcome standards right across all service types, in fact, and meals on wheels will be included. We will do that in consultation with the States, but certainly nutrition, frequency of delivery the state of the meals when they are delivered - all those things - would be principles that would come under the outcome standards for meals on wheels (Evidence, p. 80).

7.11 There were safeguards for Meals on Wheels:

In terms of issues like nutrition and so on, obviously there are fairly minimum requirements to be observed and, on the one hand, all States have Pure Food Acts, or the equivalent, which describe the requirements for the actual preparation of food and so on, and hygiene standards and whatever. In 1977, the Commonwealth Department of Health produced a booklet to guide Meals on Wheels services on issues of nutrition and it included reference to various food types and so on, and suggested meals serves and the like (Evidence, p. 79).

7.12 There can be little doubt that the Meals on Wheels organisations make a significant contribution to the HACC Program. The members of the subcommittee met with the administrators and the volunteers involved in the Program on a number of occasions during the course of the inquiry. Their dedication and commitment is to be admired and commended. It represents, in many instances, a commitment from one citizen to another, a commitment far wider than just the delivery of a meal. It is this wider commitment that must not be neglected.

7.13 The EA Report identified some reports expressing concerns about the operation in New South Wales. The AAO noted those concerns in the EA Report. Perhaps it might have been preferable as the representative of the AAO stated at the hearing:

it also taught me never to refer to Meals on Wheels in another audit report (Evidence, p. 8).

7.14 The representatives went on to say:

I did get some nice invitations from ladies to come and visit Newcastle and have a meal but I have not been able to get there yet. I would be happy to accept (Evidence, p. 8).

The Committee concludes that the Meals on Wheels Service makes a significant contribution to the Home and Community Care Program.

Weekly Delivery

7.15 The possibility of weekly or even fortnightly delivery of packaged meals was raised with DCSH. The Department was not enthusiastic about the proposal:

They are issues to do with good handling which are particularly difficult in those systems and need to be looked at very carefully (Evidence, p.79-80).

7.16 Some of the issues were elaborated on by DCSH:

Issues of food preparation, retention at the appropriate temperature and thawing at the appropriate temperature are all issues which must be carefully considered when talking about the target group that HACCC focuses on (Evidence, p. 80).

7.17 The social aspect of the actual delivery of the meal should not be neglected:

for many people the social contact that meals on wheels providers can provide, as thin as that might be in terms of the demands on the deliver's time, is an important element, as is, indeed, the role that the deliverers of meals can provide in monitoring changes of condition and bringing that to the attention of other services - if, say, nursing services might be indicated (Evidence, p .80).

7.18 The issue was under consideration particularly in areas where it was not possible to provide a daily service:

In some States, rethermic provision of meals is a feature of the meals systems in those States. Again, that is something that is being looked at on a case-by-case basis (Evidence, p. 80).

7.19 The comments in the EA Report had not been overlooked:

We are looking to develop the range of options to include shopping services, cooking classes, those sorts of things, and a number of those projects have been funded in several States (Evidence, p. 80).

A feature of the Meals on Wheels service is the daily contact that it provides for the recipient of the meal. It also provides an acknowledgement for the volunteer. While the efficiency aspect might be worthy of further investigation the Committee, because of the wider social issues, would be reluctant to endorse such a proposal unless there were special circumstances.

A National Organisation

7.20 Meals on Wheels Incorporated - the South Australian Organisation which has 8,000 to 9,000 volunteers who deliver over 900,000 meals a year from 100 outlets, suggested there should be a National Meals on Wheels Organisation.

Three important reasons exist for the establishment of a national body. They are:

1. to provide a united voice in negotiations with Commonwealth Government

2. to strengthen and support the State voice in negotiations at State level - allowing for differences between States
3. to facilitate the exchange of information between States so that new and successful developments can be shared throughout Australia to the benefit of the whole Meals on Wheels service
(Evidence, p. S3).

7.21 A national organisation had been suggested at the Second National Meals on Wheels Conference held in Adelaide in 1987 and a Steering Committee formed to examine the proposal. A difficulty was that three of the states did not have state organisations. Since then New South Wales formed a State Organisation, and there have been further moves for the establishment of a national organisation. Such a national organisation would provide the opportunity not only for a national approach but for the exchange of information and experience.

The Committee recommends that DCSH facilitate and support the establishment of a National Meals on Wheels Organisation.

CHAPTER 8

CONCLUSION

Conclusion

8.1 As noted in the introduction to Chapter 1 the members of the Expenditure Committee had a longstanding interest in the care of the aged and, in particular, the care of the aged in their own home. The reports of the Expenditure Committee led to the establishment of the HACC Program.

8.2 The EA Report established that the HACC Program is operating and achieving its main aim, that is providing people with the opportunity to remain at home rather than move into an institution. As noted earlier in this report the assessment teams are probably proposing only 50 per cent of those who previously would have been admitted to nursing homes by the Commonwealth Medical Officers.

8.3 The Program is not without its problems and these have been identified in the EA Report and in the first Triennial Review of the Program. The inquiry by the Committee provided an opportunity for community groups to comment not only on the EA Report but on the HACC Program. It is to be hoped that the Second Triennial Review due for 1991 will also be undertaken with a focus on community consultation.

8.4 The EA Report contained 24 recommendations three which were identified as significant and deserving priority. Those three, a rationalisation of services, the integration of services and a review of assessment for HACC Program services are commented on in this report.

8.5 A feature of the EA Report is the problem encountered with the audit of a joint Program. The AAO did not have direct contact with the State officials and as a result had to rely on available reports and discussions with Commonwealth Officials.

8.6 There is a need to ensure that for future audits which involve joint programs there is co-operation between the appropriate Audit authorities. However:

the various Auditors-General in the various States have different mandates (Evidence, p. 28).

8.7 This difficulty has been identified and measures should be taken to overcome the difficulty. The Auditor General in a response to Report 296 of the Parliamentary Joint Committee of Public Accounts referred to discussions with State Auditors-General on the advantages of Joint Audits. There is research being undertaken into the history of the issue before exploring the role with the State Auditors-General.

The Committee recommends that the Auditor-General consider and report to the Parliament on the ways the conduct of efficiency audits of joint Programs can be improved.

8.8 It was also suggested that the EA Report was conducted too soon after the commencement of the HACC Program and did not acknowledge the difficulties at the time. The EA Report did identify some of the problems with the HACC Program and perhaps these might not have been identified if not for the EA Report. The Committee has suggested that there be a further EA Report after the completion of the Second Triennial Review.

8.9 The Committee has acknowledged the role of local government in the HACC Program and suggested that where possible it be expanded. The contribution of the voluntary sector should not be underestimated and the Committee has welcomed the proposed establishment of a National Meals on Wheels Organisation. As we note in the report Meals on Wheels featured prominently in publicity during the inquiry even though the Meals on Wheels was only discussed on less than one page of a 70 page report.

8.10 The HACC Program provides an opportunity for citizens of Australia to live at home in a familiar environment and away from institutional care. It also provides the possibility for reduced Commonwealth spending. The opportunities it provides should not be missed but rather taken to full advantage.

8.11 It is for the Parliament and particularly its Committees to ensure that this happens.

STEPHEN MARTIN, MP
CHAIRMAN

October 1989

APPENDIX I

List of Submissions

No	Organisation/Date	Page No
1	Meals on Wheels Association Inc. South Australia dated 4 October 1988	2
2	St Vincent's Hospital dated 5 October 1988	10
3	Dr Ralph J K Chapman dated 7 October 1988	43
4	Group for Disabled Children Inc. dated 4 October 1988	61
5	Australian People's Representative Council dated 11 October 1988	64
6	Contenance Promotion Group of NSW Inc. dated 11 October 1988	66
7	Meals on Wheels Association Inc. Tasmania dated 16 October 1988	68
8	Meals on Wheels Association Inc. New South Wales dated 19 October 1988	71
9	Division of Aged Care and Domiciliary Services (Uniting Church in Australia - Queensland Synod) dated 19 October 1988	73
10	Australian Geriatrics Society received 21 October 1988	77
11	The Salvation Army dated 13 October 1988	81
12	Queensland Association for Mental Health dated 20 October 1988	94
13	Hunter Area Health Service received 21 October 1988	101

No	Organisation/Date	Page No
14	Department of Community Services and Health dated 21 October 1988	103
15	Australian Red Cross Society - ACT Division dated 21 October 1988	164
16	Australian Medical Association	179
17	Australian Council of Community Nursing Services dated 21 October 1988	187
18	Ethnic Communities Council - The Hunter Region Inc. received 24 October 1988	196
19	NSW Central Metropolitan Regional Home and Community Care Forum received 24 October 1988	203
20	Australian Local Government Association dated 24 October 1988	215
21	Hunter Region Geriatric Assessment Service dated 24 October 1988	284
22	Meals on Wheels Association Inc. Queensland dated 25 October 1988	310
23	Department of Aboriginal Affairs dated 24 October 1988	312
24	Schizophrenia Fellowship of South Queensland Inc. dated 18 October 1988	315
25	Voluntary Care Association of NSW and ACT dated 25 October 1988	316
26	Australian Council on the Ageing dated 27 October 1988	327
27	Department of Immigration, Local Government and Ethnic Affairs - Settlement Planning Branch dated 20 October 1988	329
28	Department of Immigration, Local Government and Ethnic Affairs - Office of Local Government dated 26 October 1988	332
29	Cook Freeze Pty Ltd dated 21 October 1988	343

No	Organisation/Date	Page No
30	Home Care Service of NSW dated 26 October 1988	346
31	Australian Greek Welfare Society dated 21 October 1988	349
32	Career Consult dated 24 October 1988	353
33	Newcastle Live-At-Home Service dated 27 October 1988	367
34	Municipal Association of Victoria received 24 October 1988	401
35	Northern Territory Government - Department of Health and Community Services dated 28 October 1988	463
36	South Australian Government dated 6 November 1988	469
37	Department of Veterans' Affairs dated 7 November 1988	483
38	Picton District Meals on Wheels received 23 November 1988	492
39	State Advisory Committee, NSW, Home and Community Care Program dated 28 October 1988	493
40	Victorian Government dated 22 November 1988	502
41	Ms Joyce McNamra received 4 November 1988 (except for those parts marked confidential)	531
42	Queensland Government dated 20 December 1988	538
43	Private Doctors of Australia Ltd dated 11 January 1989	560
44	New South Wales Government received 18 January 1989	563
45	Tasmanian State Government dated 20 December 1988	590

No	Organisation/Date	Page No
46	Australian Audit Office dated 9 February 1989	595
47	Extended Care Society of Victoria dated 30 March 1989	600
48	Queensland Government dated 5 June 1989	606

APPENDIX II

List of Witnesses

Witness	Date(s) of Appearance before Committee at Public Hearings
Mr Colin Mason Director Australian Audit Office Canberra, Australian Capital Territory	17.10.88
Mr Antony St. John Minchin Assistant Auditor-General Australian Audit Office Canberra, Australian Capital Territory	17.10.88
Mr James O'Neill First Assistant Auditor-General Australian Audit Office Canberra, Australian Capital Territory	17.10.88
Mr Wayne Jackson Assistant Secretary Department of Community Services and Health Canberra, Australian Capital Territory	31.10.88 7.4.89
Ms Mary Murnane First Assistant Secretary Community Program Department of Community Services and Health Canberra, Australian Capital Territory	31.10.88 7.4.89
Mr Glenn Rees Deputy Secretary Department of Community Services and Health Canberra, Australian Capital Territory	31.10.88 7.4.89
Ms Diana Batzias Acting General Manager Community and Youth Support Division Community Services Victoria 55 Swanston Street Melbourne, Victoria	23.1.89
Mr Allan Curry Program Adviser Home and Community Care Program Community Services Victoria 55 Swanston Street Melbourne, Victoria	23.1.89

Mr William Larkin Vice President Municipal Association of Victoria 468 St Kilda Road Melbourne, Victoria	23.1.89
Mr Alan Lohf Senior Finance and Administrative Officer HACC Support Unit Department for Community Welfare Adelaide, South Australia	23.1.89
Mr David Meldrum Director Southern Metropolitan Region Department for Community Welfare Adelaide, South Australia	23.1.89
Ms Anne Melrose Senior Project Officer Intergovernmental Relations Advisory Service Department of the Premier and Cabinet Adelaide, South Australia	23.1.89
Dr Diane Sisely Assistant Director Home and Community Support Community Services Victoria 55 Swanston Street Melbourne, Victoria	23.1.89
Mr Michael Tierney Policy Director Municipal Association of Victoria 468 St Kilda Road Melbourne, Victoria	23.1.89
Mr George Vermont Program Adviser Home and Community Care Program Community Services Victoria 55 Swanston Street Melbourne, Victoria	23.1.89
Mr Richard Dixon State President New South Wales Meals on Wheels Association Sydney, New South Wales	24.1.89
Ms Marcia Dwonczyk Assistant Director Office of Disability 6th Floor 333 Kent Street Sydney, New South Wales	24.1.89

Ms Philippa Godwin Acting Director Office for the Aged 6th Floor 33 Kent Street Sydney, New South Wales	24.1.89
Mrs Kathleen Lowe State President Queensland Meals on Wheels Service Association Brisbane, Queensland	24.1.89
Mrs Regis McKenzie Vice-President Australian Council of Community Nursing Services PO Box 159 Toowong, Queensland	24.1.89
Mrs Margaret Moores Secretary Australian Council of Community Nursing Services PO Box 159 Toowong, Queensland	24.1.89
Dr Ian Musgrav, Assistant Director-General Community and Public Health Queensland Department of Health Brisbane, Queensland	24.1.89
Mr Mark Schlosser Manager Funded Services New South Wales Department of Family and Community Services 31-39 Macquarie Street Parramatta, New South Wales	24.1.89

APPENDIX III

Response to the Auditor-Generals Report By DCSH

	Report Page No
Status of Recommendations as at January 1989	80
Status of Recommendations as at May 1989	86
Letter of 5 July 1989	88
Letter of 25 October 1989	90

Status of Recommendations

- 1(a) Implemented
- 1(b) Implemented
- 2 The allocation of funds to the Program in each State is determined annually in accordance with the provisions of the HACC Agreements and was originally based on the respective Commonwealth and State expenditures in 1984-85 approved for inclusion in the Program. Some anomalies in State contributions to the HACC Program are a function of the different 'bases' approved for inclusion in HACC. The Northern Territory for instance provides 100% of funding to Home Nursing and Community Paramedical services separate from the HACC Program, while in other States these services are cost-shared under HACC. Changes in Commonwealth or State contributions to the HACC Program can only be made with the agreement of both parties and would involve changing the HACC Agreements.
- 3 Most States are currently using expenditure data, available demographic data, such as ABS population data, as well as advice from regional committees, when allocating growth funds. The Department is currently developing a comprehensive regional planning data base, of which the service provision data is an integral part. It is the Department's objective that all new and expanded projects funded in 1988-89 be based on considerations of regional need.
- Consideration has also been given in the context of the HACC Review to an enhanced role for HACC Advisory Committees in this respect. See response to Rec 6(a).
- 4 The key structural changes recommended by the PAC have been implemented and the Home Care Service of New South Wales has recently been made a Statutory Authority by the NSW Government. A review of branch hours has been undertaken and changes are being implemented over a period of time by adding hours to branches in deficit as money becomes available.
- 5 Implemented. A checklist reflecting the objective of the Agreement and principles and goals of the program is now used to assess new and existing applications for funding.

6(a) The HACC Review has recommended changes to the role and structure of advisory committees. In particular, the Review recommends the establishment of structural links between the HACC Advisory Committees and the Aged Care Advisory Committees, the broad representation of service users and providers on the committees, and the establishment of a national reference group comprising representatives of each State/Territory Advisory Committee. The role of this reference group would primarily be to formalise the process of reporting by the committees to Ministers.

See response to Rec 3.

6(b) State Offices in conjunction with State Government counterparts are examining appropriate methods for publicising the approval of new projects. At least one State now includes a list of approved projects with its Strategic Plan.

7 Implemented. National Guidelines were published in Commonwealth Gazette No. G17 of 13 May 1988.

8 State Strategic Plans for each State/Territory are being developed from 1988/89 onwards. These Plans outline all significant policy, program and service development initiatives for each financial year including proposed strategies for disseminating information to the public. The Department is involved in the development of these information plans and suggests changes where appropriate. The Strategic Plans are jointly agreed by Ministers and are to be released as public documents.

9(a) Implemented.

9(b) At least one State is to undertake a review in 1988-89 of capital facilities in Senior Citizens Centres that were funded pre-HACC. All States/Territories attach terms and conditions to projects approved post-HACC (including Welfare Officers) and are implementing a program of review/evaluation visits to all approved services to ensure that appropriate HACC services continue to be provided. When the standard terms and conditions document is agreed with the States, it will be applied to all HACC projects.

9(c) States/Territories take account of the differing needs of younger disabled people when examining applications for funding of capital projects. The Northern Territory Government believes that it is imperative in remote areas for capital facilities to be shared by all groups.

10 There is no definition of 'sub-program guidelines' in the Agreements. An early interpretation was that sub-program guidelines could be taken to mean service type guidelines. This is the interpretation referred to in the body of the report by the Office for the Aged and the Office of Disability when they state that they tend to fragment program services at a time when co-ordination and integration are required. Many States are similarly opposed to the development of service type guidelines.

The Department is considering the form sub-program guidelines should take.

11(a) Both the Commonwealth and the States agree on the need
& (b) to review the operation of former Commonwealth funded projects. State Strategic Plans for 1988-89 include a program for priority review of services. A wide range of reviews have already been undertaken and/or identified in State plans developed to date.

12(a) Linkages between Programs have been examined in the context of the HACC Review to ensure better assessment, planning, co-ordination and a more integrated range of service responses, particularly where individual needs extend beyond a single program. HACC service providers are being encouraged to establish links with Geriatric Assessment Teams (GATs) as these teams become more widely established. GAT guidelines require consideration of the availability of community support, and referral where appropriate, when assessing people for admission to residential accommodation. See response to Rec 9(c).

12(b) Several solutions are being adopted in this area, including education of service providers, promoting flexible service delivery and tailoring care packages to individual needs.

13 The terms of reference for the HACC Review make no provision for the examination of State and regional differences in Program services. Sufficient data was not available to do this at the time the Review was established. As indicated in Responses 3 and 6(a), the use of needs based planning for the Program is being progressively implemented with the HACC Advisory Committees having a major role in future in examining the need for services by region in each State.

14(a) States/Territories are being continually reminded of their responsibilities under the Agreements. With experience, the form and timeliness of acquittals provided is improving slowly. The current situation is :

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
1985-86 Acquittals								
Received	yes	yes	yes	yes	yes	yes	yes	yes
Assessed	yes	yes	yes	yes	yes	yes	yes	yes
Finalised	yes	no	yes	yes	yes	yes	yes	yes
1986-87 Acquittals								
Received	yes	draft	yes	draft	yes	yes	yes	yes
Assessed	yes	no	yes	yes	yes	yes	yes	yes
Finalised	yes	no	yes	no	yes	yes	yes	yes

The Commonwealth's assessment of the acquittals is forwarded to States/Territories for agreement. The acquittals are finalised when agreement is reached.

Payments to Victoria and SA are currently being withheld pending the finalisation of the 1986-87 acquittal for SA, and both the 1985-86 and 1986-87 acquittals for Victoria.

14(b) This recommendation was to be implemented in the Department's 1987-88 Annual Report. However, the information was inadvertently omitted in the editing process. The Department is currently seeking alternative avenues for publishing the 1987-88 information. Action is in hand to ensure that the information is included in future annual reports.

15 After consultation with the Australian Government Solicitor while developing standard terms and conditions of grant, it was decided that a variation to the Agreement was not necessary.

16(a) The Department, in consultation with the Department of Finance and States/Territories, has developed standard terms and conditions of grant. This is now being considered by States/Territories with a view to finalisation and implementation during 1988-89.

16(b) On investigation, it is considered that financial difficulties could arise if organisations were required to appoint an accountant before the start of the project. All organisations are required, however, as part of the terms and conditions of contract, to provide an audited financial statement to State/Territory Governments.

17(a) Subject to negotiation between our State Offices and
& (b) State/Territory Departments. However, it must be questioned whether this duplication of effort by Commonwealth and State Governments is necessary given the primary role States have in the management of the Program.

18(a) This recommendation was primarily based on the uncertain position of the Home Care Service of New South Wales. This has now been clarified as the Home Care Service of New South Wales has been recently been made a Statutory Authority of the NSW Government.

The implementation of this recommendation would also mean that Government Departments would have to provide independently audited statements for acquittal purposes under Clause 27 of the Agreements.

The Northern Territory Government does not support this recommendation given that certification by an authorised State/Territory officer that funds have been expended by the State/Territory should satisfy the requirements of the Agreement. They do not agree that Government HACC services should be subject to separate audit by an accountant outside the usual Government Audit requirements.

Tasmania did not comment on this recommendation. The response of other States is awaited.

18(b) This is still subject to discussions with State Government Departments. It is anticipated that this will be resolved following agreement on a standard terms and conditions document as per Rec 16(a). This document will be used for all HACC projects.

19(a) The form of annual statement has been clarified and
(b) & explained in the Program Management Manual which has
(c) now been finalised and agreed. The provision of annual statements by the due date will be closely monitored.

20 Assessment procedures vary among States/Territories. Whilst assessment is usually undertaken by individual service providers there is increased recognition of the need to develop co-ordinated assessment procedures.

The further development of assessment and co-ordination under HACC may involve fostering natural lead agencies/key organisations as logical assessment/service co-ordination units. It is envisaged that there will be more than one lead agency in an area but importantly, they will provide for clients a viable point of entry and single assessment for all HACC services.

The Department, in consultation with the States and service providers is planning to develop a resource kit for service providers which will include guidelines for assessment.

21(a) The question of charging for HACC service provision is
& (b) to receive further examination in light of the recommendations of the HACC Review.

22 The requirements to disclose fees received and to spend such fees on HACC services are contained in the standard terms and conditions of grant which are being considered by State/Territory Governments. As part of the acquittal process, States/Territories are required to pass on this information to the Commonwealth.

23 The HACC data collections have been agreed with States. Service provision data is available for all States except Victoria.

Service characteristics data has been collected in all States.

The form for the user characteristics data collection has been agreed with all States, and data collection is due to commence in May 1989.

24 Implemented. Performance indicators have been published as part of the Department's 1988-89 Management Plan.

3237a

HOME AND COMMUNITY CARE BRANCH

(Efficiency Audit Report, May 1988)

The House of Representatives Standing Committee on Finance and Public Administration is currently conducting a review of the Auditor-General's Report. The Department has made a submission to the Committee and officers of the Department have appeared before the Committee in public hearings. The Committee has not, as yet, reported its findings to the Parliament. This is expected to occur about April of this year.

Only Tasmania and the Northern Territory have as yet officially responded to the Minister's request for comments on the recommendations of the Auditor-General. Queensland and NSW have provided responses to the Report's recommendations in their submissions to the Finance and Public Administration Committee.

The HACC review has now concluded, and has made a large number of recommendations to improve the administration and effectiveness of the Program. The Report of the Review is to be considered by Commonwealth and State Ministers responsible for HACC at a meeting in March 1989.

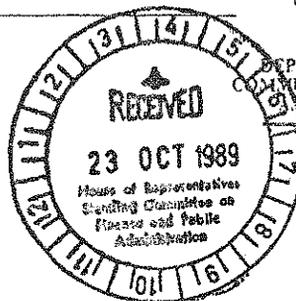
Set out below is an update on those recommendations in respect of which the situation has altered since the last quarterly update.

- 11(a) Both the Commonwealth and the States agree on the need
& (b) to review the operation of former Commonwealth funded projects. State Strategic Plans for 1988-89 include a program for priority review of services. A wide range of reviews have already been undertaken and/or identified in State plans developed to date.
- 13 The terms of reference for the HACC Review make no provision for the examination of State and regional differences in Program services. Sufficient data was not available to do this at the time the Review was established. The use of needs based planning for the Program is being progressively implemented, with the HACC Advisory Committees having a major role in future in examining the need for services by region in each State.

- 14(b) This recommendation was to be implemented in the Department's 1987-88 Annual Report. However, the information was inadvertently omitted in the editing process. The Department is currently seeking alternative avenues for publishing the 1987-88 information. Action is in hand to ensure that the information is included in future annual reports.
- 20 Assessment procedures vary among States/Territories. Whilst assessment is usually undertaken by individual service providers there is increased recognition of the need to develop co-ordinated assessment procedures. The HACC Review Report contains a number of recommendations for improvements in this area.
- The Department, in consultation with the States and service providers is planning to develop a resource kit for service providers which will include guidelines for assessment.
- 23 The HACC data collections have been agreed with States. Service provision data is available for all States except Victoria.
- Service characteristics data has been collected in all States.
- The form for the user characteristics data collection has been agreed with all States, and data collection is due to commence in May 1989.
- 24 Implemented. Performance indicators have been published as part of the Department's 1988-89 Management Plan.

3237a

MINUTE



DEPARTMENT OF
COMMUNITY SERVICES
AND HEALTH

89/8562

Mr R Le Faucheur
Acting Assistant Secretary
Internal Audit Branch

AUDITOR-GENERAL'S REPORT : FOLLOW-UP - JUNE 1989

I refer to your minute of 20 June 1989 in which you requested an updated statement regarding action taken in relation to the findings of the Efficiency Audit of the HACC Program undertaken by the Auditor-General.

The review of the Report by the House of Representatives Standing Committee on Finance and Public Administration is now complete, and the Committee is expected to report its findings to Parliament in September this year. The Department made a submission to the Committee and officers of the Department appeared twice before the Committee in public hearings. The Committee also received submissions and heard evidence from all State Departments responsible for HACC, as well as a wide range of community organisations representing both service providers and users.

The Commonwealth and State Ministers responsible for HACC met in March 1989 to consider the report of the first triennial review of the Program, and decided to adopt most of the recommendations resulting from that review.

With regard to the specific recommendations of the Auditor-General, the attachment to this minute describes the current situation regarding those of the remaining outstanding recommendations in which the situation has changed since the previous update.

The majority of the Auditor-General's recommendations have now received a satisfactory response, and I would appreciate your advice as to whether further reports of this nature will be required.

Wayne Jackson
Assistant Secretary
Home and Community Care Branch

5 July 1989

HOME AND COMMUNITY CARE PROGRAM

(Efficiency Audit, May 1988)

Recommendation

Current Situation

14(b)

All outstanding acquittals for 1985-86 and 1986-87 have now been received, and this will be noted in the Department's annual report. As such, the problem which led to this recommendation has been overcome.

23

An ADP system for processing the user characteristics data collection is almost complete, and it is anticipated that all States will have collected data by September 1989.

CO3:2363a

SECRET



DEPARTMENT OF
COMMUNITY SERVICES
AND HEALTH

89/8562

Mr Ian Haupt
Acting Assistant Secretary
Internal Audit Branch

AUDITOR-GENERAL'S REPORT : FOLLOW-UP - SEPTEMBER 1989

I refer to your minute of 29 September 1989 in which you requested an update statement regarding action in relation to the findings of the Efficiency Audit of the HACC Program by the Auditor-General.

Attached is the current response to Recommendation 23, concerning the establishment of a Program information system. You will note that the only change to the previous response is a slight delay in the anticipated completion date for collection of user characteristics data by the States.

As noted in my previous minute on this subject, I believe that the Auditor-General's recommendations have now received a satisfactory response. I also note that the HACC Program will be subject to scrutiny by your Branch during 1989-90.

I therefore question the need for further reports of this nature, and I would appreciate your advice on this matter.


Wayne Jackson
Assistant Secretary
Home and Community Care Branch

October 1989

HOME AND COMMUNITY CARE PROGRAM
(Efficiency Audit, May 1988)

Recommendation

23

Current Situation

An ADP system for processing the user characteristics data collection is almost complete, and it is anticipated that all States will have collected data by November 1989.

CO3:0433a

