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28 April, 2011.

Mr Robert Fitzgerald
Commissioner
Inquiry into Caring for Older Australians
Productivity Commission
GPO Box 1428
Canberra City, ACT 2601.

Dear Mr Fitzgerald

Productivity Commission 'Caring for Older Australians' – Supplementary MAV submission

The MAV wishes to thank you for coming to Melbourne and presenting to the MAV forum on 24 February. This was helpful in ensuring as many councils as possible had the opportunity to hear the Commission's thinking and proposals first-hand.

Following feedback from councils, the MAV provided its response to the Draft Report, emphasising the critical role of local government in community care in Victoria, and the importance of maintaining the strengths of the Victorian system, including the substantially public and not-for-profit service system.

The MAV recently elected a new Board, and following their first meeting on 1 April 2011, it was considered appropriate to further advise the Commission on the following points:

- Councils generally want to maintain a role in community care service planning and coordination, assessment, and many also in service delivery.
- The major directional change proposed by the Commission opens up the debate for councils about whether they remain service providers in the medium term. The $80 - $100 million local government investment in community care and related community services is at risk as councils review their continued roles in aged care.
- Councils additional investment has supported the high quality model of HACC services delivered in Victoria. As much of this investment supplements a unit price made inadequate by the low annual escalator, there has been growing sector concern about the Commonwealth's cost shift to local government.
- Some rural councils in particular consider they may no longer be able to maintain their role in HACC with the ongoing input required from rate revenue.
- There are high community expectations in Victoria of the standard, continuity and quality of service delivered by local government, which has built up significant expertise and a close knowledge of the community. Councils want to ensure that these high standards are maintained.

- The Productivity Commission could have explored a model that excepted Victoria and WA in line with the COAG Agreement.
- There is concern that states which currently provide a high level of service could 'miss out' or be penalized under any new arrangements.
- There is concern at the Commonwealth's capacity to manage the community care system without significant State and local government involvement.
- Responding to diversity has to be core business in community services, with the service platform catering for multicultural need by employing bilingual and bicultural staff. Councils try to employ staff who reflect the diversity in their populations.
- Even if councils opt out of service provision, they will remain involved in local area planning, and seek assurance of processes for the Commonwealth to share local area level data from assessment and service utilization sources, such as the Seniors Gateways, for which they have the collection responsibility.

Please consider these important points, which have been supplied in addition to the MAV's submission.

Thank you for the opportunity to provide feedback to the Draft Report.

Yours sincerely

ROB SPENCE
Chief Executive Officer