



Minister for Ageing

Hon David Davis MP

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Mr Mike Woods
Deputy Chairman
Productivity Commission
GPO Box 1428
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Dear Mr Woods

I write with regard to the Productivity Commission's draft report on its Caring for Older Australians Inquiry.

Victoria does not intend to provide a detailed response to the very comprehensive draft report at this stage. The issues it considers are significant and the Commission has proposed a set of reforms that are far-reaching and complex, in both concept and implementation. The attitude of the community and of the Commonwealth Government towards these proposed reforms will no doubt significantly shape the extent to which various elements of the detail in the report will need to be further examined.

What I do wish to ensure, and this is my purpose in writing to you, is that the Commission has a clear understanding of the positions that the Victorian Government currently holds in relation to programs and service delivery outcomes for the older population, so that these may be taken into account in your final report.

The coming decades will be challenging as we seek to address the demand for care that a significantly growing cohort of people aged over 65 will require. This will impact across the board in health services, community care services and residential aged care, particularly for people with high care needs.

Our concerns are primarily about ensuring that the positive characteristics of the Victorian service system and the benefits experienced by older people in Victoria from current service delivery are maintained and able to be further enhanced in any proposed changes to be made to the provision of aged care.

While there is always room for improvement in the way systems run and services are delivered, there are some important characteristics of the Victorian service delivery landscape that need to be taken into account when major change is considered. They include the role of local government and State health services, the work already done on integrating services more generally, the approach to assessment of older peoples' needs in a holistic way (and not limited to aged care services) and Victoria's commitment to embedding a restorative and enabling approach to service delivery.

As you are aware, Victoria has taken the position to maintain a role in funding and administering basic care for older people, currently funded through the Home and Community Care (HACC) Program, because those services are well integrated into the rest of the Victorian health and community care system and they play an important role in maintaining older people in a positive state of good health and wellbeing. This is consistent with the agreement that has been made through the Council of Australian Governments for HACC in Victoria.

Victoria has also argued that Aged Care Assessment Teams (ACATs) should remain located in clinical environments, closely connected to geriatricians and other specialists in older people's health as well as the specialised services available to older people through Victoria's sub-acute services. Their role is complementary to that played by services funded through the HACC Program in maintaining older people's health and wellbeing.

Local councils in Victoria have a long history and current commitment to human services delivery. They provide a planning and integrating capacity more broadly as well as being service providers, and provide a common platform for service delivery across the state that is well understood and respected by people using services. Local councils contribute an estimated \$100 million per annum from their own sources to aged and disability services, and the State has historically invested additional funds as well.

Victoria has been working for over a decade to integrate its health and community care services through a range of strategies, including the development of Primary Care Partnerships and investment in electronic information transfer capacity. We want to continue to build on these investments and the commitment and effort invested by services to date.

Victoria has also been working to refocus its community care services so that they are delivered with an enabling and restorative approach to the people that use them. Good quality assessment that engages face to face with the person in their home environment is essential to achieving positive results. There is widespread support for this approach among service providers in Victoria because it offers a positive way to engage with people to achieve good results for them at modest cost. Our experience is that a restorative and enabling approach needs to be built into every contact a person or family member has with services, including at first contact with the intake and assessment process.

We are further concerned that there need to be clear strategies as to how the reforms will provide access to the range of necessary services to all who require them, wherever they are located and whatever their means. Victorian health services already play a very strong role in ensuring access to residential aged care and other aged care services, particularly in rural areas, and carry a significant cost in providing these services over and above the current Commonwealth funding. The State would clearly be concerned about further cost imposts or reduction in Commonwealth funding effort as a result of changes to the way the aged care system is funded and provided. The proposed increases in private sources of funding and provision of services must be accompanied by clear commitments to maintaining and increasing the role of the Commonwealth as the primary funder of aged care services, if the future needs of older Australians are to be adequately met.

I look forward to seeing the Commission's final report.

Yours sincerely

Hon David Davis MP
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