

Audit Report No. 58, 2004-05, Helping Carers: the National Respite for Carers Program

Introduction

- 4.1 In 2003, an estimated 2.6 million people (carers) provided assistance to those who needed help because of a disability.¹ This included assistance with self-care, mobility, communication, transport and housework.²
- 4.2 The Australian Government and State and Territory governments deliver support services for carers and care recipients. Support services include basic care, coordinated services for those with complex needs, financial support, and respite and information services. Carer-focused respite, information and counselling services are provided under the National Respite for Carers Program (NRCP).
- 4.3 NRCP is a collection of activities arising from successive Australian Government policy and funding initiatives to support a variety of carers in the community. Health has defined NRCP's objective as *the support and*

1 Australian Bureau of Statistics, *2004 Disability, Ageing and Carers: Summary of Findings*, 2004, Canberra, p.3. The Australian Bureau of Statistics defines disability as any limitation, restriction or impairment, which has lasted, or is likely to last, for at least six months and restricts everyday activities. Examples range from hearing loss which requires the use of a hearing aid, to difficulty dressing due to arthritis, to advanced dementia requiring constant help and supervision.

2 Australian National Audit Office, *Audit Report No. 58 2004-05, Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia.

*maintenance of caring relationships between carers and their dependent family members or friends by facilitating access to information, respite care and other support appropriate to their individual needs and circumstances, and those of the people for whom they care.*³

- 4.4 Respite care, and associated information and counselling services, are primarily delivered through NRCP's three major components, which are:
- Resource Centres – these Centres act as points of contact for carers seeking **information and advice** about services and other support and assistance. For example, carers can telephone their nearest Resource Centre, located in each State and Territory capital city, for information on various topics, referrals to a range of community and government services, emotional support and counselling, and for a wide range of resources including a free carers' kit. Resource Centres assisted 42 627 carers in 2003–04;
 - Respite Centres – these Centres **arrange short-term or emergency respite for carers through existing services**. They are also funded to purchase or subsidise flexible respite care, provide emergency respite services, and link carers to residential respite services. For example, Respite Centres are able to provide immediate in-home respite to assist carers in an emergency or unplanned situation, assist carers to access other emergency/after hours services, and arrange ongoing respite if the carer requires emergency assistance for more than a few days. Respite Centres assisted 47 800 carers in 2003–04; and
 - Respite Services – these Services **deliver respite** to carers and the people they support in a variety of settings, including in-home, day centre, host family and other short-term respite accommodation. Respite Services assisted 28 000 carers in 2003–04.
- 4.5 Health does not deliver services directly to carers, with funding provided to a range of organisations to operate NRCP Centres/Services, including community organisations, charitable organisations, State/Territory governments, local government, religious organisations, and private sector organisations.
- 4.6 In 1996–97, the Australian Government commenced funding for NRCP, with Program funding increasing from \$19 million in that year to \$134.8 million in 2005–06. The most significant increases have occurred over the
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3 Respite care is defined as an alternative or supplementary care arrangement with the primary purpose of giving the carer:

- a short-term break from the usual caring role; and/or
- assistance with the performance of the caring role.

last three years, including additional funding to expand NRCP target groups. Funds are currently allocated across the three major Program components as follows⁴:

- Resource Centres – \$4.7 million (9 Centres);
- Respite Centres – \$46.2 million (61 Centres); and
- Respite Services – \$59.5 million (432 service providers).

4.7 This funding is part of an estimated \$2.5 billion in carer support, provided each year by the Australian Government and by State and Territory governments through joint programs with the Commonwealth.

4.8 The delivery of Australian Government funded community care services, including NRCP, is the subject of reform following the completion of a major review. In 2002, the then Minister for Ageing initiated a review of Health's 17 community care programs. The Minister released the resulting report, *A New Strategy for Community Care – The Way Forward*, on 3 August 2004. This report proposed significant changes to the way in which community care services, including NRCP, are delivered. These changes are intended to provide consumers with easier access to care and support, a fairer system, comprehensive services, and greater consistency in the quality of care. It is in this context that Health advised the ANAO that it is working to streamline and improve administrative arrangements for NRCP in association with administrative reform in other community care programs. Implementation of reforms may involve consultation with industry and/or State and Territory governments where appropriate, pilot testing and evaluation prior to full implementation. At the time of the audit, Health was already well advanced on some initiatives stemming from the review.

4.9 The audit objective was to assess the effectiveness of Health's administration of NRCP. The audit comments on a range of issues, including program design, planning on the basis of need, funding, coordination, performance monitoring, and compliance management. It also takes into account Community Care Review initiatives.

4 The amount of funds allocated across the three major Program components is less than the annual budget because some funding announced in the 2005-06 Budget, which is included in the annual NRCP budget, is yet to be allocated to components.

The audit

- 4.10 The ANAO's audit objective was to assess the effectiveness of Health's administration of the National Respite for Carers Program.
- 4.11 The audit assessed the effectiveness of Health's administration of NRCP against the following criteria:
- does Health effectively plan Program delivery;
 - has Health established appropriate systems/processes to guide Program administration; and
 - does Health effectively monitor Program delivery?
- 4.12 To form an opinion against the audit objective, the ANAO interviewed Health personnel, examined Health documents, interviewed personnel at a selection of service providers and stakeholders, and reviewed relevant literature.

Overall audit conclusion

- 4.13 The ANAO concluded that while Health's administration of NRCP supports the delivery of respite, information and counselling services to carers, opportunities exist for Health to improve the effectiveness of its administrative practices.
- 4.14 The significance of weaknesses in administrative practices has increased as the Program has grown in size and complexity. This growth has been primarily driven by government policy initiatives, with complexity arising from the creation of separate components within NRCP. Notwithstanding, the ANAO considers that Health should adopt a more structured, integrated and planned approach to implementation and future expansion of NRCP.
- 4.15 Health has acknowledged problems with the administration and delivery of community care services in general, and more specifically its administration of NRCP. It is currently working to resolve a number of these problems.
- 4.16 The Minister's review of community care services, which resulted in the publication in 2004 of a report entitled *A New Strategy for Community Care – The Way Forward*, has identified a number of areas where a more consistent and coordinated approach across all of Health's community care programs, including NRCP, is necessary. Health has already commenced the implementation of review initiatives and is well advanced with some.

ANAO recommendations

4.17 The ANAO's recommendations are listed below. To improve Health's administration of NRCP, the ANAO made six recommendations. The ANAO suggested that Health give priority to Recommendations 1 and 2.

Table 4.1 ANAO recommendations, Audit Report No. 58, 2004-05

1.	The ANAO recommended that Health develop a longer term strategy for NRCP that: <ul style="list-style-type: none">• provides a statement of strategic directions and priorities;• describes key Program aims and approaches; and• establishes an integrated performance measurement framework, against which the achievement of Program objectives can be assessed. <p><i>Health's response: Agreed</i></p>
2.	The ANAO recommended that Health implement a needs-based planning methodology to underpin NRCP service provision, comprising: <ul style="list-style-type: none">• a methodology, incorporating a common assessment tool, for determining carers' needs; and• regional planning, incorporating program data from relevant community care programs. <p><i>Health's response: Agreed.</i></p>
3.	The ANAO recommended that, in order to improve the efficiency of its funding activities, Health: <ul style="list-style-type: none">• monitor both open and targeted funding rounds to inform future funding activities; and• ensure that funds are allocated sufficiently early to allow considered expenditure over the full financial year. <p><i>Health's response: Agreed.</i></p>
4.	The ANAO recommended that, in order to ensure consistent implementation of NRCP nationally, Health issue an up-to-date national NRCP policy and procedures manual and ensure that staff are aware of the manual. <p><i>Health's response: Agreed.</i></p>
5.	The ANAO recommended that Health, in order to better inform its decision-making and to demonstrate due process, ensure that its record keeping processes and practices are aligned to better practice. <p><i>Health's response: Agreed.</i></p>
6.	The ANAO recommended that Health review the number, type and timing of reports it requires from funded organisations to ensure that they support Health's monitoring requirements. <p><i>Health's response: Agreed.</i></p>

The Committee's review

4.18 Throughout the assessment of this audit report, the ANAO was very complimentary about the actions Health was undertaking through the National Respite for Carers Program.

4.19 The Committee is also pleased to note the department's positive response to the audit report in acknowledging the problems identified and in working to resolve these problems. Health's overall comment on the audit indicates a good working relationship between the Department and the ANAO in relation to this audit:

The Department is supportive of the audit report and agrees to the recommendations. The Department welcomes the ANAO's acknowledgement of the reforms and initiatives already in hand that will address many of the matters raised in the audit report.⁵

4.20 The Committee held a public hearing to examine this audit report on Monday 13th February 2006. Witnesses representing the Department of Health and Ageing appeared at the hearing, as well as representatives from the ANAO.

4.21 The Committee took evidence on the following issues:

- Program design
 - ⇒ The Way Forward
- Planning
- Needs analysis
- Continuity of funding
- Reporting and monitoring
- Common assessment tool
- Administrative procedures.

Program design

4.22 The ANAO describes the NRCP as 'a collection of disparate components arising from successive Australian Government policy and funding initiatives with the aim of supporting carers in the community'.⁶ The program has three major components, several minor programs and a related carer information program.

The design of NRCP reflects the influences of a series of policy initiatives that have shaped the Program since its inception in

5 Australian National Audit Office, Audit Report No. 58 2004-05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.18.

6 Australian National Audit Office, Audit Report No. 58 2004-05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.28.

1996. These initiatives have created separate components and targeted services within them. As a consequence, NRCP has a number of components, each with its own administration team, guidelines, model of service delivery and reporting processes. This structure, while aligned to the Government's policies, poses challenges for administration and increases costs.⁷

- 4.23 At the public hearing, Health told the Committee that the history of the NRCP needs to be considered when developing a long-term strategy for the program. The program components have built up over time, each with its own objectives, aims, directions and performance information.⁸

Each of the program elements had its own history. It started off when it was put under that broad title ... the NRCP. Three broad service delivery components were part of a broader agenda around providing services for carers ... and there were a number of initiatives in different portfolios. ... We had three service assistance mechanisms that were in our portfolio and they were drawn together under this broad heading, or umbrella, of NRCP.

... These initiatives happened over a number of years. As part of the community care review it was recognised that across all community care ... we needed to draw things together into a much more consistent system. ... In this particular case the NRCP funding has grown from \$19 million in around 1996 to about \$140 million now. So it certainly was time to start drawing those things together.⁹

- 4.24 Currently the target groups for NRCP are based on the policy initiatives that have shaped the Program and the adaptation by Health of the target groups from the Home and Community Care Program (HACC).¹⁰ The ANAO reported that although Health has communicated the target groups for each major component of NRCP to funded organisations; it had not developed sufficient guidance for Respite Centres, or Resource

7 Australian National Audit Office, Audit Report No. 58 2004–05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.13.

8 Mary McDonald, Assistant Secretary, Community Care Branch, Department of Health and Ageing. *Transcript of Evidence*, Monday, 13 February 2006, PA 23.

9 Mary McDonald, Assistant Secretary, Community Care Branch, Department of Health and Ageing. *Transcript of Evidence*, Monday, 13 February 2006, PA 23.

10 Australian Government and State and Territory governments jointly fund community care services (including NRCP) through HACC, with State and Territory governments setting priorities for funding across their jurisdictions. Services for frail aged and younger people with disabilities, and their carers, include home help, respite, home modification and transport.

Centres, to inform the allocation of services to the different types of recipients within target groups.¹¹

- 4.25 The Committee agrees with the ANAO that such guidance is an important approach to limit potential cost shifting between programs, departments and different levels of government.
- 4.26 The Committee therefore reminds Health of this issue in their actions responding to the ANAO's recommendation four.

The Way Forward

- 4.27 In 2002 the Government initiated a review of community care programs to identify strategies that would simplify and streamline current arrangements for the administration and delivery of community care services.¹²
- 4.28 The strategy arising from the review, released at the end of 2004, was titled *The Way Forward* and aims to develop more consistent and coordinated programs. Expected reforms include agreed assessment processes, eligibility criteria, consistent accountability and quality arrangements and targeting strategies.
- 4.29 The strategy aligns the reform process with the timeframe for reviewing and redeveloping the HACC Agreement with states and territories, extending the reforms across the HACC Program at the same time as improving community care programs.¹³

...through the community care review *The way forward*, a number of recommendations were made about working with state governments around consistent arrangements for community care, and that includes respite services. We are now working with the state governments around consistent quality arrangements, which would go across the HACC program as well as providing the opportunity for the state government to look at their state only funded services. The states have agreed to this process and work is under way at the moment.¹⁴

11 Australian National Audit Office, Audit Report No. 58 2004-05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.13-14.

12 The Hon Julie Bishop MP, Minister for Ageing, Foreword to *The Way Forward: A New Strategy for Community Care*, Commonwealth of Australia 2004.

13 *The Way Forward: A New Strategy for Community Care*, Commonwealth of Australia 2004.

14 Mary McDonald, Assistant Secretary, Community Care Branch, Department of Health and Ageing. *Transcript of Evidence*, Monday, 13 February 2006, PA 22.

- 4.30 Information about the progress of reforms outlined in *A New Strategy for Community Care -The Way Forward* is presented by Health online at <http://www.health.gov.au/internet/wcms/publishing.nsf/content/ageing-twfw-welcome.htm>.

Planning

- 4.31 The Audit Office advised that Health's planning requires further strengthening to support the current size and complexity of the national program. They identified that "a strategic plan for NRCP to guide the deployment of resources ... would assist Health to integrate the various components within the Program and guide development and expansion."¹⁵
- 4.32 Health accepted the recommendation to develop a long-term strategic plan for the NRCP, and noted in their response that:
- Further development is being undertaken through the development of common arrangements as *The Way Forward* is implemented across community care programs (including NRCP).¹⁶
- 4.33 Health felt it was important to note the history of the program and the fact that it is made up of a number of components, when discussing a long-term strategy. With each of the components having its own objectives, aims, directions and performance information, development of a single strategy is a complex process.
- 4.34 At the time of the hearing, Health advised that the strategic plan was not yet complete:
- We have certainly taken the first steps. We are now undertaking a number of reviews which are under way at the moment around some components of the NRCP... This is taking place over the next few months. We will then be in a position to start pulling the rest of that together.¹⁷

15 Australian National Audit Office, Audit Report No. 58 2004-05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.14.

16 Australian National Audit Office, Audit Report No. 58 2004-05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.51.

17 Mary McDonald, Assistant Secretary, Community Care Branch, Department of Health and Ageing. *Transcript of Evidence*, Monday, 13 February 2006, PA 24.

- 4.35 Health told the Committee that the needs assessment would also be included in this plan, as well as an investigation of consistent performance information across the system.

We now have a much stronger planning and accountability platform and also consistency in what we are asking of service providers and consistency in not only financial accountability but, most importantly, accountability for the way they are responding to carers' needs.¹⁸

- 4.36 Health advised that the respite part of the strategic plan would be completed by the end of 2006, but that there was a lot of other work, right across the community care system, that would also need to be done over the next few years. The respite part of the plan was expected to be used upfront in the guidelines for services, as well as being a key departmental document.¹⁹

- 4.37 At the hearing Health also referred to a planned evaluation of the overall program and the delivery of services to particular carers:

That evaluation will be taking place in 2007, when we will be nearing the end of the three-year contracts. That will feed into what we then do in the next round.²⁰

- 4.38 The June 2007 edition of *The Way Forward* newsletter announced that work to determine the feasibility of a nationally consistent planning framework for community care had started.

Although community care programs have similar objectives and target populations, planning processes differ between states and territories. These planning processes are covered by a range of legislation and administrative processes.

The aim of the National Planning Framework Project is to develop a streamlined and coordinated approach to planning that helps to reduce the potential for gaps and overlaps in service delivery.²¹

18 Mary Murnane, Deputy Secretary, Department of Health and Ageing. *Transcript of Evidence*, Monday, 13 February 2006, PA 26.

19 Mary McDonald, Assistant Secretary, Community Care Branch, Department of Health and Ageing. *Transcript of Evidence*, Monday, 13 February 2006, PA 29.

20 Mary McDonald, Assistant Secretary, Community Care Branch, Department of Health and Ageing. *Transcript of Evidence*, Monday, 13 February 2006, PA 26.

21 'Planning for Community Care', *The Way Forward Newsletter*, June 2007 edition, Department of Health and Ageing (accessed online at <http://www.health.gov.au/internet/wcms/publishing.nsf/Content/ageing-twff-newsletter-june07.htm>. Page modified: 25 June, 2007)

4.39 Mapping exercises will be conducted in each state and territory to examine the planning cycles, tools and analysis methods currently in use in different programs, and to highlight where community care planning connects with other health and aged care programs and joint planning initiatives. The results will be used to:

develop suggestions for common planning principles and data sharing protocols that could be applied across the tiered model of community care and other programs.²²

4.40 The final feasibility report was due in December 2007. The Committee looks forward to examining this report and the results of the evaluation of the program and its service delivery to carers.

4.41 The Committee noted that clients accessing different services often found that the use of inconsistent boundaries across different programs or jurisdictions added frustration to their search for appropriate information.

4.42 Health informed the Committee that when they finalised the application process for the centres, where possible they combined Carelink²³ centres and the respite centres. At that time, the result also aligned with the HACC boundaries.

We are going to continue to work with our state counterparts around that area to ensure that we have consistent arrangements across the boundaries. ... in a number of areas that we work on jointly we have a joint interest in having consistent boundaries and agreeing on those.

... we are also going to be working on ... the development of consistent entry points into the community care system... Those entry points will obviously involve the respite centres and they will need to have boundaries associated with them as well. So there is a real shared interest with the states in improving the way the system works and keeping it as consistent as possible.²⁴

22 'Planning for Community Care', *The Way Forward Newsletter*, June 2007 edition, Department of Health and Ageing (accessed online at <http://www.health.gov.au/internet/wcms/publishing.nsf/Content/ageing-twff-newsletter-june07.htm>. Page modified: 25 June, 2007)

23 Commonwealth Carelink Centres are information centres for older people, people with disabilities and those who provide care and services. Centres provide free and confidential information on community aged care, disability and other support services available locally, interstate or anywhere within Australia. There are 65 'walk-in' shopfronts throughout Australia a national FreecallTM telephone number.

24 Mary McDonald, Assistant Secretary, Community Care Branch, Department of Health and Ageing. *Transcript of Evidence*, Monday, 13 February 2006, PA 28.

- 4.43 The Committee is pleased to note this alignment of boundaries for related services but understands that this situation can easily change for example where a state changes its health boundaries.

Needs analysis

- 4.44 The ANAO noted that the absence of an effective needs-based planning approach for NRCP, incorporating service delivery data from other community care programs, has limited Health's ability to target funding to areas of greatest carer need:

The assessment of need is an important element of sound program planning. It allows funding providers to target the provision of respite services. It also provides baseline information against which the impact of programs can later be assessed.²⁵

- 4.45 The ANAO described Health as knowing who their clients were but not having good data on the distribution of carers within regions. They found that the department allocated funds to the states on a reasonable basis, using ABS data estimating the numbers of carers.

- 4.46 There were no clear approaches to identifying relative need within regions and within states, rather, Health tended to use service providers' expenditure capacity as a proxy measure for relative need.

We are pulling together better information and working with the states in pulling together consistent and very detailed regional information. But we certainly carried out our own mapping exercise and we used that information. We also gathered ABS data around carer numbers and information around people.²⁶

- 4.47 The Committee was concerned that this process favoured those providers with the capacity to deliver rather than those actually delivering.

- 4.48 At the hearing, Health described an assessment of the mix of carer needs in an area which was undertaken:

Last year there was a request for application process that described the new program arrangements. It gave existing providers and new providers the opportunity to apply for

25 Australian National Audit Office, Audit Report No. 58 2004–05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.14-15.

26 Mary McDonald, Assistant Secretary, Community Care Branch, Department of Health and Ageing. *Transcript of Evidence*, Monday, 13 February 2006, PA 24.

funding. It also gave them the opportunity, especially in relation to respite services, to have a look at the whole range of local needs and to establish what they could best deliver in relation to services. That allowed a breaking down of some of those artificial barriers where we had particular buckets of money targeted to particular groups. When all those applications came in there was then an assessment looking at the needs region by region.²⁷

- 4.49 This process also allowed an examination of the mix of carer needs in the area, including models of service delivery.

We took into account carer numbers in the region and the mix of carers. Then the funding was allocated on a priority basis. In some cases we found that, for various reasons, there were gaps in service delivery and more growth funding went into those regions than maybe some other regions.²⁸

- 4.50 Health explained that the carers' movement developed from what was initially a very grassroots movement which was then responded to by governments:

The establishment of carer resource centres was done very much in consultation with the carer movement, which by that stage had arisen in almost every state.²⁹

- 4.51 Health believes that this evolution ensured that the funds were not wasted or duplicated, even before the new formula was applied. Rather, the money was directed to areas of need as well areas where there was a carer movement and volunteers who were able to take it on.

- 4.52 In line with *The Way Forward*, the Australian Government and the states and territories signed a new agreement, the Review Agreement, in May 2007 and it came into effect on 1 July 2007. The agreement aims to improve longer-term planning and administration of the HACC Program through measures to better support the delivery of HACC services, such as improved administrative arrangements and business processes.

27 Mary McDonald, Assistant Secretary, Community Care Branch, Department of Health and Ageing. *Transcript of Evidence*, Monday, 13 February 2006, PA 23-24.

28 Mary McDonald, Assistant Secretary, Community Care Branch, Department of Health and Ageing. *Transcript of Evidence*, Monday, 13 February 2006, PA 25.

29 Mary Murnane, Deputy Secretary, Department of Health and Ageing, *Transcript of Evidence*, Monday, 13 February 2006, PA 26.

- 4.53 The Review Agreement also introduces common arrangements into HACC, as outlined in *The Way Forward*:

This will help to improve national consistency and will also help reduce overlap and duplication in administration. It is anticipated that common arrangements will be fully implemented in the HACC Program by the end of the first Triennium under the Review Agreement in June 2011.³⁰

- 4.54 The Committee notes that despite the lack of a clear identification of the relative need in regions, Health feels that NRCP funds have been delivered without waste or duplication so far. The Committee will watch with interest to see the expected improvements from the assessment of needs and the new common arrangements.

Continuity of funding

- 4.55 The ANAO found timing issues with the NRCP funding rounds, in particular regarding the series of short-term funding agreements which were issued 'to streamline its existing agreements and allow for the introduction of revised contractual terms stemming from the Community Care Review'.³¹

- 4.56 There were also concerns about the time allowed by Health for the application and assessment phases of funding rounds:

The majority of Respite Centres interviewed by the ANAO advised that the time allowed for the preparation of applications, some involving the development of innovative approaches to service delivery, ranged between one day and four weeks and that the time allocated was generally insufficient.³²

- 4.57 The Committee is concerned at the distress such timing issues may cause for carers when they are unsure whether their respite care will continue.

30 'New HACC Agreement', *The Way Forward Newsletter*, July 2007 edition, Department of Health and Ageing (accessed online at <http://www.health.gov.au/internet/wcms/publishing.nsf/Content/ageing-twff-news-newsletter-july07.htm>. Page modified: 14 August, 2007)

31 Australian National Audit Office, Audit Report No. 58 2004–05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.15-16.

32 Australian National Audit Office, Audit Report No. 58 2004–05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.63.

4.58 Health accepted that these short term agreements created uncertainty for providers and increased the workload of their own administrators. At the time of the audit Health was working on the implementation of new three-year agreements for funded organisations from 1 July 2005.

4.59 At the hearing, the new agreements had been put in place, as Health described:

We introduced three-year contracts for the new contracts we put in place in July 2005, six months ago. Those contracts also gave out growth funding across the three-year period. We have not only given services certainty in their base funding; we have also provided them with certainty around growth funding. So they know that for the 2005-06 year this is their particular level. Then if they were getting growth funding in the next year and the year after that they now know well in advance, which means that they can plan.³³

4.60 A new agreement, entitled the Review Agreement, detailing the funding and management arrangements for the HACC Program, was signed by the Australian Government and the states and territories in May 2007.³⁴ This agreement involves all governments moving to three year planning cycles, the first of which will be for the period 2008-09 to 2010-11.

4.61 The Committee is pleased to note the introduction of three-year planning cycles for the state and territory governments as well as at the national level, and the greater certainty this will mean for the program's clients, as well as for communities and service providers. The Committee also commends Health on the provision for growth funding in their current contracts.

Reporting and monitoring

4.62 The ANAO found that Health had established comprehensive NRCP reporting processes for funded organisations so it could manage the program soundly and ensure accountability for public funds. However the

33 Mary McDonald, Assistant Secretary, Community Care Branch, Department of Health and Ageing. *Transcript of Evidence*, Monday, 13 February 2006, PA 25.

34 'New HACC Agreement', *The Way Forward Newsletter*, July 2007 edition, Department of Health and Ageing (accessed online at <http://www.health.gov.au/internet/wcms/publishing.nsf/Content/ageing-twfw-newsletter-july07.htm>. Page modified: 14 August, 2007)

monitoring system was not able to provide balanced information to inform Health of the extent to which NRCP was meeting its objectives, or sufficient information to enable it to determine whether funded organisations were complying with funding agreements (including the National Service Standards).³⁵

- 4.63 The audit identified that the monitoring system relied primarily on self-reporting and limited activity from the department to verify the accuracy or quality of information within these reports. The ANAO also stated that:

The number and frequency of reports ... place a considerable workload on Health administrators and funded organisations.³⁶

- 4.64 The ANAO explained to the committee that agencies that were funded provided reports to Health. These reports were not always read very thoroughly and the quality and accuracy of the data provided was not necessarily confirmed by Health staff.

- 4.65 There was also found to be some confusion and misunderstandings which resulted in poor data being provided by some Services.

- 4.66 The Committee notes that there are opportunities for Health to engage more with service providers to reduce such confusion.

- 4.67 At the time of the audit, Health was improving the coverage of its monitoring regime through a system to monitor the quality of services provided to carers under NRCP. This system involved a three-step process, with services self-reporting against uniform quality standards every three years and Health officers carrying out a desk audit and a validation visit.³⁷

- 4.68 As part of *The Way Forward*, financial reporting processes for community care service providers are being refined through the development of a National Financial Reporting Framework. The March 2007 edition of *The Way Forward* newsletter announced the development of a framework to provide 'a streamlined and consistent approach for service providers when reporting financial information across the range of community care programs.'³⁸

35 Australian National Audit Office, Audit Report No. 58 2004–05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.16-17.

36 Australian National Audit Office, Audit Report No. 58 2004–05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.17.

37 Australian National Audit Office, Audit Report No. 58 2004–05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.17.

38 'National Financial Reporting Framework', *The Way Forward Newsletter*, March 2007 edition, Department of Health and Ageing (accessed online at

- 4.69 Mapping of current financial reporting requirements, terminology, processes and tools is also underway, to inform the development of the National Financial Reporting Framework:

The mapping will take into account Australian Government and state and territory government financial and accountability responsibilities and develop options for consistency and streamlining.³⁹

- 4.70 Furthermore, *The Way Forward* involves work on Common Arrangements, developing options for community care in areas including quality assurance and accountability across programs.

- 4.71 A comparison of quality standards applying to service providers across community care programs was undertaken and the community care sector's feedback on the proposed set of common standards and approach to quality reporting has been sought to assist with the development of a National Quality Reporting Framework. The closing date for feedback was 1 June 2007.

- 4.72 The Committee is pleased to see the steps being taken as part of *The Way Forward* strategy to improve the reporting and monitoring environment for HACC programs, particularly the NCRP. The Committee remains interested in this area and will continue to scrutinise the results of the strategy.

Common assessment tool

- 4.73 The audit noted that a consistently applied assessment tool is an important element in the equitable delivery of services under national programs. At the time of the audit, Health had not established a common assessment tool to determine eligibility for NRCPP services. Health had, however, identified common assessment as a key initiative stemming from

<http://www.health.gov.au/internet/wcms/publishing.nsf/Content/ageing-twff-news-newsletter-mar07.htm>. Page modified: 02 April, 2007)

39 'Progress of Common Arrangements', *The Way Forward Newsletter*, May 2007 edition, Department of Health and Ageing (accessed online at <http://www.health.gov.au/internet/wcms/publishing.nsf/Content/ageing-twff-news-newsletter-may07.htm>. Page modified: 14 May, 2007)

the Community Care Review and has commenced work on development of an NRCP assessment tool.⁴⁰

- 4.74 At the hearing, Health described the common assessment tool as an assessment of a particular carer's needs. A draft tool had been developed and was about to be piloted. Health envisaged that in the year following the results of the pilot, refinements would be made and then it will be introduced across the country.⁴¹
- 4.75 The Committee is interested to see the impact of the common assessment tool being used across the country to ensure equitable delivery of services.

Administrative procedures

- 4.76 The ANAO identified a number of issues relating to the administration of the program including:
- an absence of documented policies and procedures on funding approaches;
 - administrative practices for NRCP are not nationally consistent; and
 - limited coordination between NRCP and other community care administrators.
- 4.77 According to the ANAO, a lot of the administration for the program was devolved to the states and practices varied from state to state, with some inconsistencies in procedures. Each state and territory had its own business plan, and there was a national business plan, all for administering the one program.
- 4.78 Although there was a manual for providers, there was no up-to-date procedures manual for prescribed appropriate practices and the provider manual was not well integrated with the documentation which Health put out for its own staff.
- 4.79 The ANAO's recommendation No.4 in particular addressed this issue:
- The ANAO recommends that, in order to ensure consistent implementation of NRCP nationally, Health issue an up-to-date

40 Australian National Audit Office, Audit Report No. 58 2004-05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.14.

41 Mary Murnane, Deputy Secretary, Department of Health and Ageing, *Transcript of Evidence*, Monday, 13 February 2006, PA 25.

national NRCP policy and procedures manual and ensure that staff are aware of the manual.⁴²

- 4.80 The Committee notes that the department has accepted the ANAO's recommendations relating to its administrative procedures. The Committee encourages Health to ensure that these issues are addressed in order to improve the efficient functioning of the program across all jurisdictions.

42 Australian National Audit Office, Audit Report No. 58 2004-05, *Helping Carers: the National Respite for Carers Program*, Commonwealth of Australia, p.68.

