

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**REVIEW OF
AUDITOR-GENERAL'S REPORT
NO 7, 1997**

The Disability Program and Community Nursing

**STANDING COMMITTEE FOR THE CHIEF MINISTER'S PORTFOLIO
(INCORPORATING THE PUBLIC ACCOUNTS COMMITTEE)**

Public Accounts Committee Report Number 10

October 1998

RESOLUTION OF APPOINTMENT

The Standing Committee for the Chief Minister's Portfolio was appointed by the Legislative Assembly on 28 April 1998 to examine any matter under the responsibility of the Chief Minister's portfolio. The Assembly also resolved that the committee perform the duties of a public accounts committee, specifically:

- (a) to examine:
 - (i) the accounts of the receipts and expenditure of the Australian Capital Territory;
 - (ii) the financial affairs of authorities of the Australian Capital Territory; and
 - (iii) all reports of the Auditor-General which have been laid before the Assembly;
- (b) to report to the Assembly, with such comments as it thinks fit, on any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed; and
- (c) to inquire into any question in connection with the public accounts which is referred to it by the Assembly and to report to the Assembly on that question.

MEMBERSHIP OF THE COMMITTEE

Mr Ted Quinlan MLA Committee Chair

Mr Trevor Kaine MLA Deputy Committee Chair

Mr Greg Cornwell MLA

Secretary: Bill Symington

1. INTRODUCTION

1.1. Auditor-General's Report No 7, 1997 was presented to the Assembly on 27 August 1997.

1.2. Review of this audit report by the Public Accounts Committee in the previous Assembly had not been completed before the Assembly was dissolved prior to the February 1998 election. In accordance with the resolution of the Assembly this committee has exercised its power to consider and make use of the evidence and records of the Public Accounts Committee in the previous Assembly.

1.3. This performance audit conducted during 1996 covered two major program areas within the Department of Health and Community Care. It should be noted that the audit did not address all aspects of the Disability Program, rather it focussed on the accommodation support service known previously as residential services, and on the Independent Living Centre (ILC).

1.4. The Disability Program is part of ACT Community Care and is the provider of accommodation support services to people with disabilities as well as being responsible for providing a range of professional, advisory and support services to people with disabilities. With regard to accommodation support, at the time of the audit the Program operated 42 houses, rented from ACT Housing, for more than 140 people with most of the houses providing accommodation and staff for a range of resident groupings of between two and six people, and with one house supporting 12 severely disabled people.¹

1.5. The Disability Program budget for 1996-97 was \$13.1m with some \$9.7m allocated for accommodation services.

2. AUDIT FINDINGS

2.1. The audit found that:²

- (i) with significant exceptions the Disability Program has been managed reasonably effectively
- (ii) because of a lack of financial data it was not possible to form an opinion on the efficiency of the Disability Program. However, there is evidence that the Program's per resident costs may be materially higher than in other jurisdictions
- (iii) community nursing has been managed effectively and efficiently

¹ Audit report ,pp12-18

² ibid, p2

- (iv) there has not been a clear planning approach to meeting demand for disability program services: instead accommodation has been provided as available rather than on the basis of rigorously assessed priorities

2.2. The audit noted that ACT Community Care was addressing the audit findings by means including clear strategic directions related to implementation of programs. As a result the audit suggested that:³

- (i) ACT Community Care in 12-18 months review the effectiveness of the implementation of the planning, operational and financial reforms
 - (ii) the operations of the Independent Living Centre should be included in the review
 - (iii) action be taken promptly to devise and implement policies and processes ensure that access is provided to disabled persons on the basis of an objective, fair and equitable assessment of the priorities of needs.
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Committee approach

2.3. Comment on the audit findings was sought by the Public Accounts Committee (PAC) in the previous Assembly from the Minister for Health and Community Care. The Chief Minister (who had also been the Minister for Health and Community Care in the previous Assembly) provided a Government submission to the Speaker who referred it to this committee.⁴

3. GOVERNMENT COMMENTS ON THE AUDIT FINDINGS

3.1. The Chief Minister stated the Government was aware of the problems in the Disability Program in relation to the provision of accommodation services identified by the Auditor General and to rectify these a reform program to provide all stakeholders with the opportunity to suggest improvements to service delivery was showing positive results in that area. The Chief Minister advised that an evaluation protocol was being developed to determine the level of improvement in the Program and to highlight areas for further development.

Disability Program

3.2. With regard to matters which attracted critical audit comment the Chief Minister responded as indicated below.

³ *ibid*, p10

⁴ Chief Minister, letter to the Speaker dated 11 May 1998

Adequacy of services

3.3. The audit found that the range of services is adequate compared to other jurisdictions but emphasis had been on domestic activities.⁵

3.4. In response the Chief Minister advised that the Disability Program had developed and is implementing a comprehensive policy on individual planning, which forms the basis for the delivery of service to consumers. Each individual plan identifies consumer goals and the support required to meet them and focuses on ensuring that consumers develop increased opportunities for participation in the life of the community, including the areas of employment, education, and leisure activities.

3.5. The Chief Minister further advised that the Disability Program had begun a review of all agency services to determine the most appropriate models of service delivery to meet the needs of consumers and this is likely to result in a much greater range of more flexible services.

Effectiveness of activities

3.6. The audit found that the effectiveness of activities had been impeded by a lack of clear policies, procedures and directions and there are deficiencies in implementation in some houses.⁶

3.7. The Chief Minister advised that the lack of clear policies had been addressed by a comprehensive operational policy manual released to all staff in June 1997 and accessible to consumers. The policy manual was accompanied by staff training and the Chief Minister further advised that implementation will be monitored closely.

Strategic directions and a planning approach

3.8. The audit found that the delivery of accommodation support services had not been based on clear strategic directions and a planning approach which assured that parents, residents and staff had a clear understanding of what was to be achieved.⁷

3.9. The Chief Minister advised that the Disability Program (now) had a clear understanding of its vision, its role in the services system for people with a disability, its core business, and the values which underpin its work. These are documented in the January 1997 Disability Program Strategic Directions Plan which also documents key actions to meet the goal of quality improvement.

3.10. The Chief Minister further advised that the Disability Program was to implement a service agreement with consumers on 1 November 1997. The agreement was to have as its core the individual plan which would provide for discussion and negotiation with consumers and their support networks about what they would like to achieve, and how services can be delivered in order to assist them to meet their goals.

⁵ Audit report, p17

⁶ *ibid*

⁷ *ibid*

Costs of services

3.11. The audit found that the costs of services, including staffing, within houses had not been specifically identified or managed in the past.⁸

3.12. The Chief Minister advised that the audit was undertaken during a period of rapid structural change. One impact of this change was that some of the administrative and management processes that had been in place were no longer appropriate, and were replaced during the audit with more effective processes.

3.13. The Chief Minister further advised that processes to identify and manage the cost of providing services to disability program consumers are now in place and that a range of initiatives forming a comprehensive program of workplace reform was being implemented to reduce the cost of service provision.

ACT salary rates

3.14. The audit found that ACT salary rates are equal to or higher than in other Australian jurisdictions.⁹

3.15. The Chief Minister advised that disability support worker's salary rates are set by the Health Services Union of Australia (ACT Health and Community Services) Consolidated Award 1993. The award outlines a dual classification structure which has been applied to disability support workers, and which is not related to the disability support vocation. Consequently, Disability Program was undertaking a program of workplace reform which included the reclassification of direct support workers to include new work level standards for a purpose built unitary classification structure and new roles, substantiating higher salary levels. The Chief Minister advised that revised duties, which support new agency policies, outline a higher level of accountability and demand a contribution of greater value than that expected in other Australian jurisdictions.

Costs per resident

3.16. The audit found that the cost per resident of providing service appears to be materially higher in the ACT than in other jurisdictions, and appears to vary in inverse proportion with the number of residents in the house rather than particular support needs.¹⁰

3.17. The Chief Minister advised that the Disability Program was developing a needs assessment tool and resource allocation strategy. The assessment tool will enable accurate information about the support needs of consumers to be more easily and objectively determined. This will support the development of individual plans for service delivery and will further enable the more appropriate allocation of resources in order to meet identified needs. The Chief Minister further advised that the models

⁸ ibid

⁹ ibid, p18

¹⁰ ibid

of service delivery used by the Program will be reviewed to determine where modifications can improve service delivery and achieve better outcomes.

Location of the Independent Living Centre (ILC)

3.18. The audit found no reason why the ILC needs to be operated from within the Disability Program and noted that comparable services in other jurisdictions are often managed as not-for-profit organisations.¹¹

3.19. The Chief Minister advised that the ILC had recently been reviewed by an external consultancy which considered its most appropriate location in the context of developing a strategic plan, as well as identifying strategies for improving service delivery. This review indicated the ILC was as appropriately located within the Disability Program as any other part of ACT Community Care.

Planning for accommodation needs

3.20. The audit found that there had not been a clear planning approach to meeting demand for Disability Program services with accommodation provided when availability occurs rather than on the basis of objectively assessed priorities.¹² The audit also suggested prompt action to devise and implement policies and processes to ensure access to disabled persons on the basis of an objective, fair and equitable assessment of priorities and needs.¹³

3.21. The Chief Minister advised that the Department of Health and Community Care was examining a range of initiatives in other jurisdictions which are seeking to coordinate access to services on a system-wide basis. A common feature of these systems is the separation of the service allocation function and the service provision function with the aim of achieving the maximum transparency, objectivity and equity in access decisions across all service providers.

3.22. The Chief Minister further advised that the most notable interstate models being developed are the Victorian Vacancy Coordination model and the South Australian Options Coordination. In addition the new Queensland Post School Options Program has as a fundamental principle the separation of the service provision, allocation and service purchasing functions.

3.23. The Chief Minister advised that further consideration of system wide access models will be given in the development of new arrangements for the ACT Individual Support Package Program and in the development of an ACT Disability Services Strategic Plan that will cover all aspects of disability service provision in the ACT and cover both government and non-government service provision.

3.24. In addition, the Chief Minister advised that the Priority of Access and Intake Procedures policy outlines the criteria for determining priority of access to services and the Consumer Placement and Relocation in Accommodation Support Services

¹¹ *ibid*, p32

¹² *ibid*, p8

¹³ *ibid*, p10

policy outlines the mechanism by which decisions about placement are made. This process includes a “Placement Committee” which includes an independent external representative as well as program management.

Review of planning, operational and financial reforms, including ILC

3.25. As noted above, the audit suggested that ACT Community Care review the effectiveness of planning and associated matters in 12 - 18 months and that the ILC be included in that review.¹⁴

3.26. The audit noted a range of matters needing attention and which the Disability Program had indicated were being addressed. These included the range of services and activities taking place in homes, policies, procedures and directions related to the implementation of programs, and financial information on the costs of operating homes.¹⁵

3.27. The Chief Minister did not support the audit’s suggested review, noting that the Disability Program was implementing a comprehensive quality improvement framework applying to all Program services including accommodation support and the ILC. However, the Chief Minister advised that the implementation and outcomes of the reform process would be closely monitored.

3.28. The Chief Minister further advised that at the point of service delivery, the Periodic Service Review mechanism would be used to monitor the delivery of service against each consumer's individual plan and each service delivery team would report against performance indicators designed to determine operational effectiveness and quality of service delivery. Monitoring information would provide feedback for service and strategic planning mechanisms.

3.29. The Chief Minister also advised that more broadly, the Disability Program was participating in an external accreditation process (which if it achieved accreditation) would demonstrate the effectiveness of planning, operational and financial reforms. In addition the Chief Minister advised the ACT will continue to participate in the Industry Commission Report on Government Service Provision and (the outcome) would provide a useful indicator of the performance of the Disability Program in bringing its costs more into line with national benchmarks.

3.30. The committee is disappointed with the Government response to the review proposed by the audit. The audit position, with which the committee agrees, was that a review after a reasonable time would assess the extent to which the Disability Program had delivered on its stated intentions to bring about desirable changes in the delivery of, and accountability for, services provided. A review would also assess the effectiveness of those changes. The committee also considers that the operations of the ILC should be included in the review.

3.31. The committee considers that a review as proposed by the audit would be warranted and that there should be the maximum degree of independence between the

¹⁴ ibid

¹⁵ ibid p9

Disability Program and the reviewer. In view of the lapse of time since the audit, the committee will recommend the review be undertaken within the next six months.

4. COMMITTEE COMMENT

4.1. The committee considers the issues of concern raised by the audit appear to have been largely addressed and that efforts have been made to evaluate the level of improvement in the Disability Program. The committee notes that areas for further development in the Program are to be highlighted.

4.2. As the audit findings were presented 14 months ago and the Chief Minister's comments on them were made some five months ago, it is reasonable that there be an accounting as to the outcomes of the various reviews and change processes which resulted from the audit findings and the committee has recommended accordingly.

4.3. With regard to a review assessment of changes in the provision of, and accountability for, Disability Program services the committee considers that a review as proposed by the audit would be warranted. The committee, therefore, has recommended an independent external review within the next six months.

4.4. The committee notes also that its current inquiry into the implementation of service purchasing arrangements in the ACT may well cover a number of areas which fall within the Disability Program and Community Nursing.

5. RECOMMENDATIONS

5.1. The committee recommends that the Government:

(1) inform the Assembly:

- (i) on the outcome of the evaluation protocol being developed to determine the level of improvement in the Disability Program, the areas identified for further development and what is being or is to be done as a consequence (paragraph 3.1 above);**
- (ii) on the outcome of the review of services to determine the most appropriate models of service delivery (para 3.5 above);**
- (iii) on the results of monitoring staff training (para 3.7 above);**
- (iv) if the service agreement with consumers was implemented on 1 November 1997, and its level of acceptance (para 3.10 above);**
- (v) on the range of initiatives for comprehensive workplace reform and their effectiveness (paras 3.13 and 3.15 above);**

- (vi) on the outcome of the review of service delivery models (para 3.17 above);
 - (vii) on the outcome of the examination of initiatives to coordinate access to services on a system-wide basis (para 3.21 above) and the development of the new ACT Individual Support Package Program in relation to both government and non-government service provision (para 3.23 above);
 - (viii) on the effectiveness of the Periodic Service Review mechanism used to monitor service delivery against individual consumer plans (para 3.28 above);
 - (ix) whether, and to what effect, the Industry Commission Report on Government Service Provision has brought ACT costs more into line with national benchmarks;
- (2) appoint an independent external review of the Disability Program within six months to examine and report on:
- (i) the effectiveness of the implementation of the planning, operational and financial reforms within the Disability Services Program;
 - (ii) the costs of operating residential homes; and
 - (iii) the operations of the Independent Living Centre; and
- (3) present the report of the independent external review recommended in paragraph 5.1 (2) above to the Assembly upon its completion.

Ted Quinlan MLA
Chair