

13 October 2017

Ms Erica Heeley
Principal Consultant Community Care Reform
Department of Health and Human Services
GPO Box 125
HOBART TAS 7001

Dear Ms Heeley

Subject: Tasmanian Home and Community Care (HACC) Program Discussion Paper

Thank you for the opportunity to provide feedback on the Department of Health and Human Services' (DHHS) Discussion Paper regarding the delivery of the HACC Program in Tasmania.

We have submitted a response via the online portal but due to the Discussion Paper's strong focus on HACC Service Providers, the purpose of this letter is provide additional insights from our organisation's perspective as a DHHS funded organisation delivering Sector Support to those Providers.

As you will note from our online submission, as a Sector Support organisation there are a number of issues raised in the Discussion Paper that we do not have a formal position on. These include the questions regarding HACC client access, eligibility, assessment and prioritisation.

The key issue that we wish to focus our submission on is in regards to the development of appropriate unit-pricing/charging of fees for HACC services.

Specifically, the key point that we would like to raise is that:

The State Government's delivery and sustainability of the HACC Program is at risk because of a lack of information and/or analysis of the volunteer contribution in the delivery of these services.

Volunteering Tasmania believes that this risk exists for three key reasons:

1. *A lack of information on the volunteer contribution will result in a lack of understanding of the true unit-cost to delivery HACC services.*

In the preparation of this submission, Volunteering Tasmania spoke with a number of HACC funded organisations and the Department. Through these discussions it was evident that the Department did not collect or maintain any information on the **number** of volunteers involved in the delivery of HACC services across the island. This is despite it being widely accepted that these services rely heavily on volunteers. It was also identified that the Department is not collecting sufficient information on the **costs** related to managing these volunteer workforces.

Whilst there is an opportunity for HACC Service Providers to note in their funding acquittal documents an allocation towards volunteer expenses and/or reimbursements, it is our position that this process does not provide the Department with sufficient information on the number of volunteers and/or the true costs of involving them in the delivery of these services.

For example, due to the current 'block' funding approach and the historical roll-over of these funding agreements, there has not been an opportunity for HACC Service Providers to negotiate or discuss their service delivery models. Volunteering Tasmania believes that the actual funds expended on volunteers in the delivery of HACC services, goes well above and beyond what is being noted in the acquittal documentation.

As a result, there is the risk that the average cost of delivery for HACC services is likely to be grossly incorrect. That is, there is likely to be many instances where due to the good will of volunteers, HACC funded organisations are delivering increased levels of services that would not be sustained if those volunteers stepped aside and/or had to be replaced with paid workers. This high level of service, supplemented by a low wage component (due to the inclusion of volunteers) could arguably be skewing any calculations on average HACC Program delivery costs. However, due to the current funding and acquittal processes, an actual cost that takes into consideration the volunteer contribution would not be received or analysed by the Department.

This is a significant issue because without accurate information on the 'true' cost of service delivery, the current levels of service provision could be unrealistic or unsustainable in the event of significant declines in volunteer involvement in the HACC Program. Consequently, the State Government needs to ensure it has the correct information to develop accurate unit-pricing and/or block funding (if this is continued). Capturing the volunteer component of this equation is critical.

It is our belief that the State Government may be surprised at the level of funding HACC Service Providers are investing into their volunteer management programs, despite there being no avenue to recoup the majority of these costs. Despite volunteers providing a cost efficient model of service delivery, there are still costs involved in the recruitment and retention of a volunteer workforce. For example, Community Transport Services Tasmania informed us that they spend more than \$250,000 annually just on volunteer reimbursements. Lifeline Tasmania informed us that their HACC program is completely volunteer run and the funding received from the State Government doesn't cover the costs of their volunteer workforce, and their program is only maintained through efficiencies found through other funding streams. Additionally, the St Johns Ambulance noted that they rely on approximately 100 volunteers to deliver their HACC services, but noted that they do not receive sufficient funding assistance through the HACC program to pay for their volunteer expenses. St John's notes that finding funding efficiencies to cover these expenses is becoming harder. These expenses can range from uniforms, training and Working with Vulnerable People and National Police Checks.

Additionally, in the preparation for this submission we developed concerns that some HACC Service Providers (that involve volunteers) may currently be receiving less block funding from the State Government to deliver their services, compared to those organisations that involve paid staff. If this is the case, Volunteering Tasmania would be strongly opposed to this approach. Any funding model whether it be unit-pricing or block funding needs to be reimbursed at an appropriate market-cost rate for the delivery of the services (as per the approach for the National Disability Insurance Scheme). Organisations that seek to involve volunteers in the delivery of their services should never be disadvantaged.

2. *A lack of information on the volunteer contribution will put service delivery at risk, particularly if there is an 'unknown' over-reliance on volunteers to maintain services at existing levels.*

The lack of information on the involvement of volunteers in the delivery of HACC services in Tasmania exposes the State Government to tremendous risk if there is an over-reliance on volunteers to ensure that services are maintained at existing levels.

This risk becomes greater if it is not identified and without sufficient reporting noted in first key point, the State Government is currently unable to make any informed decisions on service demand and response. That is, if you don't know how many services are being delivered by volunteers, you won't know the impact (financially and operationally) if those volunteers were to step away. It also creates an impression that the State Government may expect volunteer participation levels in the HACC Program to remain the same for the foreseeable future, or that this is an issue that HACC Service Providers will be able to resolve. If so, this is not an assumption the State Government should make.

Volunteering Tasmania is working with HACC funded organisations to provide information, resources and support for their volunteer management processes. Our work is very important as there is already an existing shortage of volunteers across the HACC Program.

For example, Community Transport Services Tasmania has approximately 400 volunteers and 40 paid staff. They have noted that they have had to identify internal efficiencies within their own organisation to free up funding to employ paid staff in regional areas where they are unable to recruit volunteers. They are funding these roles without requesting additional funding from the State Government, but they note that there will be a tipping point at some stage in the future where they won't be able to continue replacing volunteers with paid staff, and continue to deliver the same level of services within their existing funding levels. This was also an issue raised by the Migrant Resource Centre (South) who reported that they are struggling to recruit volunteers and need to double their existing volunteer numbers to meet existing demand. This was also an issue raised by the Australian Red Cross.

3. *A lack of information on the volunteer contribution is a missed opportunity for the State Government to value, recognise and implement initiatives to encourage volunteerism in the HACC Program.*

Volunteering Tasmania has been informed that in previous years, HACC funded organisations have been able to access dedicated funding for volunteer management expenses. This funding was separate to the block funding arrangements and enabled organisations to recoup expenses for training, travel and/or operational costs. It also provided a small, but important acknowledgement to the contribution of volunteers in the delivery of the HACC Program.

However, it is our understanding this funding ceased around the time that the Commonwealth Home Support Program was created, and has never been reinstated. The removal of this dedicated funding pool is unfortunate, and considered a missed opportunity for the State Government to demonstrate an acknowledgement of the contribution, cost and value that volunteers provide to the HACC Program.

In closing, Volunteering Tasmania believes that it is imperative that a key recommendation included in the review of the HACC Program is the prioritisation of the investigation into the volunteer contribution to this Program. Volunteering Tasmania welcomes the opportunity to be actively involved in these investigations and discussions.

Erica, thank you again for the opportunity and if you require any further information, please do not hesitate to contact me directly by telephone on (03) 6231 5550 or via email at alisonl@volunteeringtas.org.au

Yours Sincerely,

Alison Lai
Chief Executive Officer