

Media Statement

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Auditor-General's Report: Funding of the Home and Community Care Program

A Victorian Auditor-General's report has found significant funding inequities in the Home and Community Care (HACC) Program administered by the Department of Human Services (DHS).

The report, *Funding of the Home and Community Care Program*, tabled in Parliament today, examines DHS's performance in addressing funding inequities within and between Victoria's rural and metropolitan regions.

The HACC Program funds a range of basic maintenance and support services so frail older people and people with a disability can live independently in the community and avoid premature or inappropriate admission to long-term residential care.

Decisions about how funds are distributed are crucial to providing fair access to services for individuals. Historical funding priorities, however, have resulted in funding inequities in the HACC Program. In particular, rural regions have received much higher per capita funding levels than metropolitan regions. Addressing this inequity has been a government objective for more than a decade.

The report found that DHS has introduced an appropriate and transparent formula to target growth funds according to relative need. However, significant funding inequities remain, because the current approach to apportioning HACC funds gives higher priority to maintaining existing service; and therefore, funding levels at the regional level, while also addressing changes in target population size and location. The strategy adopted by DHS leaves only marginal funding to correct inequity and, in effect, perpetuates historical inequities rather than redressing them. 'As a result relative funding equity cannot be achieved unless there is a significant injection of additional recurrent funds and/or a revision of the current approach,' **Auditor-General, Mr Des Pearson** said.

Recommendations in the report focus on addressing funding inequities and enhancing monitoring and reporting arrangements.

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The full text of the report is available on the office's website: www.audit.vic.gov.au

For further information:

Steve Williams, Manager, Reports and Communications

[tel] (03) 8601 7050 [m] 0423 134 202

[e] steve.williams@audit.vic.gov.au Website: www.audit.vic.gov.au