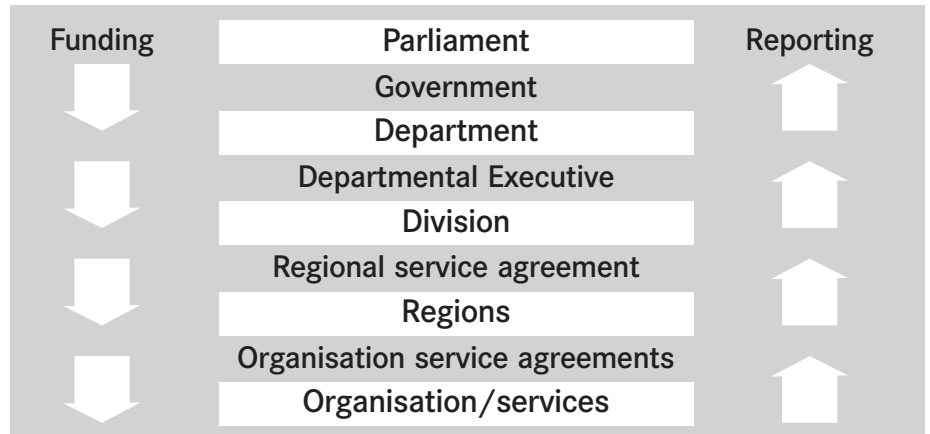


Part 4: Budget context

4.1 Funding and accountability framework

An overview of the base funding and accountability framework that applies to Disability Services Division, and all funded organisations, is illustrated below.

Figure 4.1
Funding and
accountability
framework

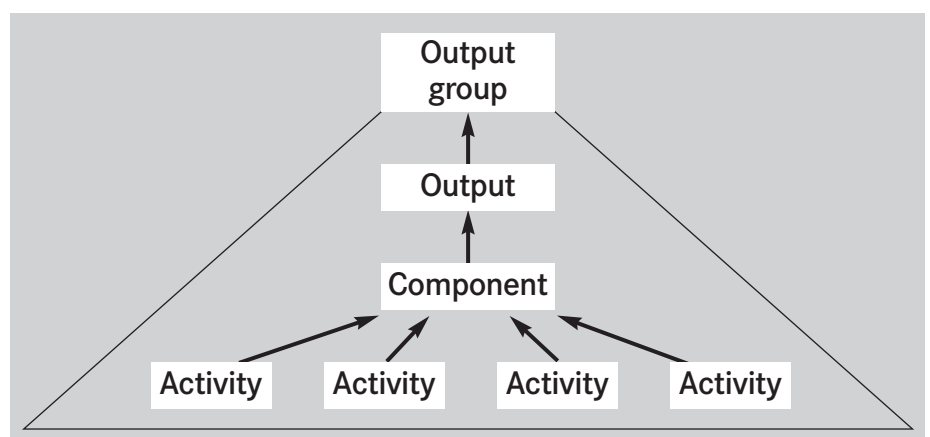


The work of service providers is essential to the achievement of government policy and departmental objectives. The department monitors all service providers, and organisation performance, to ensure funds are directed to appropriate services in accordance with program priorities. Data and reports submitted by organisations assist with this monitoring and reporting role and contribute to planning and policy development. Figure 4.1 illustrates the various levels at which funding decisions are made and how accountability for funding occurs. Data reported by organisations is aggregated and incorporated in the State Budget Papers for reporting to the Parliament.

4.2 Chart of Accounts

A key budget management and reporting tool, which is used by the department to allocate and monitor its resources, is the Chart of Accounts. As shown in Figure 4.2, the Chart of Accounts has a hierarchical structure. The department allocates funds at the activity level, which is the lowest or more detailed level. The funded activities are recorded in the service agreements between the department, regions and external service providers.

Figure 4.2
The departments
chart of accounts
structure



Within the Chart of Accounts structure, activities are grouped to form components; components are grouped to form outputs; and outputs are grouped to form output groups. Within the Disability Services Division, output and component levels are the same, as illustrated in Table 4.1.

Table 4.1
Disability Services
Chart of accounts
2006–07

Output and Component Name	Activity Code and Name	
Information, Assessment and Planning	17028	Case Management
	17033	Information Services
	17044	Intake and Response
	17080	Sector Development and Innovation
	17064	Training and Development
Primary Support	17025	Aids and Equipment
	17026	Behaviour Intervention Services
	17006	Criminal Justice Services
	17023	Independent Living Training
	17010	Respite
Community Participation and Inclusion	17024	Advocacy Services
	17061	Building Inclusive Communities
	17082	Community Options
	17022	Day Programs
	17201	Futures for Young Adults
Individual Support	17034	Flexible Support Packages
	17200	HomeFirst
	17081	Individualised Support Packages
	17008	Outreach Support
Residential Accommodation Support	17017	Congregate Care
	17016	Shared Supported Accommodation

For 2006–07, there are a total of five outputs and 23 activities, a decrease of three activities from 2005–06. Refer to 6.2.1 for more information.

4.3 Disability Services Budget 2006–07

The 2006–07 budget for Disability Services is \$1,041.3 million, an increase of 5.4 per cent compared to the initial \$987.6 million budget in 2005–06.

Consistent with the goals and strategies established under the *Victorian State Disability Plan 2002–2012*, the 2006–07 budget initiatives continue the emphasis on better planning and coordination, individual choice, carer support and targeted responses. This will continue to improve the provision of alternative support options for people with a disability to remain living independently in the community.

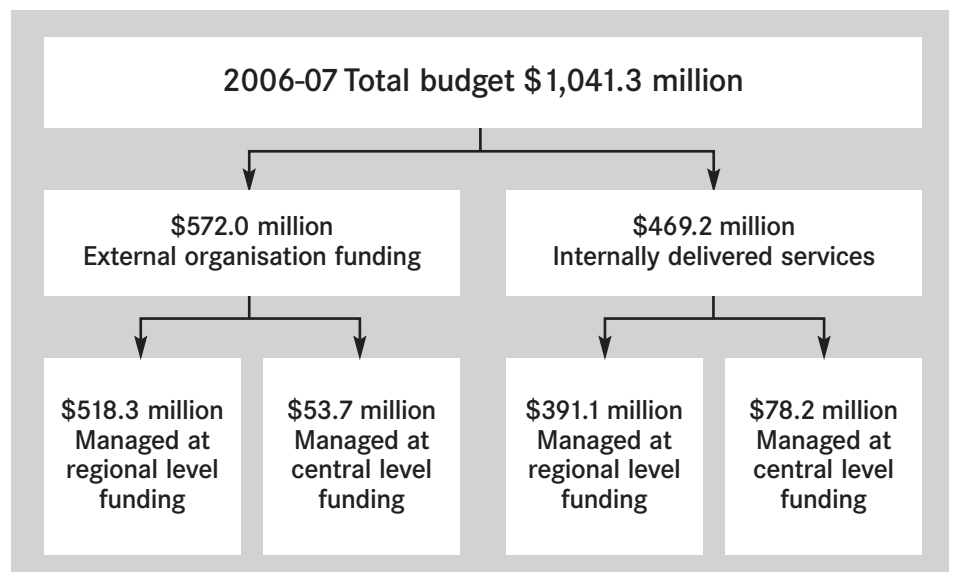
The \$11.7 million growth funding is provided as follows:

- \$3.05 million to provide 200 support packages for Futures for Young Adults participants to transition to ongoing day activities
- \$1.0 million for Changing Days to establish partnerships within the community to increase participation opportunities for people with a disability
- \$1.06 million for Nightlife to establish a new mobile attendant care program to assist 36 people across Melbourne
- \$4.89 million to provide 170 Support and Choice packages offering a range of flexible support options
- \$1.7 million (state funding) for Younger People with Disability in Residential Aged Care initiative.

In addition, the budget allocates \$5.0 million for the Community Facility Redevelopment initiative to enhance community infrastructure. Further funding announced in previous budgets to continue a range of service initiatives, such as Older Years and Carers Support, the relocation of residents from Kew Residential Services, Aids and Equipment, Behavioural Intervention and Disability Housing Trust, are included in the 2006–07 budget.

Further increases relate to wages growth, Commonwealth funding, price indexation and other adjustments.

Figure 4.3:
Budget breakdown



All funding rollovers are conditional upon service providers meeting minimum performance targets and service quality standards. Some funded activities are also affected by portability of funding tied to individual clients, which will involve funding transfers and adjustments during a financial year. As illustrated above, 87 per cent of the Disability Services budget is administered at a regional level, while 13 per cent is managed and administered centrally.

Of the total budget, 45 per cent is spent on internal services, which are provided directly by departmental staff managed by regions. Internally delivered services also include indirect program costs such as depreciation, accrual adjustments and departmental corporate costs. The balance, 55 per cent, is allocated to externally provided services principally through the regions.

The 2006–07 budget contains funding that will transfer to the Department for Victorian Communities for the establishment of the Office for Disability in 2006–07.

4.4 Budget allocations for 2006–07

The following tables detail the **initial** 2006–07 regional allocation for externally and internally funded services. Recurrent funding is rolled over to 2006–07, adjusted for price indexation (2.6 per cent) and the full year effect for 2005–06 growth funding allocations.

On 1 July 2006, indexable prices for non-government service providers were increased by 2.6 per cent. This funding was flowed in August 2006, backdated to 1 July 2006.

Following further representations from the Victorian Council of Social Service and other community sector peak organisations, the government has offered an increased indexation rate of 2.9 per cent. This increase will be paid in October 2006, including arrears backdated to 1 July 2006. Budget allocations will be revised to reflect the October 2.9 per cent increase.

Table 4.2:
External sector rollover
budget allocation

These allocations are indicative only, as they provide a point-in-time snapshot of provisional allocations at the time of compilation.

Output	Barwon \$'000	Grampians \$'000	Loddon \$'000	Hume \$'000	Gippsland \$'000	EMR \$'000	N\$WMR \$'000	SMR \$'000	Central \$'000
Information, Assessment and Planning	766	211	418	891	320	3,053	4,055	7,255	9,245
Primary Support	5,333	3,578	5,350	3,481	3,611	21,429	22,206	18,496	5,210
Community Participation and Inclusion	14,571	10,105	11,889	8,929	9,111	34,357	41,766	26,087	11,403
Individual Support	9,374	5,686	8,582	6,637	5,889	19,864	33,531	23,796	11,647
Residential Accommodation Support	8,272	4,897	6,854	7,481	6,179	45,301	31,692	36,995	16,226
Total	38,317	24,479	33,092	27,419	25,110	124,004	133,250	112,628	53,731
Grand Total: \$572.0M									

Regional Rollover budgets include the full year impact recurrent budget adjustments from 2005–06 and includes the 2006–07 growth allocation for Individualised Support Packages and Nightlife.

Table 4.3:
Internal sector
budget allocation

Output	Barwon \$ M	Grampians \$ M	Loddon \$ M	Hume \$ M	Gippsland \$ M	EMR \$ M	N\$WMR \$ M	SMR \$ M	Central \$ M
Information, Assessment and Planning	2,306	2,093	2,705	1,810	2,333	4,856	8,691	4,198	16,811
Primary Support	2,876	2,020	912	4,044	2,483	5,198	9,196	2,697	2,564
Community Participation and Inclusion	1,097	2,154	82	434	247	3,390	1,679	1,190	13,210
Individual Support	1,623	1,631	1,159	675	1,610	2,457	3,207	1,313	2,416
Residential Accommodation Support	28,641	27,092	18,539	17,042	10,782	86,981	82,225	37,393	43,169
Total	36,544	34,991	23,397	24,006	17,454	102,883	104,998	46,791	78,170
Grand Total: \$469.2M									

Regional Rollover budgets include the full year impact recurrent budget adjustments from 2005–06 and salary related oncosts, indirect operating budgets, provision for depreciation and Long Service Leave.

4.5 Commonwealth State Territory Disability Agreement

The Commonwealth State Territory Disability Agreement (CSTDA) is a five-year (2002–03 to 2006–07) multilateral agreement that covers funding and administration of specialist services for people with disabilities.

Services covered under the agreement include:

- accommodation support
- community support
- community access
- information and print disability
- respite
- employment
- advocacy.

Under the CSTDA, funding is a shared responsibility:

- the states/territories have administrative responsibility for accommodation and other services
- the Commonwealth has administrative responsibility for employment services
- there are shared responsibilities for advocacy, information and print disability.

Bilateral agreements

The CSTDA includes a bilateral agreement (with no funding attached) to progress the nationally agreed policy priorities, which are:

1. strengthening access to mainstream and generic services by people with disabilities, while maintaining appropriate focus on the funding of specialist disability support
2. strengthening across-government linkages
3. strengthening individuals and families
4. improving accountability, quality, efficiency and effectiveness of specialist disability services
5. improving long-term strategies to respond to, and manage demand for, specialist services.

Under the Respite for Older Carers Bilateral Agreement, the Victorian Government and Australian Government will each contribute \$17.4 million over four years for respite support.

Through the Younger People with Disability in Residential Aged Care initiative, the Victorian and Australian Governments will each contribute \$30.1 million over five years to move younger people with a disability currently accommodated in residential aged care into more appropriate accommodation, to prevent future admissions of younger people into residential aged care, and to enhance the delivery of support services to those younger people with a disability who choose to remain in residential aged care. This agreement will be managed outside of the CSTDA.

Reporting

The CSTDA contains accountability and transparency requirements that include reporting against an agreed, nationally consistent, set of performance indicators derived from the CSTDA National Minimum Data Set (NMDS). These arrangements do not impact greatly upon our ability to use funding in accordance with Victorian needs.

Information with respect to this requirement and other performance data is contained in Part 6 of this plan.

4.6 Equity formula

Disability Services regional equity funding formula

To redress historical imbalances and move to a needs-driven funding model, Disability Services established a regional equity approach for the allocation of new and growth funds.

This approach has now been in place for five years. A description of the development of the equity formula is provided in the *Disability Services Policy and Funding Plan 2001–02*. Disability Services has continued to use this approach for the allocation of new funds.

Equity formula

The equity formula to be used for new funds in 2006–09 varies by service type. The equity formula does not apply to Congregate Care, Futures for Young Adults or statewide services such as Criminal Justice Services.

The equity formula for the remainder of the services, except for Shared Supported Accommodation and Day Programs, is detailed below.

Table 4.4
Equity formula

Region	Equity formula
BSW	7.72%
Grampians	4.57%
LMR	6.77%
Hume	5.58%
Gippsland	5.71%
EMR	17.86%
N&WMR	29.31%
SMR	22.48%