



**THE HON JUSTINE ELLIOT MP
MINISTER FOR AGEING**

The Hon Paul Lynch MP
Minister for Ageing
Minister for Disability Services
Minister for Aboriginal Affairs
Level 34
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister *Paul*

As you are aware, the Council of Australian Governments (COAG) is yet to consider roles and responsibilities in relation to aged care, including the future treatment of the Home and Community Care (HACC) Program. I am pleased to assure you that in the interim, current funding for HACC, and governance of the program through the existing HACC Review Agreement, will continue until COAG can consider these reforms.

Therefore, following presentation of the Australian Government Budget of 2009-10 and subject to the Appropriation Bills being passed by Parliament, I would like to offer you additional funds for the HACC Program in New South Wales for the 2009-10 financial year. In order to receive the level of Australian Government funding for the HACC Program set out in this letter, you will need to match the Australian Government's offer as detailed below.

The Australian Government continues to maintain growth in HACC funding and has, in this Budget, made provision for national real growth of six per cent. The total Australian Government provision for the HACC Program of \$1,184.959 million has been allocated among the States and Territories in accordance with the HACC funding equalisation strategy.

The offer to New South Wales for 2009-10 comprises an Australian Government contribution of \$351.227 million which is a 7.42 per cent increase over 2008-09. Cost indexation of 2.5 per cent for projects funded in 2009-10 will apply and is included in this offer. The matching requirement for New South Wales is \$235.618 million. This will result in total quantum funding for the HACC Program in New South Wales of \$586.845 million.

In the event that you agree to match this offer of growth funding, HACC administration funding available to New South Wales from program funds in 2009-10 is \$6,033,071.

If you are not able to agree to this offer or totally match the Australian Government contribution, surplus funds will be offered later in the financial year to those States and Territories that are able to match additional funds.

I would also like to take this opportunity to confirm the required annual contribution for the HACC Planning and Development Fund from New South Wales in 2009-10, which is \$594,000. The Department of Health and Ageing will liaise with the Department of Ageing, Disability and Home Care in order to progress the transfer of these funds.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Elliot', with a large, stylized initial 'J' and a trailing flourish.

JUSTINE ELLIOT

- 6 JUL 2009