



QUEENSLAND HEALTH

HOME AND COMMUNITY CARE (HACC) PROGRAM

NON-SIGNIFICANT VARIATION (NSV) GUIDELINES



home and community care

A JOINT COMMONWEALTH AND STATE/TERRITORY PROGRAM
PROVIDING FUNDING AND ASSISTANCE FOR AUSTRALIANS IN NEED

HOME AND COMMUNITY CARE (HACC) PROGRAM **NON-SIGNIFICANT VARIATION (NSV) GUIDELINES**

Overview

The NSV Guidelines should be read in conjunction with the HACC Asset Management Policy, HACC Motor Vehicle Guidelines and HACC Guidelines for Other Plant & Equipment, which are available on the HACC website.

HACC is a subsidy based program and there is no guarantee that the full cost of an asset will be funded. Where HACC funding does not meet the full cost of an asset, organisations and service providers are expected to use additional funding to meet the total cost of assets from other sources such as fund raising, donations and/or collection of fees.

HACC non-operating funding is used to fund approved HACC assets. The HACC non-operating funding for NSV's is based on the Queensland Purchasing and Supply Standing Offer Arrangements.

Organisations may choose to purchase an asset using existing operating funding up to a total amount of \$1000 within the financial year per service provider, provided that this does not impact on the delivery of contracted units of HACC service/s. For further information organisations need to refer to the *HACC Asset Management Policy*.

All HACC NSV funding for assets will be allocated through one of the following processes as appropriate:

- **NSV – Motor Vehicle Replacement (NSV-MVR)** process for the 2006/2007 period is for the replacement of Large Sedans and Station Wagons that are two years, 40,000 kilometres or older; and Medium Sedans, Medium Station Wagons, Medium Hatchbacks, Small Hatch Backs, Small Sedans, Vans, Utilities and Cab Chassis's that are three years, 60,000 kilometres or older;
- **NSV – Contingency** is a process in response to the need for replacement/repair of existing HACC funded equipment because of breakdown; and any emergency situation that could not have been foreseen or planned for and does not have a recurrent implication.

NOTE:

- Replacement of all people movers, buses, trucks and major four wheel drives regardless of value must be made through the HACC Growth Funding Round Process;

Who is eligible?

Existing HACC funded organisations are eligible for NSV-MVR (for replacement of existing HACC funded motor vehicles) and NSV-Contingency non-operating funding. Organisations must have in place a current Service Agreement or Memorandum of Understanding with Queensland Government for the provision of HACC services.

NSV-MVR Process

The new NSV-MVR process replaces the Non-Significant Variation (NSV) method for replacement of HACC motor vehicles from 1 July 2006.

The HACC Program will approach organisations on a biannual basis in relation to existing HACC eligible funded motor vehicles due for replacement in that financial year.

The projected HACC non-operating funding allocation has been calculated on the average replacement cost of the identified HACC motor vehicle/s listed in the HACC Motor Vehicle Asset Register, *Queensland Purchasing and Supply Standing Offer Arrangement for Motor Vehicles, The Red Book* and information from the Motor Traders Association.

1. Organisations will be contacted by letter In July/August identifying existing HACC funded motor vehicles that are eligible for replacement up to and including 31 December and again in January/February identifying existing HACC funded motor vehicles that are eligible for replacement up to and including 30 June of that year;
2. The HACC letter will list (**Schedule**) the HACC motor vehicles due for replacement and the proposed non-operating funding available and will be based on the HACC Motor Vehicle Register;

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3. The Organisation has **30 days** of receipt of the HACC letter to provide an **acceptance or non-acceptance** of the proposed allocated NSV-MVR non-operating funding by returning the **Schedule** to HACC Procurement Team.
4. **To accept** the organisation **accepts** the allocated NSV-MVR non-operating funding:
 - By returning the **Schedule** and the organisation's return letter to the HACC Unit;
 - The HACC Unit, upon receipt of an organisation's documents will seek Ministerial approval. Once Ministerial approval has been received the HACC Program will release the proposed allocated NSV-MVR non-operating funding in August/September for HACC motor vehicles that are due for replacement between July – December and in February/March for HACC motor vehicles that are due for replacement between January – June; and
 - The organisation must complete the *Notification of Acquisition of HACC Funded Assets Form 5* and return it to the HACC Unit within **14 days** of purchase of the replacement motor vehicle.
5. The Organisation **does not accept** the allocated NSV-MVR non-operating funding:
 - By returning the **Schedule** and the organisation's return letter to the HACC Unit due to:
 - The organisation does not consider vehicle needs replacing; or
 - That the organisation still intends to replace the HACC motor vehicle but funding is considered **significantly inadequate**. The organisation will need to complete and submit an application using the *HACC NSV-MVR Application Form 8*.
6. Should an organisation **not return** the **Schedule** to the HACC Unit:
 - The HACC Program will automatically assign the motor vehicle/s to the next biannual NSV-MVR process.
7. Should an organisation consider that their HACC funded motor vehicle/s is/are eligible for replacement and was not identified in the NSV-MVR Process for that financial year the organisation will need to:
 - Complete an application using the *HACC NSV-MVR Application Form 8* and submit it to the HACC Unit; and
 - Once the *HACC NSV-MVR Application Form 8* is received by the HACC Unit it will then be assessed to determine eligibility and suitability. Ministerial approval will then be sought to changeover the HACC funded motor vehicle/s.

NSV-MVR Process for Leased Motor Vehicles

Organisations applying to replace a purchased motor vehicle with a leased motor vehicle or replace an existing leased motor vehicle need to refer to the HACC Asset Management Policy and complete the *HACC Leasing Business Case Form 6* and *HACC NSV-MVR Application Form 8*.

Other NSV-MVR Information

Organisations are expected to purchase HACC motor vehicles at an optimum market value and where necessary to contribute some funding towards the total cost of motor vehicles from their own resources, such as fund-raising and fees.

It is expected that an organisation will have replaced or entered into a contractual arrangement for the motor vehicle within **ninety (90) days** of receipt of funding. Unspent funds paid to organisations for the replacement of HACC motor vehicles will be recouped by the Queensland HACC Program from organisations.

Organisations need to be vigilant in the submission of the *Notification of Acquisition of HACC Funded Assets Form 5* to the HACC Unit upon acquisition of the new motor vehicle so that the information can be recorded in the *HACC Motor Vehicle Asset Register*.

The *HACC Motor Vehicle Register* will form the basis for the allocation of non-operating funding for the replacement of HACC motor vehicles and monitoring of HACC motor vehicle usage by organisations/service providers.

For large organisations that have their own fleet management systems the Queensland HACC Program may choose to enter into different funding arrangements to maximise the benefits of market volume and pricing that may be achievable by large HACC funded organisations.

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Manufactured Date (Body Built Date)

Organisations purchasing HACC motor vehicles need to be vigilant regarding the purchase date compared to the motor vehicle's built date which is usually determined as the date of manufacture. This manufactured date is usually stamped on a metal plate fixed to the motor vehicle.

To ensure optimum market value, organisations need to check the manufactured date and compare with the purchase date.

For example a motor vehicle may have been purchased in March 2006 and the body plate identifies the manufactured date as June 2005 that means that when the motor vehicle is traded-in the change-over costs will be calculated at the 2005 built date even though the motor vehicle was purchase new in 2006 and impacts on the optimum market price.

Motor Vehicle Classification

It is an expectation of the HACC Program that HACC funded motor vehicles are the appropriate size for the delivery of HACC contracted service types as outlined in the HACC Asset Management Policy.

The HACC Program intends to increasingly target funding to motor vehicles appropriate to the HACC service type being delivered as outlined in the HACC Asset Management Policy. In some cases this may require the planned movement from large to medium sized vehicles.

Non-Significant Variation – Contingency Process

NSV – Contingency is a process in response to the need for replacement/repair of existing HACC funded equipment due to breakdown and/or any emergency situation that could not have been **foreseen or planned for** and does not have a recurrent implication.

Organisations requiring Contingency funding for a HACC funded asset will be required to submit a detailed:

- Application for *HACC NSV – Contingency Form 7* (a supplier's standard quote may be the simplest way of providing supporting information for your application) with a;
- *HACC Leasing Business Case Form 6* (if applicable).

The NSV–Contingency application should contain (as a minimum), description, costings, rationale and justification for both the repair and replacement of the asset, if applicable, for assessment by the HACC Procurement Team.

All NSV–Contingency applications will require Ministerial approval before non-operating funding will be released.

Organisations must complete the *Notification of Acquisition of HACC Funded Assets Form 5* and submit to the HACC Procurement Team within 14 days of asset acquisition for assets that are \$10,000 or more, or if the asset is portable and attractive.

NOTE:

NSV – Contingency is not to be used for service provision, such as “*emergency respite care*”.

CONTACT DETAILS

The postal address for all NSV applications and other related documents:

Manager
HACC Procurement Team
Statewide Health and Community Services Branch
GPO Box 48
BRISBANE Qld 4001