

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2017–18

Melbourne — 31 May 2017

Members

Mr Danny Pearson — Chair

Mr David Morris — Deputy Chair

Mr Steve Dimopoulos

Ms Fiona Patten

Ms Sue Pennicuik

Ms Harriet Shing

Mr Tim Smith

Ms Louise Staley

Ms Vicki Ward

Witnesses

Mr Martin Foley, Minister for Housing, Disability and Ageing,

Ms Kym Peake, Secretary,

Mr Nick Foa, Deputy Secretary, Finance and Infrastructure, and Director of Housing,

Ms Anne Congleton, Deputy Secretary, Community Participation, Sport and Recreation, Health and Wellbeing,
and

Ms Chris Asquini, Deputy Secretary, Operations, Department of Health and Human Services.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2017–18 budget estimates. All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Housing, Disability and Ageing, the Honourable Martin Foley, MP; Ms Kym Peake, secretary, Department of Health and Human Services; Mr Nick Foa, Deputy Secretary, Finance and Infrastructure, and Director of Housing; Ms Anne Congleton, Deputy Secretary, Community Participation, Sport and Recreation, Health and Wellbeing; Ms Chris Asquini, Deputy Secretary, Operations; and in the gallery, Mr Terry Symonds, Deputy Secretary, Health, Service Policy and Commissioning.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege. Witnesses will not be sworn, but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses must be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way and cannot photograph, audio record or videorecord any part of these proceedings.

Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

I invite the witness to make a very brief opening statement of no more than 10 minutes. This will be followed by questions from the committee. Minister.

Visual presentation.

Mr FOLEY — Thank you, Chair, and can I thank the committee and honourable members for the opportunity to make this brief presentation. This particular portfolio, housing, disability and ageing, is one that seeks to break down the silos between what were traditionally separate approaches to each of these areas where government activity deals with people who are vulnerable for the various different reasons that life's journey puts forward for us all.

The 2017–18 budget we like to think continues the strong focus on providing services across the range of those different vulnerabilities to Victorians in need, but particularly those seeking housing and the other forms of assistance for those disadvantaged Victorians who rely on the state to show leadership in these areas. That has become particularly as an issue as we see housing market prices continue to grow in such a way as to exclude greater numbers of people from the traditional participation in the housing market. That then flows through to a whole range of other issues, particularly for people on the margins.

The slide that you have before you talks about how we see this increase across the comparable portfolios over the last three years with the increases that have reflected in the previous three years before that. That is a boost in this most recent budget of 13 per cent compared to the immediately preceding budget, but is an increase of over 200 per cent compared to the three years immediately prior to the current government.

In that respect I might move on to the next slide. That goes to what was a major centrepiece for the government's efforts in the preparation of this budget and in the rollout of both policy and investment programs from hereon in.

Vulnerable and disadvantaged Victorians, as we say, rightly look to the state or to our agents to access stable, secure and affordable housing and with it the range of services to sustain them in that housing. We have an increasingly diverse client range, and their needs are equally diverse across the types of housing and the types of support options they seek. We need to make sure that these people receive the responses that they need as and when they need them, but in doing so we also need to prioritise those in greatest need given the increasing levels of demand. We see that in the growing waiting lists not just for housing but for all manner of services that the state is a key partner in. That is why our social housing industry needs a robust policy framework for growth

opportunities for both its internal capacity and development, and its strategic investments. That is why the range of investments set out in *Homes for Victorians* is such an important part of the government's agenda.

In particular the Social Housing Growth Fund will provide opportunities for funding to increase our supply of social and affordable housing through a dedicated long-term and permanent source of capital investment through continual funding from the investment returns to that fund. That fund is made up of two programs. Firstly is the construction of new and affordable housing dwellings on non-government land, and particularly the funding leverage that that will create for collaborative opportunities for social housing partners through accessing cheaper finance. The second part of that program is a rental subsidy, where agencies that we partner with can increasingly use instruments such as headleasing for existing residential properties. This reflects the growing focus that the government has on responding to the housing crisis, particularly for vulnerable Victorians, to not just build more stock but to use the opportunities for rental and long-term support in the existing private sector to deliver houses and homes where people are in their own communities.

We believe that this will contribute to a transition of some 4000 public housing properties to community housing agencies in lease arrangements together with one-off funding for \$3 million as a further part of making sure that that delivery of services happens as close to local communities with the support in people's own civic communities that they are looking for. The program is also investing \$20 million, amongst a range of other things, to upgrade rooming houses for some of our most vulnerable Victorians.

In regard to slide 4, the next slide, the major driver of so many of the vulnerable circumstances of Victorians is the family violence plague that is, sadly, such a part of Australian, if not Victorian, community existence. This budget continues the vital work that we in fact commenced in the last budget to expand on and grow the investment around responding to family violence, supporting victims and survivors of family violence and continuing the follow-up and the responding to the recommendations of the Royal Commission into Family Violence. It does this by supporting the unique and critical role that specialist family violence case management services play in the family violence system, together with a combination of more public housing properties dedicated to women and children fleeing family violence as well as building on the work that was established in last year's budget of expanding the aforementioned headlease program to boost access to private-sector rental whilst also making sure that we address the demand pressures on the state's 24/7 front door specialist programs, particularly Safe Steps.

I want to take this opportunity to particularly call out the work that Safe Steps does. The government has more than doubled funding and support for this specialist agency, and their critical role in supporting and making sure that that first point of contact is there for their helpline and the initiation of support and face-to-face crisis responses for women and children fleeing family violence whenever it is required is a critical part of this program. We will also make sure as part of this program that the specialist family violence intake services are there for those face-to-face services and that they can be activated through the department's investment in this budget in the establishment and support of the family violence and safety hubs.

Upgrading refuges will also be a continued part of this rollout. There was some initial funding in last year's budget, and now we will take the Family Violence Royal Commission's recommendation as to the new model of refuges all the way through. We will make sure that the core and cluster support model is there to deliver the kinds of services at the very pointy end of the response to family violence that the Royal Commission spoke about.

If I could perhaps move onto the next slide, the National Disability Insurance Scheme rollout is certainly gathering pace, and we will make sure that this important, indeed system changing, national program is delivered in partnership with the commonwealth and that this reform will continue as set out in the agreements between the state and commonwealth governments. We want to make sure that we support Victorians living with acute disability, and we want to make sure that the transition support packages that are there over and above our commitment to the national disability insurance scheme are continued throughout. I want to be clear: we do not see the NDIS as an opportunity for the state to vacate the public policy space of disability support. Even though we continue to be the majority funder of the NDIS rollout in Victoria for at least the next two years, we see our role as being ongoing well beyond that, both in the NDIS and the wider service support.

That is why programs such as our support for transition packages as well as continued support for Victorians through such programs as are in the budget for the Futures for Young Adults program, places in the home and community care program for young people and for those under 65 are all important parts of not just the

transition to the NDIS but the ongoing role that Victoria will play. We need to make sure that the support for economic participation, one of the goals that the NDIS has set up, is particularly there. We need to make sure that the one in five Victorians with a disability are part and parcel of the ordinary life that we seek as available for all Victorians, that that is also available for them. That is why we are also investing, as part of this budget, \$4.9 million for the next stage of the state disability plan, which of course is a legislative obligation under the Disability Act, which is the most recent plan and kicks in as of this financial year.

If I could perhaps move onto the next slide. We will continue our support for vulnerable Victorians and in particular the many older Victorians who fall under the increasingly commonwealth-led aged and care response, particularly post the 2000 legislative changes in this space. But this is a space that we see as an important part of our support for vulnerable Victorians, particularly when it comes to our senior Victorians.

One area of this is our eligible concession card holder program. There is an \$81 million investment in the continuation of the concessions program, which will help senior Victorians pay their gas, electricity and water bills. Members may recall that last year the government kicked off the first stage of our investment in the aged-care residential in the Melbourne metropolitan area program in response to delivering our election commitment to make sure that public sector residential aged-care facilities and bed numbers in metropolitan Melbourne were kept as state facilities, putting an end to the privatisation regime that we inherited from our predecessors. This budget reaffirms that commitment and continues the restoration of funding to those public sector residential aged-care beds in Melbourne metropolitan area whilst continuing the support that those residential aged-care beds play in so many of our regional and rural healthcare systems.

Across the portfolios of housing, disability and ageing, like I said, we have seen a substantial increase of over 46 per cent in spending in new initiatives over the last three of the state Labor budgets. We are restoring the systems, changing the systems and seeking to place, in so doing, the drivers of the delivery of government services and the services that we contract and partner with to place vulnerable Victorians in whatever the frame of their vulnerability is at the centre of that decision-making process. So whether it is the national disability insurance scheme, the community mental health programs, our own disability programs, our individual packages for responding to homelessness or family violence, increasingly the focus is to fund the individual and to make sure that the systems and the support are there to allow that person the support to navigate their way through what can sometimes be a complicated system to make sure that they get their lives back on track, and with that not just those Victorians suffering vulnerability but Victorian communities will be better off.

We are quite proud of this budget. We know there is still some significant way to go, but we look forward to the program rolling out as set out in our budget.

The CHAIR — Thank you, Minister, for that comprehensive presentation. We have got government question time until 9.53 a.m. At the outset I should declare that I am the chair of the public housing renewal advisory group. So, Minister, it should come as no surprise that that is a scenario I will be interested in questioning you about this morning. The budget paper reference, for the benefit of members, is budget paper 4, page 93, and it relates to the public housing renewal program. There is \$185 million in funding to transform some of the more run-down public housing estates. Can you outline to the committee how those public moneys will be expended across the forward estimates, Minister?

Mr FOLEY — Yes, I can, Chair, and I thank you for the work that you are doing in chairing that renewal committee and particularly the important work that you are doing in consulting with public tenants and local communities about what they want as part of this program.

We have visited many of those estates, as you know, and they have seen better days, the targeted estates that we have picked for the first tranche of investments. They are more than run-down, frankly. Far too many of them, particularly the concrete places, have well and truly expired in terms of their use-by date for what constitutes affordable, safe housing in 2017. They essentially condemn people to lifetimes of housing poverty in their current state. That is why back in November we announced the commencement of this program, which is now starting to roll out and will be the subject of investments that are set out there in the budget papers.

We know that the time for more social housing is upon us. We know that a number of tenants in these estates that are facing this renewal program support them. These estates are disproportionately reflective of the number of people who want to transfer out of them, and overwhelmingly the reason is the physical side of those

properties. Those requests for transfers are well above the state average for these particular estates, even though they are all well placed in regard to location, services, education, jobs and other things.

Whether it is elderly people or people who are living with disability, I have faced communities that have described to me the traumas that they have in getting into unsafe four-storey blocks and struggling up those stairs. As pensioners or people with disabilities, that is not the sort of service that in 2017 we should be delivering on our own public housing and social housing estates.

As you and I know, Chair, some of these facilities are actually unsafe. We met a young child at the Flemington walk-ups who almost lost his finger through simply opening a window on one of these concrete walk-ups. They are dark, they are cold and they are damp. That is why we are very proud to be leading this series of investments, particularly, as you would be aware, Chair, starting them off in these particular eight estates. These are very good communities in terms of people's participation with one another, and we can actually use this not just to build better, more modern housing but safer housing — housing that in 2017 meets the very different needs of the demographic of people in the public housing system or on our waiting lists. It is very different to what it was a generation ago.

For instance, a generation ago it was what might now be called 'key workers' — people moving in and remaining there for a short time before they established themselves and moved on. Now some 93 per cent of public housing tenants are on some form of fixed commonwealth benefit and are largely, without the support they need, stuck in public housing. There is nothing wrong with being stuck in public housing if you have the right support and a decent home — a decent roof over your head. Far too many of our public tenants in these estates do not have that. This program is all about modernising those estates.

It is also about breaking down the barriers — the stigma — that sometimes goes with living in some of these public housing estates, where tenants are seen as separate from and distinct from the surrounding community. We want to give that kid growing up in a public housing estate the same rights, aspirations and diversity of choice and lived experience through making sure that we bring together both public and private housing and start to blend and break down the barriers that we see too many of, particularly as our public housing estates are seen as separate places from the communities they are part of. With great pride we take this as an opportunity to build better, modern public housing estates but also to bring into them, both for purposes of social change as well as meeting the substantial costs of such efforts, a new type of public housing community in the state.

The CHAIR — And also to address the waiting list as part of that process, I understand, Minister.

Mr FOLEY — Indeed; we see so much of this as involving partnerships and collaborations. It is not just about building bricks and mortar; it is also about building a new and different type of community through partnerships with local government and through partnerships with social housing providers, who are regularly somewhat more engaged sometimes than the Office of the Director Housing is — with the greatest respect for the Office of the Director Housing — in their own local communities. We see this as an opportunity to not just deliver bricks and mortar but to bring in services and support so we can break down some of the drivers of disadvantage that we see disproportionately represented in our Director of Housing estates.

The CHAIR — Can you inform the committee briefly about the way in which you will manage the tenants during the course of that redevelopment?

Mr FOLEY — Absolutely. There has been some unfortunate scaremongering in this space. Let me be clear: if you are a public housing tenant and you are required to be relocated during the course of the building works that will be occurring on those estates, you will have the right to move back to that community. There has been some very unhelpful and, I would say, malicious misrepresenting of that position. There is nothing to misrepresent. Our public housing tenants overwhelmingly are good, decent people. They pay their rent, and provided they continue to pay their rent and be good, decent people, just like any other person covered by the Residential Tenancies Act, they have a right to live in their communities. Whilst we rebuild these places we will clearly be relocating people, but they have a right to return.

The CHAIR — Can you briefly outline in the 50 seconds we have got remaining the method of consultation that will occur on these estates and how residents will get involved?

Mr FOLEY — As you will be more aware than most, Chair, we are already into the second phase of consultation in this space. The first phase of consultation directly with tenants and their representatives was ‘Was do you see as both good and bad things about living in public housing and your community?’ and therefore ‘What can we do to both maximise the benefits and minimise the harms?’. At the same time, now that we are into the second phase, ‘What about the practical design? What are some of the practical issues as the building works start to roll out over the next 12 months? What does that mean for you and your community?’ — everything from design to open space, relocations, coming back and the raft of other issues that different tenants bring up.

The CHAIR — Thank you, Minister, for the comprehensive response. We now have Ms Staley until 10.04 a.m.

Ms STALEY — Good morning, Minister. BP3, page 83, refers to the transition to the national disability insurance scheme. Minister, with over 1000 people registered on the DSR, the disability support register — the government’s waiting list — with an urgent need for support, you stated in a question on notice response, which was question on notice 7449, that those with a:

pressing need for support ... will be provided with the opportunity to transition to the NDIS ahead of their planned area schedule.

Minister, I would have thought everybody on the waiting list for support who is currently receiving no support had a pressing need, but could you advise the committee how many people have been transitioned early under your pressing needs scheme?

Mr FOLEY — Yes, indeed. Thank you for that question. You are quite right: on the rollout of the national disability insurance scheme as agreed with the commonwealth, indeed the very first thing that the current Prime Minister did as Prime Minister was sign off the bilateral agreement with Victoria about the geographic nature of the rollout of the national disability insurance scheme. We know that as part of that — to manage that geographic rollout which is now gathering substantial pace but will not be finished for another two years in terms of covering the whole state — as particular critical needs occur for some people who otherwise would have come on to what was the previous Victorian system, individual support packages through the DSR, there is the need for those people to transition in early, as you set out in your question.

Each of those cases are dealt with on a case-by-case assessment as to what the needs of individuals might be, and the factors that go into the consideration as to whether people enter the scheme include the need for additional support, for safety and for stable living situations. That is important to everyone, as you say, on that waiting list, but it is particularly important for young people as they transition out of school or support of some nature and there is a gap before the national disability insurance scheme rolls into their community.

With the agreement that we managed to negotiate with the National Disability Insurance Agency, we are transitioning 1200 people on the DSR from across the state in the first year, so far. As of 30 April 2017, of the 1200 people on the disability support register put forward by the state, 34 per cent, some 408, have already had their participation plans approved; 636 have met the access requirements and are in the process of having their first plans developed and implemented — that is some 53 per cent; and the remaining participants, around 200 people, continue to be supported throughout that planning process.

These people are in addition to the rest of the rollout, because of course it is not just the DSR that is being picked up through the national disability insurance scheme; it is a wider series of arrangements. Early childhood intervention services and behavioural intervention supports are also in there, and we are seeing those increasingly. The department of education currently delivers services, also rolling out through a similar program. So until such time as the national disability insurance scheme rolls into people’s communities, this program will continue to roll out. It will also be supplemented by a program in this year’s budget about support for young people dealing with this area.

Ms STALEY — So of the ones that have been transitioned — I asked about the urgent cases — do they all come into that category?

Mr FOLEY — Correct. If you are on the DSR priority list, you are an urgent case. This is fundamentally why we are implementing an insurance-based model as opposed to a block funding model. But there are these

transitional issues until such time as the insurance model rolls geographically across the state, so your question is correct.

Ms STALEY — Was everybody on the DSR personally contacted to be made aware that there was this opportunity to transition early?

Mr FOLEY — There is a range of processes in place for the processes of consultation and alerting people. They range from correspondence to advocates meetings, departmental meetings and national disability insurance scheme meetings, and as the national disability insurance scheme sets out before it comes into an area, through what the national disability insurance authority have done — what they call local area coordinators — all of these different agencies are armed with the range of issues, including early transfer. So whether it is meetings, whether it is social media, whether it is correspondence, whether it is direct advocacy, there is a range of ways in which people are advised.

Ms STALEY — I understand there is a range of ways, Minister, but were they all contacted in one of those range of ways?

Mr FOLEY — I am confident that overwhelmingly, if not 100 per cent, every person on the DSR priority waiting list that was eligible was in fact contacted not just via the meetings and the face-to-face opportunities and social media opportunities but also via direct correspondence, including, where necessary, in the appropriate community language.

Ms STALEY — So everybody had a direct contact of some description?

Mr FOLEY — That is certainly the advice that I have got, and that could take a number of different ways in which direct contact was made: letters, meetings, advocacy — all sorts of arrangements.

Ms STALEY — I just want to return to the families who are still on the waiting list. You talked about the ones that have been transitioned so far. So the ones that are still on the waiting list, are there any left who are currently receiving no services at all?

Mr FOLEY — On the whole DSR or the priority waiting list?

Ms STALEY — On the priority waiting list.

Mr FOLEY — As we understand it from the most recent advice I have got, there are still some 200 participants who are making their way through the national disability insurance authority's processes funded by the state, but we are confident that as the planning process lands for those people they will join the more than 1000 people who have already transitioned early.

Ms STALEY — So the 200 are those that are in geographic areas that have not yet rolled out, but they are not being given the opportunity to go early. Is that —

Mr FOLEY — No, they have been given every opportunity to go early based on their priority needs. What they are is in the process of being assisted through what is sometimes not as easy a process as it should be — that being the first plan system being delivered by the national disability insurance authority.

You have hit on one of the bumps in the system. We are quite concerned that the first plan system that is in place, not just for this group but for the wider community as the national disability insurance scheme rolls out, is not as effective or as efficient as it should be. There are a range of reasons for that. It started off badly, frankly, when the national disability insurance authority's IT platform basically collapsed in a screaming mess and there were substantial delays for both participants and organisations wanting to register. Ever since then the national disability insurance authority has been playing catch-up in terms of both the number of people coming into the system as well as participants, and that has also had an effect on the people for the early waiting list seeking to be brought in.

Ms STALEY — But these are your most urgent cases, so they are still Victorians who need support.

Mr FOLEY — Indeed. The majority of those 200, I am advised, continue to receive some level of Victorian support. The truth of the matter is it is not the level that we would want to see them getting under the full

opportunities that the national disability insurance scheme provides them, but we continue to work with the national disability insurance authority to make sure that that remaining number who are on existing Victorian services but are yet to transition are delivered the full package like the other thousand that have transitioned in early.

Ms STALEY — Thank you, Minister. I might move to housing transfers, which is BP3, page 20, and the reference to the transfer of management responsibility of 4000 public housing dwellings to community housing. Minister, how have the 4000 dwellings been selected and how will tenants be consulted?

Mr FOLEY — The commitment to transfer management leases — and I stress management leases rather than title — is a commitment that we make with a view that there are a range of factors driving that, not least that the commonwealth have foreshadowed that as a condition for the commonwealth investing under their proposed new national affordable housing and homelessness agreement, the terms of which we are yet to see, they will make a precondition that eight state agencies need to be in a position to transfer management of, as yet to be specified from their point of view, estates or units into social housing providers.

Ms PATTEN — Turning to budget paper 3, page 20, I was looking at the increase in supply of affordable housing, and particularly — as I am sure you are aware, Minister — I have interest in the quality relocatable housing on banked land and the pilot program you are running with Launch Housing. I am proud to say that that has been a Sex Party policy for a number of years, so it is really nice to see, I think, this innovative approach. One of the issues that has come up with that is that the residents have now taken out a VCAT application opposing that program, so I am wondering if there are any planning changes. You have referred to planning changes in the budget. Will those planning changes go towards an issue like this to provide greater clarity or certainty on these types of programs?

Mr FOLEY — Thank you for that question. The immediate program that you referred to at the beginning of your question, we too are very proud of that program, and I thank the City of Maribyrnong, who unanimously at a local government level supported that program, and I thank Launch Housing and VicRoads for putting together, with philanthropic support as well as state support, the funding needed for that. That has formed part of the pathways for rough sleepers that we have not just in central city areas but across the wider state to make sure that there are pathways — even, if necessary, temporarily — to ground people. You are quite right, residents in that immediate area in Maribyrnong have decided to use their democratic opportunity to oppose that. We are very disappointed with that, but we remain confident, as does the City of Maribyrnong, that that program will not face further unnecessary delays and start to house homeless people who continue as we enter winter to live in totally unacceptable circumstances.

In terms of the wider planning discussions that you have referred to, the Minister for Planning has established a priority panel for the consideration of nominated public and social housing investments. The estates that the Chair referred to in his question, for instance, and those of a particular level of investment are the ones that fall under that planning panel's processes, in which of course local government and community and housing associations all have the opportunity to participate and put forward their arguments. But given the level of housing crisis that we are facing and the homelessness situation, we do not want to be subjected to — how can I say it politely? — a stream of nimbyism that says public housing is fantastic and we support it provided it is somewhere else. Sadly we have seen that far too often and, can I say, far too often from some political leaders who profess the contrary.

Ms PATTEN — So we can anticipate some planning changes in that area?

Mr FOLEY — That planning change has already happened. The Minister for Planning has established that planning priority panel, and those dedicated and eligible investments are already starting to find their way through to that. Launch Housing — because that is VicRoads land, because that is a local government partnered program — does not fall within the scope of this. The land which does fall in the scope of that is almost exclusively, if not exclusively, director of housing owned and controlled properties. So that is the distinction. It is scale and who is on the title.

Ms PATTEN — Thank you, Minister. Just sticking with planning for a bit longer, in budget paper 3 you talk about speeding up local government planning decisions. The budget has over \$10 million. Have you identified what local government areas this funding will be given to, or is it about application?

Mr FOLEY — Very quickly, the Minister for Planning — because this is a whole-of-government response — is consulting local councils as to what might be the right process for that next scale down worth of processes. I have written to every council across the state to invite them to participate in this scheme. Our social housing growth fund, our investment scheme — we think we can lever off even more.

Ms PATTEN — Can I just sneak in a question on notice?

Mr FOLEY — Go for your life.

Ms PATTEN — What performance indicators will be attached to that funding?

Mr FOLEY — Housing and wraparound services — more housing and more services. There is a level of complexity below that, but at the highest level it is: how can we get the maximum amount of housing with the maximum amount of support?

Ms PATTEN — Is there any way you can tag that to the \$10 million you are spending on local government?

Mr FOLEY — That will be one of the drivers together with encouraging local government in through our social housing investment fund.

Ms WARD — Thank you, Chair. Good morning everyone.

Minister, I want to talk to you about homelessness. Can I get you to go to budget paper 3, page 255, where you have got a line item, 'Number of clients assisted to address and prevent homelessness'. This number increases over the forward estimates. Can you explain to us how you are going to achieve that — the amount of people you are assisting?

Mr FOLEY — Yes, I thank you for that question. Making sure that we invest in the mounting level of homelessness and rough sleeping that we see right across the state is a priority of the Homes for Victorians policy position. The budget papers set out how we are investing across the board some \$799 million since March 2016 — that being the date at which the implementation from the Family Violence Royal Commission's recommendations, which largely dealt with much of this policy space, had started to be rolled out. That includes support for those in immediate crisis, helping to establish and then sustain them in long-term housing, and with it the early intervention programs that deal with the extremely important causes of why people are homeless.

Unless we both provide a roof and a housing first opportunity together with the level of support that goes with that, whether it be dealing with mental health issues, alcohol and drug abuse or family violence — which continues to be the fastest growing and single largest contributor to people facing housing stress and homelessness — all we are doing is churning people through a system. That is why as part of this \$799 million in capital and programs we have invested \$109 million as a package to intervene early and to provide that targeted level of support to people to get them back on their feet soon as we can.

That is through a series of expanding outreach services and again, as is increasingly the model, to provide flexible packages attached to people so that particular needs that they have can be purchased for services that they need — not a cookie-cutter, one-size-fits-all approach but an approach that nuances the needs for the family violence response, for the alcohol and drug response, and for the other areas that it might need.

That is why at the moment we are looking to a \$25 million expression of interest for providers in the community sector to provide new accommodation for the homeless, whether that is to build new crisis and supported housing options or indeed — as we have started to see flowing from last year's budget but will continue on in this year's budget — investments in some of the crisis housing situations, whether it be McAuley House, with a focus on women fleeing family violence in Footscray, the VincentCare Ozanam House program in Flemington Road, North Melbourne, as well as a range of other programs that this budget can bring in, particularly in the suburban and regional parts of Victoria where homelessness tends to be a bit more hidden but is as prevalent as anywhere else.

Ms WARD — That is interesting. Thank you, Minister. Walking out of this place we do not have to go far to see people living rough in the CBD. What are the measures that are being taken within this to help people directly who are sleeping rough in our CBD?

Mr FOLEY — You are not suddenly a resident of the central city area and become homeless. People who are homeless and sleeping rough on our streets come from pretty much right across the rest of the state. The central city area acts as a honey pot almost because of the history of services and support that people know they can rely on when in trouble. Following representations from the Lord Mayor earlier this year, at the start of the year we put together, as part of the package of that \$799 million that I referred to, a Towards Home package of some \$9.8 million to target the rough sleepers in the central city.

To make sure that it is not just a ‘business as usual’ with the normal players, that program is being headed by Dr Ruth Vine with advice from Northwestern Mental Health, based at Royal Melbourne, to bring that mental health focus and a different perspective of wraparound service needs for people. Just this morning in fact I joined the local area commander and the Lord Mayor to announce the next stage of that program whereby we will now fund 24/7 support for Northwestern Mental Health to work with Victoria Police around the mental health and police program, so when police or other emergency services come in contact with rough sleepers and others who have clearly identified mental health challenges, rather than there being a justice and a police response, provided of course that laws have not been broken, they are directed straight to the wraparound support levels that they need for mental health.

That is but one program. We are also working, whether it is with the Salvos or VincentCare or Launch Housing or a number of other providers, to make sure that we house people and that with that housing first approach there are nuanced, individualised responses. That is a challenging space, but it is one that, if we are not going to simply churn people through the system and have them back out in the homeless system, we need to do.

That is why as part of today’s announcement we also announced an investment of over \$5 million for a number of agencies to provide support for people leaving prisons. The truth of the matter is that so many people who leave prison end up homeless at a disproportionate level compared to the rest of the population and end up back in a life of disadvantage and crime and back in the prison system. This is actually not a cost in that sense, it is an investment, and if we can secure people in proper housing before they leave prison and get them the support services they need, we can keep them off the streets in all sorts of ways, both in the homelessness sense and with the support services they need to re-engage as citizens.

There is a range of other programs, but they are all based around trying to deal with the drivers and the causes of homelessness rather than sitting and waiting until people show up on our streets and with it the disproportionate levels of disadvantage and disruption that that causes, whether it is the obvious cases in the central city districts or indeed the all-too-often hidden numbers that we see in the suburbs and the regions.

Ms WARD — In your initial response to me you also spoke about regional and rural homelessness and how that is hidden or can be hidden. How are you going to address that within this funding?

Mr FOLEY — Through similar processes that we are applying in the Melbourne metropolitan area. Homelessness does not discriminate between the regions and the city. Whether it is support in the provision of housing, such as rural housing Victoria and the great work that that Shepparton-based organisation does, or as we have seen with VincentCare in their work in the north of the state dealing with women fleeing family violence, there are programs associated with exactly the same model.

In terms of the investment in public housing — more places — I would hope to be in a position in the very near future to announce the next tranche of programs, similar to the one that the Chair is overseeing in the central city areas, to also include similar redevelopments in our regional centres right across the state. It is the same principle but nuanced to local community needs, such as, for instance, the disproportionate level we have seen in Indigenous homelessness and the housing crisis. That is why I am particularly proud that this budget will also continue to see the funding for the transfer of properties from the director of the office of housing to Aboriginal Housing Victoria, now registered as a housing association, so that as part of responding to a particular community there is an appropriate level of response to not just housing need but the wraparound services that go with that to deal with particular communities.

It should also be noted that so much of the regional parts of Victoria are disproportionately affected by alcohol and drugs, particularly the ice scourge. Making sure that people in those communities have the same level of services, but nuanced to their particular needs, is really what this program is seeking to deliver and the many aspects that are set out in the Homes for Victorians package are really about trying to make sure that whether you are in Mildura, whether you are in the central city or whether you are in Mallacoota, you have the

opportunity to have the sort of services that you could rightly expect as someone who looks to the government to partner with you to get you back on your feet.

Ms WARD — One of the other areas that can be a homelessness trigger is rental affordability. What are you doing around helping people manage high rents?

The CHAIR — We might come back to that.

Mr T. SMITH — Welcome, Minister. I refer you to budget paper 3, page 78, and the output initiatives for the department. Minister, in July 2015 you and three government staffers spent \$85 000 on a 10-day trip to London, Venice and Trieste. Can you outline any output initiatives — or anywhere else in the budget papers, for that matter — the inclusion of programs or initiatives that specifically relate to and justify that trip?

Ms SHING — Which portfolio is this that you are talking about, Mr Smith?

Mr T. SMITH — I refer to the minister's report:

My findings and insights from my visits with leading care and service providers will be used to inform the next wave of policy and strategy development for my mental health and ageing, disability and equality portfolios ...

The CHAIR — The trip itself is outside the forward estimates process because it is 15–16. However, I am happy for the question to stand as it relates to the 16–17 year or across the forward estimates. So if the minister would like to enlighten the committee on any learnings that are — —

Members interjecting.

The CHAIR — Order! Ms Shing!

Mr T. SMITH — The question stands as put. I would like an answer, please, Minister.

Mr FOLEY — Thank you for that question. As we responded at the time in our report, that visit certainly helped inform a range of policy responses set out in this and indeed the next PAEC presentation, and it particularly informed that area of responding to family violence. One that has endured with me was a coming together of South London boroughs, housing providers, mental health providers, schools, legislators at both a London council level and a national level, and indeed a range of frontline service providers following a number of but one particularly very tragic death of a young child who was essentially murdered — the accusation was — in revenge for a family violence breakdown. And what that, for an area that is almost as big as Melbourne, showed us was the importance of integrating all the different levels of service provision, from the frontline police response all the way through to the really hard work of data and information sharing and support programs.

Mr T. SMITH — Minister, if I could, housing, disability and ageing, which is the purpose of this hearing — what did you learn about them?

Mr FOLEY — A number of those service providers were the equivalent — —

Members interjecting.

The CHAIR — Order! Government members will come to order. The minister is answering your question, Mr Smith.

Mr FOLEY — So set out in the budget papers is the whole notion that the family violence response is a whole-of-government responsibility.

Mr T. SMITH — We learned that yesterday because Ms Richardson has virtually nothing to do, but anyway, go on.

Members interjecting.

Ms SHING — Is this the best you can do with \$1.9 billion in family violence budget initiatives?

Mr T. SMITH — We are not talking about family violence this morning, Ms Shing, we are talking about disability, ageing and housing, and I want to know what he did on his jaunt. That is what I want to know.

The CHAIR — Order, Mr Smith. As the minister has indicated, family violence is a key determinant or a key factor in relation to homelessness, and the minister has been answering and has been responsive entirely to your question. If you would perhaps stop interjecting you might actually — —

Mr T. SMITH — I am responding to the interjection and the provocation from your mates, Chair.

The CHAIR — Order, Mr Smith.

Mr T. SMITH — Who is chairing this, Chair? You or her?

Ms Shing interjected.

The CHAIR — Order, Ms Shing. Order! Mr Smith, I will again remind you that reflections on the Chair are disorderly and in breach of standing orders. The minister to continue.

Mr FOLEY — So in the areas of housing, disability and ageing the lessons that we learned, and we can in fact extend this to mental health and we can extend it to policing and we can extend it to alcohol and drugs, are that the key determinant is: what are the needs of the individual in crisis? If that is the lesson from the family violence royal commission or if that is the lesson — —

Mr T. SMITH — What are the lessons from your trip, Minister?

Mr FOLEY — And if that is the lesson from seeing how comparable jurisdictions around the globe, including those that I was privileged to visit, that are at the delivery of frontline services that we can learn and share experiences from, then that is a valuable lesson that can inform the direction of future reforms. I return to the original proposition that the whole-of-government response that is set out in the budget papers dealing with family violence has at its core the notion that services need to be shaped around the needs of individuals, and that was the lesson — —

Mr T. SMITH — Minister, what output initiative in this budget or the previous budget relates to, in your report on mental health, ageing and disability from your trip to Trieste and London and wherever else — —

Members interjecting.

Mr T. SMITH — Not one single output initiative has he suggested in this budget or the previous budget from his trip.

Mr FOLEY — In terms of specific budget outcomes I would point the honourable member and the committee to the fact that over the next four years \$164.7 million and \$50 million ongoing will be provided for accessible and flexible support packages for victims of family violence and their children. That package around how you support people, set out in the budget papers, through all of their nuanced needs, is probably the single largest but far from the only learning that we have been able to gather from comparable experience and, frankly, places Victoria as a leader not just in Australia but across comparable jurisdictions internationally. Whether that then leads to additional case management support for victims and for the survivors of family violence is also reflected in our most recent and our continuing budget.

Mr T. SMITH — And you learned this in Venice, did you?

Mr FOLEY — That is another portfolio, but in terms of Trieste — even though it might be transgressing boundaries, Trieste is probably the world's leading area in which community-based mental health support services — —

Mr T. SMITH — Aside from a gondola ride, what did you do in Venice?

Mr FOLEY — and has a long and proud tradition of exchange with Melbourne, with our universities, with our practitioners in the space, where we share experiences. So if learning from a place that has the lowest suicide rates in the world is an important learning, then that is something that I think any minister of the

Victorian government should be a proud partner of, because Trieste for over a generation has had this partnership with Victoria and Melbourne in particular around mental health at a community level provision.

Mr T. SMITH — I asked about Venice.

Members interjecting.

The CHAIR — Order! Mr Smith, I think the minister — —

Mr FOLEY — That of course is transgressing to perhaps technically the next PAEC hearing, but what Trieste also shows is — and as London shows and as Canada shows and as New Zealand shows and as Melbourne is now showing — the need to wrap services around the individual that meet their needs, that meet their particular support, as and when they need it.

Ms SHING — You are getting exasperated sighs. Mr Smith does not want to know about this.

Mr FOLEY — And that lesson, that learning — —

Mr T. SMITH — No, Mr Smith wants an answer.

Mr FOLEY — That learning has been one that has contributed at its core — —

Members interjecting.

The CHAIR — Order! I would remind all members that standing orders of the Legislative Assembly are the foundation of these hearings and that language is — —

Members interjecting.

The CHAIR — Sorry, Mr Smith, are you asking Ms Shing to withdraw?

Members interjecting.

The CHAIR — Again, Mr Smith, I would remind you that those terms — —

Members interjecting.

The CHAIR — You are just chewing up your own time, Mr Smith. I would remind you that your language is to be parliamentary, Mr Smith — —

Mr T. SMITH — And Ms Shing's language is parliamentary?

The CHAIR — Mr Smith, what do you take exception to?

Members interjecting.

The CHAIR — Again, Mr Smith, I would remind you that your language is to be parliamentary.

Members interjecting.

Mr T. SMITH — I want to move on, Chair. I am sick of this abuse — this nonsense. Seriously, chair the meeting.

The CHAIR — Okay. Ms Patten until 10.38 a.m.

Ms PATTEN — Thank you, Chair. Minister, I wanted to just explore homelessness and where we think it is going. We are seeing, all of us — and certainly your media releases are expressing the fact — that homelessness is growing in Victoria. I am just wondering if you have got a trend on where homelessness is going over the next five years. What sort of trend and what are we looking at in five years time, and how do you assess that? How do you work that out?

Mr FOLEY — We know that the trend that we are on is not good. We know through the censuses that frontline agencies take on a periodic basis, not just in central Melbourne but more widely, that we have seen since 2012 rough sleeping alone double. We know that rough sleeping is but, if you like, the canary in the coalmine. We know that hidden behind that — in couch surfing, in cars, in unstable accommodation right across the state — there are growing numbers of people in housing stress and crisis. We know that the data that we will shortly see from last year's census will further indicate, from the previous census — we are expecting on the best advice that we have got from AHURI, which is the state and commonwealth's, if you like, key advice agency in this respect — that we could almost expect to see homelessness as defined double between that last census and this.

At the same time we know that all the drivers of homelessness are heading in the wrong direction, whether that is housing affordability, whether that is the number of private sector rental properties that are available to people on fixed commonwealth benefits — those most at risk. We know that that is a big issue. We know also that commonwealth policy drivers in this space are further adding to that level of crisis. As recently as this week we have made it clear to the commonwealth that Victoria is not interested in partnering with the commonwealth in any program that sees commonwealth benefits linked to drug and alcohol testing. If they want to trial that populist stunt, they can do it somewhere else, because all that will do is drive already vulnerable people into even further crisis.

We have engaged since earlier this year Tony Nicholson, the executive director of the Brotherhood of St Laurence, to delve deeper into the data around what we know about homelessness, not just in the city but right across the state. Tony has been travelling around the entire state, working with agencies, local government and frontline providers to get that situational analysis of, in the best possible sense we can, the most accurate data, because what we do not have, other than the crisis mental health and hospital base and police reports, is a really accurate snapshot of not just the numbers but the causes and the drivers. So we hope that our rough sleeping task force will allow the program to be informed by the work that Tony is doing around accurate data, but whatever it is we know that it is heading in the wrong direction.

Ms PATTEN — So we are relying on census data, but we would like to see something more accurate and we know it has been doubling.

Mr FOLEY — Correct.

Ms PATTEN — Thank you. Turning to page 21, where we are doubling the first home owner grant for regional areas, and that announcement, certainly I noticed an article in the *Herald Sun* late last year that talked about 17 000 people commuting from Geelong each day. I guess there has been some speculation in the media as well that by doubling the first home owners grant all you are going to do is increase the housing prices in those areas. Are you certain that by doubling the grant it will not drive up prices in those areas where it seems a significant number of people are already commuting from?

Mr FOLEY — That particular program, even though it is a whole-of-government policy position, is being delivered by the Treasurer, but having been a member of the task force that put it together and understanding its relationship to where it does intersect with the regions, the fact is that it is targeted at the regions for a particular reason, and the demands that we sometimes see as that argument implying that all this will do is add on to the retail price that people pay is, as a general proposition, not seen reflected in developments in our regions. Whether it is those 2-hour ring communities that perhaps fall in the category that you are speaking about or indeed beyond, we see this as not just a contributor to affordable housing assisting in the population growth that we want to encourage in the regions — so it is targeted particularly for those reasons — but the data and the evidence that the Treasurer is able to bring to those considerations leaves us confident that it will not have the negative impact that you referred to.

Mr DIMOPOULOS — Thank you, Minister, and welcome. I popped out briefly, so I am not sure if you raised this specifically, but I think you may have, about headleasing. It was definitely in your presentation. I think there was an investment of \$3 million for headleasing. In response to questions by Ms Ward, I am very interested in headleasing. I think it is an innovative proposal. The investment is \$2 million, from memory, to expand the headleasing program. I just want to get a sense from you, if you could elaborate a bit more, of what that actually means — the expansion but also the initial program itself. I have got another question that is unrelated to that, but I was just really interested to ask about that.

Mr FOLEY — You are right; the headleasing idea is not actually that radical an idea, but it is one that government, facing the levels of need in this area, is increasingly drawn towards. Essentially we fund housing partners, social housing organisations in particular, to go out there into communities and bring their connections and their relationships with particularly real estate agents and others, let alone other properties that they may have relationships with, the owners of those relationships, to provide immediate not just crisis but ongoing stable housing for people.

The truth of the matter is that Victoria has, as a proportion, a lower level than most jurisdictions of social and public housing. So we need to make that up by building more public housing, and we are proud of that component of this budget package, but in dealing with the here and now we need to provide roofs over people's heads, and the first iteration of this that we launched last March, March 2016, was more successful than we could have thought. When we put out to social housing providers — what we called then the housing blitz — our package of incentives, direct funding of services and investments, we received over 30 per cent more units into that system than we expected when we went to our social housing providers in that respect, and that was with a targeted response for women fleeing family violence.

That is actually probably even a better outcome than securing them in the available public or social housing, because what it does is it secures them in their own community disproportionately quickly so they do not break the links to that community. Their kids stay at school. If they have got a job or they are in education, they stay connected whilst also being safe. So that same proposition has now flowed out to a much wider series of arrangements in this package, whether it is the \$152 million committed as part of the family violence housing blitz — we think that that will deliver at least 184 new social housing dwellings, the building package — or a further 124 if not more houses for this headleasing arrangement right across the state.

Mr DIMOPOULOS — So in terms of the mechanics, how does it actually work? Someone who is disadvantaged and may not be able to be competitive in the rental market is picked up by a housing provider and then that housing provider negotiates a headlease for, what, 20 properties, and they collect 20 disadvantaged people?

Mr FOLEY — Correct. So for instance, this weekend just gone, with Domestic Violence Victoria and Housing Choices Australia we marked a number of properties that that organisation had brought in. They, for instance, have a real estate arm, a licensed real estate entity, and that goes out and brokers, in the market, private sector leases for appropriate, secure, safe — and I have got to say anonymous, because that is the other important part of this — housing that is suitable. They are the housing provider. They have, for instance, partnered with Berry Street to make sure that Berry Street, and then through them their relationship with Safe Steps and others, acts as the front door for women in housing crisis. So when they show up to Berry Street or get in contact with Berry Street they are not in the position to engage in a meaningful way with the private real estate sector. So what we do is through placing a package around that provider we can secure somewhere to live, but even equally importantly somewhere to get the support services that they need generally in their local community. It is a coming together of providers, social community service providers and housing providers.

Mr DIMOPOULOS — And I imagine the private landlord has more confidence in that relationship because of the brand name of Berry Street or whatever the other provider is.

Mr FOLEY — And indeed those providers stand behind that for the unlikely, as it turns out, circumstances of any property damage or any risk for the private sector owner. What government does is it essentially makes up the difference between the rental that the market charges and what other support packages that person might be able to make up through generally some form of other government assistance. There is a gap, and this program is designed to not just meet the rental gap but provide the services that someone needs to get their life back on track.

Mr DIMOPOULOS — Thank you, Minister. I think it is a very worthwhile investment, particularly because it leverages the private market as well.

I want to go to the NDIS reform. You talked about that in your presentation, but also budget paper 3, page 78, which I was looking at earlier, has an investment over three years of 8.7 million under the heading 'Strengthening oversight to reduce abuse in disability services'. I know there was an entire parliamentary committee chaired by Maree Edwards, I think — she did a very good job. I just want to get a sense from you what that investment will actually contribute to in relation to this area.

Mr FOLEY — Indeed I can. The national disability insurance scheme is an insurance scheme based on a model where individuals are supported in the delivery of services nuanced and funded for their needs. That is the goal. There are a thousand bumps along the way as that is rolled out, but that is the goal. That cannot operate unless individuals know that the quality of the services that they are provided are safe and meet the particular needs that those individuals might not be able to be assured of. There is a role for the state in delivering that. That role was highlighted by the bipartisan parliamentary inquiry into abuse in the disability sector that reported last year. The government undertook to support either wholly or in principle nearly all of those recommendations without pre-empting the debate in the coming week of the Parliament.

The first tranche of those reforms were second read last week and dealt with an increase in the powers that were called for of the disability services commissioner in Victoria, an office that has been in place for about 10 years. The level of funding and support to increase that office's powers and to increase the proactive ability of that office to investigate either individual or systematic issues in the level of care rather than waiting for complaints to come in has been increased. That will need to be done for a whole range of reasons as we transition to the national disability insurance scheme. Instead of a focus on providers, we would expect increasingly the 107 000 people who will be in the scheme to want to be able to enforce their rights and to have certainty about the quality and safety of standards.

Mr DIMOPOULOS — Or their advocates or family.

Mr FOLEY — Indeed, or those who are acting on their behalf. So the zero tolerance approach for abuse that underpins the sector that is reflected in that legislation needs to be resourced appropriately. The largest part of that support is for the expansion of the activities of the disability services commissioner. It is also for work that will be needed for the hundreds of community visitors that are spread right across the state, who will, post the NDIS rollout, continue to have that ability to visit and observe, as independent advocates, the provision of different services, whether they be congregate care or particular services, to make sure that those volunteers — those people driven by nothing other than a commitment to their fellow citizens who are less well off than they are — have the ability to report and reflect and have enacted the kinds of changes that people with disability increasingly want to see.

Mr DIMOPOULOS — Just in the last minute remaining, I imagine this investment is compatible with or fits in with the commonwealth's quality and safeguard framework — or maybe not?

Mr FOLEY — We are advised that the commonwealth is about to bring in its framework legislation in this space, and from the discussions that have been had at the Disability Reform Council we find ourselves in support of most of that proposed legislation. Our concern goes to the favour of the commonwealth in this space to make a distinction between its role as both the regulator of standards and the enforcer of standards under the NDIS. We take the view that there is the potential for conflict in that space, and we hope the commonwealth resolves that.

Mr T. SMITH — I refer to budget paper 3, page 22, 'Homes for Victorians', on the vacant residential property tax, which is one of your government's measures touted to decrease pressure on rent and assist with homelessness and housing affordability. Minister, what forecasting has been done around how many homes this will see brought back into the housing rental marketplace?

Mr FOLEY — This, similar to Ms Patten's question, relates to an output initiative, as set out there on page 22:

This initiative contributes to the Department of Treasury and Finance's revenue management and administrative services to government output.

Mr T. SMITH — I am aware of that.

Mr FOLEY — Again, on the same basis as having been a part of the government task force that considered the entire package, I remain confident, as does the Treasurer, that this measure will hopefully not raise one dollar in revenue, because it will make sure that the providers of such assets rent them out in the marketplace. That is the goal. I am not privy to what particular revenue forecasts the Treasurer might have, but as the policy minister in this space, it is my undying expectation that rather than sit there on empty assets the owners of these assets will rent them at affordable prices in the marketplace.

Mr T. SMITH — Minister, I know you are not the Treasurer; that is why I did not ask you about revenue. I asked you from a housing perspective how many new properties this will back into the market and what modelling you have done to make the claim that it will.

Mr FOLEY — Well, as I indicated, the work being done in this space relates to the initiatives conducted by the Department of Treasury and Finance, and as a result you would not expect this minister to have access to those. I am more than happy to refer your question on to the appropriate minister, which in this case is the Treasurer. Having said that, as the policy minister in this space, it is my hope that it does not raise a single dollar and that it does in fact deliver the — —

Mr T. SMITH — Again, I am not asking about revenue raising, Minister. I am asking you: how many new properties will this bring back into the market and how many have been modelled? You were on the working group, you are the housing minister — it is a pretty, I would have thought, obvious question.

Mr FOLEY — Yes, and I said in my earlier response that, as the budget papers set out, this is in fact a budget initiative of the Department of Treasury and Finance, and whether it is this particular opportunity — —

I am just playing for time as I look through the actual document that was put out in March by the Premier and the Treasurer in this space, but it does not leap off the page to me, I am afraid, member for Kew. Unless I find it in the next immediate future —

Mr T. SMITH — So we do not have a figure?

Mr FOLEY — I might have to, on behalf of the Treasurer, take this one on notice.

Mr T. SMITH — Okay. So a hypothetical — —

Ms SHING — You cannot do hypotheticals in PAEC, Mr Smith.

Mr T. SMITH — No, just hang on, work with me here. Will this vacancy tax apply to, say, someone who has a city apartment — and who lives in the country — that may be not used for six months? Will you be applying that tax on those people?

The CHAIR — Order, Mr Smith. I am going to rule that question out of order because that is a question that should have been directed to the Treasurer. The minister for housing cannot possibly be across that level of detail.

Mr T. SMITH — What, on a tax on housing?

The CHAIR — Taxation on housing is administered through the Department of Treasury and Finance. Minister Foley is from the Department of Health and Human Services. In terms of that level of economic modelling, Mr Smith, I would not imagine that the Department of Health and Human Services nor the minister for housing would be across that.

Mr T. SMITH — This is completely ridiculous. We have a vacancy tax. I want to know whether or not, if someone has got a property in the city and they live in the country and they may not use it for six months, they are going to be faced with paying that tax.

The CHAIR — Again, taxation measures, Mr Smith, generally are administered by the Department of Treasury and Finance. That question could have been asked of the Treasurer when he was here a couple of weeks ago. I just do not think you can expect the minister to have that level of detailed understanding in terms of those sorts of taxation measures.

Mr T. SMITH — Will you be using your role, Minister, to ensure that those sorts of people are not burdened with that tax?

Ms SHING — What sorts of people are you referring to?

Mr T. SMITH — People that have apartments in the city, for example, that may not use them very often but still rely on them for attending medical appointments and the like.

Ms SHING — On a point of order, you are asking the minister to express an opinion about a portfolio which is not his responsibility.

Mr T. SMITH — So I cannot ask a question about a tax that relates to housing of the housing minister — —

Ms SHING — You can. You just should have done it with the correct minister.

Mr T. SMITH — Can you just be quiet?

Ms SHING — No, actually, Mr Smith. I am sorry, that is not going to happen.

Mr T. SMITH — Just be quiet. It is like a ringing thing in my head; it is your voice. Just be quiet. It is one of the most irritating noises. In the last two and a half years of being in Parliament, what is one of the things that rings in my head? Your voice. Be quiet.

The CHAIR — Mr Smith, perhaps Ms Staley might like to have a go while you collect your thoughts.

Ms STALEY — Okay. I will turn to budget paper 3, page 20, the housing transfers and the transfer of the management responsibility for public housing. How will tenants be consulted?

Mr FOLEY — Thank you for that question. As I touched on earlier, as part of the process for renewal and investment in our social and public housing sector, one component of this is how do we bring in whether it is the federal yet-to-be-detailed component of what contribution the commonwealth might make under its new national affordable housing and homelessness agreement — —

Ms STALEY — Minister, if I could just bring you back to how they will be consulted? I understand the structure of the program.

Mr FOLEY — Well, that is good because the commonwealth has not shared that structure with us yet.

Ms STALEY — Well, I understand it is shared. Could we go to how they will be consulted?

Mr FOLEY — If you could share that with us, that would be a great advancement. So until such time as we get for that component of the proposition — together with the current request that we have got out into our social housing providers and potential private sector partners as well as our own investment in this space at the moment — the response that we expect back over the coming months, the first question is to identify the communities that we are discussing in regard to this, whether it is existing properties or whether it is the new properties that might come on. Those are the first policy issues that will be determined. Whether it is in fact the new properties, and of course there might be issues there around making sure that we consult with surrounding neighbours and surrounding private sector partners — —

Ms STALEY — Minister, I am asking about the tenants in the 4000 public housing dwellings that are being moved to community housing. So they are the current public housing tenants — not surrounding suburbs, not people on the waiting list — people who are currently in homes that are being transferred from your department's responsibility to community housing.

Mr FOLEY — They will still be my department's responsibility in terms of partnering with those social housing providers, because the asset will continue to be a director of housing asset and will still be a Victorian government asset. It will be leased to those providers.

Ms STALEY — So they will be your tenants, so you can presumably tell me how you will consult them.

Mr FOLEY — No, but they will not be director's tenants. The lease will be managed by social and community housing providers. In terms of what I was trying to explain earlier in terms of the 4000 figure, that may be broken up in a range of different ways depending on a range of variables. The first of those variables is what conditions the commonwealth may or may not set in their funding partnership arrangements, so we are yet to establish from the commonwealth what that is. The second of those will be what will be the area in which these 4000 targets will be applied. Will it be new social housing units that, by definition, do not have tenants in them as yet, or will it be existing properties that we seek through estate renewals or other programs through the

current Registration of Capability and partnerships with local government and other providers that we have got out for expressions of interest at the moment — whether it will be those estates? Once those — —

Ms STALEY — Minister, I think — —

Mr FOLEY — If you bear with me, I will get to your answer.

Ms STALEY — I am sorry. I think I have made it quite clear that I just want to ask about the people who are currently in housing that are being proposed to move from the current structure to community housing agencies.

Mr FOLEY — Yes.

Ms STALEY — And I am asking how those people will be consulted.

Mr FOLEY — I am in the process of setting the context as to why this is not a straightforward matter.

Ms STALEY — There is a lot of context going on.

Mr FOLEY — After the identification of new dwellings, if we get a response back in terms of our investment programs — the multi-provider investment programs in this space — and if we get responses that meet the criteria that we have set there for existing estates as part of the renewal of those estates, we will then consult with those tenants as to the arrangements that we are proposing to make, and with that, with the nominated social and community housing providers, point to what we would expect to be the substantial improvements in assistance and support.

Ms STALEY — How will they be consulted with, Minister?

Mr FOLEY — So in short, after those first couple of hurdles have been got over, we have yet to identify which of those particular communities might make up the rest of those agencies. And when we do — —

Ms STALEY — So you are saying you do not know how you are going to consult with them.

Mr FOLEY — We will go through a process of consulting with those communities, as you would expect.

Ms PATTEN — Minister, I turn to page 83 of budget paper 3, which looks at the Futures for Young Adults packages. These are packages for young people needing disability services during the day to participate in the community after they leave school. It says in the budget that an extra 256 packages are going to be provided to support these young people until they transition to NDIS. I just note that in the 2016–17 budget money was put aside to help young people transition to the NDIS in that budget. It was to provide for up to 400 people, and that was over a three-year projection. Can you just clarify whether the 256 are on top of that 400? It just seems like the figures are less. Last year's budget said we were looking at 14.4, 15.1, 15.8 million, and this year the forward estimates are less.

Mr FOLEY — At a superficial level that might look like the case, but I can assure you and, through you, young people with disabilities that this additional 200-plus places — 256 packages at the cost of almost \$20 million over the next two years — is in addition to the 400 that is already in the system. That is because as the national disability insurance scheme gathers pace, geographically around the state the areas in which eligible young people come into the system, naturally enough, declines; there are fewer parts of the state not covered. This will across two years be over 650 young people coming into the scheme and being sustained in the scheme either until the NDIS catches up with their needs or indeed, depending on eligibility, continuing as part of that scheme.

Ms PATTEN — Can you just clarify where the forward estimates for that 400 people announced in the 2016–17 budget — is that somewhere else in the budget and the forward estimates for the Futures for Young Adults in the budget obviously is extra money?

Mr FOLEY — Yes, I will certainly undertake — I cannot lay my hands on it right at the moment, Ms Patten, but I can assure you that built into the projections over the forward estimates are both this additional 19.9 million for the 256 extra places that will come in over the next two years in this budget that are on top of

the ongoing funding needed for the 400 from last year's budget. But I will certainly undertake to provide directly to you where we could find that in the budget papers.

Ms PATTEN — Fantastic. Thank you. Just turning to page 239, which is looking at the changes to HACC, my understanding is that we have changed the measures because we have moved elderly people out of that and it is now focusing on young people under 65. I am just wondering if you could explain. Looking at the numbers in the budget, I think it goes from 239 to 230, so it is not a big difference. I was wondering if you could tell me whether there are more young people included in HACC now, whereas there were very few older people included in HACC?

Mr FOLEY — The home and community care package is caught up in the whole national disability insurance scheme rollout. I might in the limited time available ask Ms Peake, who is perhaps more across the detail on this, but essentially the over 65 group continue on as part of the state's responsibility; the under 65 move into being NDIS with some exceptions when it comes to young people.

Ms PEAKE — Certainly, and thank you for the question. As you would be aware, Ms Patten, the budget is across two of the outputs, so it is across the small rural services on page 250 as well as the young persons program you pointed to on page 239. Just to give you a bit of a sense — and we are expecting to see both the budget and the performance target reduce as we move through the transition for the NDIS — in 15–16 there was \$765.8 million allocated to HACC, including the funds in the small rural services. Over 70 per cent of that funding transitioned to the commonwealth home support program as of 1 July 2016, so there is now \$242.2 million, which includes \$11.18 from the small rural health services funding to provide support to around 70 000 clients aged under 65, which is set out on page 239 — sorry; there are cross-references through BP3. So we expect overall about 20 000 existing HACC and younger clients may become participants of the NDIS, and then the reduction that you referred to is really reflecting in 17–18 the Central Highlands and NEMA transition into the NDIS.

Ms SHING — Thanks, Minister, and thank you, officials, for attending yet again. It is good to see a familiar line-up of faces here for what seems like the 842nd hearing of PAEC for this year. Minister, I would like to take you to ageing and aged care, and in particular the concessions and support for older Victorians, which is referred to at budget paper 3, page 83, and in the output initiatives at page 78. In particular there is an allocation there to provide concessions to pensioners and low-income Victorians. I understand the context in which this has occurred around unilateral changes from the commonwealth around pension eligibility, which took effect from 1 January this year, that has deprived eligibility for the part pension and would have in fact deprived access to a number of state government-provided concession because it was based on holding a commonwealth pension card. What I would like to get a better understanding for in the context of your portfolio as minister for ageing is what the initiative is about in operational terms and how that will provide pensioners with assistance who have a financial shortfall and need to access that additional support in the absence of the commonwealth delivery?

Mr FOLEY — Thank you for that question. So, the nub of what you ask relates to the implications of the 15–16 commonwealth budget, where they announced as of 1 January significant changes to eligibility for pensions. This has meant that some 10 842 Victorians will no longer be eligible for the part pension and as a result will have lost access to a number of state government-provided concessions — of course provided you are a Victorian and holding the commonwealth pension card. Since that announcement the commonwealth has made a number of further changes to policy, some of the implications of which in its most recent budget we are just coming to terms with, and that has caused some confusion in our pensioner community.

What I want to make sure is that those people who continue on with a commonwealth pension card have the assurance that the Victorian government's support in this area will continue and endure. That program is uncapped. If you show up with the commonwealth pension card, you are eligible for the assistance that it provides, and we want to make sure that the affordability of those essential services for what are overwhelmingly low-income Victorian households continues. We want to make sure that the crucial priority continues as real cost-of-living pressures come to bear and are dealt with through this concession program.

We know there were changes again in the most recent federal budget that we hope go some way towards mitigating that, but we know already that as a result of the 15–16 commonwealth budget a number of people have lost their commonwealth pension cards and therefore their opportunity to be involved in this program. We are underway in discussions, trying to seek what further changes there may have been in this most recent

commonwealth budget. But rest assured that if you are entitled to a commonwealth pension card in the state of Victoria you are entitled to the programs and the support that is set out in the programs that you pointed out at budget paper 3, page 83.

Ms SHING — So those supports and that safety net for low-income pension card holders in Victoria will continue, notwithstanding any further changes that the commonwealth may make?

Mr FOLEY — Absolutely. They will continue because we see them as an important threshold issue in sustaining what are far too many of our senior Victorians who live from pension to pension, and the important contribution that this makes to their cost-of-living expenses is one that will continue through the forward projection period.

Ms SHING — And do you anticipate that further discussions will continue with the commonwealth around its availability for pension card holders around what has been announced in the commonwealth budget?

Mr FOLEY — There has not been a lot of discussion with the commonwealth in these spaces. The social security changes that have been made are generally made unilaterally and are made in a way which has seen in other areas of this portfolio a number of people removed from benefits. It is not, for instance, uncommon for us now to meet incomeless people who are on notional commonwealth support in housing crisis with no support whatsoever. In circumstances where that support is reflected in the commonwealth pension card this level of support will continue. We hope that the commonwealth will restore to what it was the full pension entitlements to Victorians, and should that be the case, this system of support for those Victorians in utilities and other areas will continue.

Ms SHING — What we have seen is a thematic almost cost-shifting process from the commonwealth to the state on everything from infrastructure through to services and delivery. Would you couch this issue as another one of those examples?

Mr FOLEY — Yes, I would couch it in those terms, and whilst we understand that everyone lives under cost pressures in terms of governments, the Victorian government's view is that the needs of our most vulnerable communities should be at the forefront of our efforts, and this program reflects that view of the world.

Ms SHING — I would like to move to the issue of housing and homelessness, in particular in regional areas. I note that this has been touched on in a number of the answers you have given to previous questions. Again I take you to your presentation and also to budget paper 3 and the outputs at page 255.

The regional homelessness challenge is a big one. Often the tyranny of distance means that people are isolated, not just physically but also then having challenges in accessing services in often small and remote towns where everybody knows everybody. How will this package of housing and homelessness measures assist with people in our remote and rural areas, given that often they slip through the cracks and are not part of the programs and services that are accessible more readily in periurban and urban areas?

Mr FOLEY — Thank you for that question. We know that homelessness and rough sleeping in our regional areas is a particularly hidden issue. People are sleeping out in all sorts of short-term and inappropriate accommodation, if not cars, if not in other less salubrious locations. We want to make sure that the funding that is reflected in all of these programs has a particular focus on regional and rural communities.

When it comes to homelessness in particular, as was touched on earlier with the rental brokerage proposition as one area, we have funded a broker in every of the 17 DHHS areas to provide that particular service, and the evidence from the initial funding, let alone that which flows from this budget, has shown that we actually get a better result in the regions because of the affordability issues. We are able to provide more units for the same government investment dollar in the regions, and we are already starting to see that through the brokers that we have engaged with in these areas.

For instance, our rapid housing investment, spread evenly across the state, shows that of those properties over 100 of them have seen spot purchases in regional areas and regional houses come on as a package.

Ms SHING — And access to wraparound services as well.

Mr FOLEY — Yes, that is part of the deal. I visited Shepparton recently, where rural housing together with VincentCare provided the equivalent of that housing with homelessness support.

Ms STALEY — Minister, I return to the housing transfers, BP3, page 20. Will community housing associations have a choice around which individual properties they receive, ensuring that they do not receive the public housing stock in the poorest condition that will soon require maintenance and therefore cost?

Mr FOLEY — Our social housing partner organisations need to get across a few hurdles to get into the system. One of those relates to the signing up to the Victorian Housing Register. The committee will be aware that at the moment the director of housing runs a public housing waiting list, and then over 40 other organisations run their own housing lists. The level of overlap between the two is a bit of a mystery. That is why as part of this arrangement we will be making sure that a precondition to entering this is to sign up to, as of 1 July this year, a single, integrated Victorian Housing Register. As a component of that there will be an obligation on participants in that scheme, when it comes to the other packages of support that are attached to the Homes for Victorians package, to prioritise those people in the most housing stress — those people on what we would today call the priority housing list. Once the Victorian Housing Register is there, will have a series of more graduated titles.

Then having got into the system, we will go through a process of making sure that, if it is in fact an existing public housing property or estate, after those tenants are consulted those community housing providers who may wish to express interest in being part of that system come in for those negotiated discussions. My expectation, based on the fact that currently I think it is somewhere between 10 000 and 12 000 director of housing owned properties are already managed by social housing providers — be they rooming houses, be they particular spot purchases or be they a whole range of efforts — the same principles that applied in those discussions for those more than 10 000 properties will apply for these 4000 properties. It will depend on which properties ultimately end up being identified in which communities.

My expectation would be that there would be a range of properties across the life span of the Office of Housing's portfolio, some of which date back as far as the 1930s and the greatest proportion of which are from the 1950s, 1960s and 1970s. There are also more recent properties. I would imagine that across that range of different portfolio assets, after communities are consulted and after tenants are consulted those kinds of discussions would be direct with interested social housing organisations to see how they want to participate.

Ms STALEY — Will tenants then have the right of refusal if they do not wish for the management rights of their residence to be transferred?

Mr FOLEY — As indicated, of course once we get through that process, we would imagine that those discussions with tenants would be the first step rather than after the discussion with other social housing providers. In that context let us be clear: part of the reason that the commonwealth in particular are very interested in making sure that this is a part of the proposed national affordable housing and homelessness agreement goes to how services are delivered. The director of housing is the landlord for 165 000 people, and his tenants — that is, our tenants — do not attract commonwealth rental assistance, the single biggest contributor that the commonwealth makes to housing affordability across the board. That is not the case when it comes to social housing providers. Social housing organisations do attract the commonwealth rental assistance. How that gets packaged into an arrangement that makes sure that nobody is financially worse off is an important part of the equation.

Wrapping around it is the contribution to what new investments are being made in housing, what new investments are being made in services and what new investments are being made in the package of supports to engage the wider community through education, through employment and through training. They are all part of the mix, and each of those will vary, depending on the community and the estate that we are talking about. Until such time as all of those preconditions are met, it would be presumptuous of me to predict what the views of a public tenant might be. Because at the moment those public tenants are faced with a view that as good a landlord as he is, the director of housing does not invest perhaps as much as we would like — that is, not much at all — in that wider set of services that we know our social housing partner providers can bring to that equation.

Ms STALEY — Minister, I move to budget paper 3, page 78, and I refer you to the disability output initiatives. On page 19 of your state disability plan you state that you will work to increase employment and

participation for people with a disability. Minister, apart from the brief mention of the long-running Futures for Young Adults program, which cuts off at age 20, can you outline any output initiatives in this section or anywhere in the budget papers that specifically address disability employment for those over age 20 from a state government perspective as you said would occur in the state plan?

Mr FOLEY — Thank you for that question. The key part of the state disability plan, which will run alongside for the first time a full post-NDIS transition package, is about how the state disability plan surrounds the NDIS component with those wider community engagement roles. The first and foremost of those, as you correctly identified, is economic participation. If people participate as economic citizens and have a wider role than just being the passive recipients of the state for commonwealth support through the NDIS or other packages, that is the first step towards the kind of ordinary life goal that the national disability insurance scheme provides. You identified one program.

The challenge in particular that we set ourselves through our consultative arrangements with the state disability advisory processes that we have in place goes to what do we do as a state? What we do as a government? The Victorian government's direct levels of engagement of people with disabilities has gone backwards over the past five years. Whilst we have seen that stabilise in more recent times, we know, as the biggest employer in the state, that we can in fact lead that program ourselves. We know that through the investment programs that are contained in this budget that we can lever off through advocacy and support — —

Ms STALEY — Sorry, which programs?

Mr FOLEY — In terms of the state disability plan, all of the arrangements that are set out there in the budget papers have fundamentally at their core the notion that we will deliver economic participation as a key outcome from the state disability plan, not the least being the increasing number of people that the NDIS output has as we see that particular workforce — —

Ms STALEY — I understand the NDIS output. Could you name a single program, other than the Futures for Young Adults program which cuts off at 20, that specifically addresses disability employment by the state?

Mr FOLEY — Absolutely. The national disability insurance scheme output itself — as that investment by the state doubles over the course of the next two years from 1.3 to \$2.5 billion — has at its heart a workforce that will more than double. A key component of that, from the National Disability Insurance Agency's goal — —

Ms STALEY — Just one more state program, Minister? I asked in addition to the NDIS, Minister.

Mr FOLEY — The national disability insurance scheme is a joint-funded program.

Ms STALEY — I just asked for a state program. Are there any?

Mr FOLEY — That is a state program; that is an output of the state.

Ms STALEY — In addition to that?

Mr FOLEY — In addition to the young adults, in addition to the \$2.5 billion — —

Ms PATTEN — Just going back to some aged-care-related issues — I am turning to page 238 of budget paper 3 — and it is in regard to the respite and support services being offered and the performance measures there. I note that in 15–16 we had 187 876 hours of respite but we have put a target of 161 000. I was curious because we put a target for 161 250; our expected outcome is, surprisingly, exactly the same number and our anticipation for the next year is exactly the same number. Given the growth in our aged community, I would have thought those numbers would be going up. In some ways to me it looks like it is a cap. I am just wondering if you could speak more to that?

Mr FOLEY — Yes, I can. The notion of respite is evolving. Respite, as traditionally seen in block-funded ration systems, was funded on the basis of when it was available you took it and it was available at certain locations at certain times. Its measurability and its deliverability was not client focused around their needs. On that basis, it grew and grew and grew obviously as aged care grew.

Whether it is the My Aged Care federal reforms or the national disability insurance scheme reforms where packages are built around individuals, despite the fact that we have seen a substantial increase in demand as the population ages, we are seeing the notion of respite evolve. As people become more engaged in what their own particular needs are and engaged in their relationship with their carers and asserting their rights more, particularly for those carers and their needs, we are seeing the engagement with respite change in the disability sector.

Ms PATTEN — So what you are saying is what we are now accepting as respite in our community will not be counted in these numbers?

Mr FOLEY — In the same way, yes, largely.

Ms PATTEN — Because it looks different.

Mr FOLEY — But at the same time we know that the carer community continue to rightly see respite as an important part of the options that they engage with.

Ms PATTEN — That is right, which is why I am surprised that the number is so stagnant.

Mr FOLEY — We are confident in the work being led by the parliamentary secretary for carers, the member for Dandenong, in our upcoming carers statement. This evolving nature of respite and the support that carers need to sustain, whether it is in disabilities, whether it is in aged care, whether it is in mental health — that notion of enduring and in some cases lifelong support, given that in the post-deinstitutionalisation generation some of those carers are getting on and are caring for people who themselves are getting on — is increasingly an important issue. We will see this continue to grow.

Ms PATTEN — That segues quite nicely to my next question. Page 237 of budget paper 3 looks at the total available bed days for residential care. There has been a considerable drop in these. I note that the section says this is due to a ‘reconfiguration of services’, so I am asking if you could explain what that reconfiguration is? I note that there has been an increase in the output cost despite a drop in the bed days. If we do not have time, maybe I could get that on notice?

Mr FOLEY — Absolutely; if I run out of time, I will follow this up. The change reflects expected outcomes and targets: the temporary closure of 60 beds at Austin Health and 30 beds at Bass Coast, Wonthaggi — those temporarily offline as they were being caught up by the new 90-bed facility at St Georges in Kew — together with the rebuilding of the facility in the Wonthaggi area. In terms of a reconfiguration of services, our commitment to public sector aged-care beds stands and the overall level is enshrined. Some of those facilities were well below par, and as we bring them back online we are confident that that level will increase.

The CHAIR — I would like to thank the witnesses for their attendance: the Minister for Housing, Disability and Ageing, the Honourable Martin Foley, MP; Ms Peake; Mr Foa, Ms Congleton; Ms Asquini; and Mr Symonds. The committee will follow up on any questions taken on notice in writing. I believe there was one earlier today, and I think Ms Pennicuik will have some questions, which she has provided to the secretariat. The response answering the questions in full should be provided in writing within 10 working days of the committee’s request.

Witnesses withdrew.