

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2006-07

Melbourne — 21 June 2006

Members

Mr W. R. Baxter

Ms C. M. Campbell

Mr R. W. Clark

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Mr J. Merlino

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Witnesses

Mr G. Jennings, Minister for Aged Care;

Ms P. Faulkner, secretary;

Dr C. Brook, executive director, rural and regional health and aged care services;

Mr J. MacIsaac, director, Office of Senior Victorians;

Ms J. Herington, director, aged care; and

Mr A. Hall, acting executive director, financial and corporate services, Department of Human Services. .

The CHAIR — Good morning. I welcome the Minister for Aged Care, Mr Gavin Jennings; Ms Patricia Faulkner, secretary to the Department of Human Services; Dr Chris Brook, executive director, rural and regional health and aged care services; Mr MacIsaac, director, Officer of Senior Victorians; Ms Jane Herington, director, aged care; and Mr Alan Hall, acting executive director, financial and corporate services, Department of Human Services. Minister, I ask you now for a 5-minute presentation on the more complex issues of the aged care portfolio.

Mr JENNINGS — Thank you for providing the opportunity for me to run through in the spirit of the theme of the budget 'Meeting the Challenges'. We are meeting some of the challenges that confront older members of our community — the challenges of meeting their service needs and trying to encourage them to live productive, happy and healthy lives in the state of Victoria. I will very briefly run through that set of issues.

Slides shown.

Mr JENNINGS — This graph, put together by a supporter of the Ecuadorian soccer team, gives a very clear and stark image of the changing demographic profile of our community. For the sake of Hansard, I will indicate the extraordinary growth in the relative proportion of older members of our community in the years to come. As an example, in 2001 there were around 70 000 people over the age of 85; and in the year 2031 there will be around 225 000 members of our community over the age of 85.

In the aged care portfolio budget there has been significant growth, and I will point out the expenditure on programs that I am responsible for. In this context it is important for the committee to know that they straddle primarily three output groups, so there has been a significant rise in the allocation of those funds over the last few years. Looking at expenditure in small rural services, the seniors output group within the Department for Victorian Communities, you will find that the vast majority of expenditure is actually found within the aged and home care output group within DHS. Cumulatively, \$973 million has been allocated in this year's budget, which has been an increase of 54.6 per cent since 1999-2000.

We recognise, and I have reported on this to the PAEC before, the number of challenges that the Victorian community confronts. One continues to be the lack of provision of residential aged care compared to the commonwealth's benchmark which it established, regulates and funds. We continue to struggle to meet the commonwealth benchmark in terms of operational residential aged care places.

There is a specific shortage, in particular, of high-care accommodation to support the needs of residents with high-care needs. There has been an erosion of the availability of service provision within the inner suburbs of Melbourne, particularly relating to the land value and how that has been complicated by the compliance issues in 2008 in terms of the level of re-investment required, which has seen an erosion of the supply of residential aged care.

We have seen that without the provision of the services provided by the state of Victoria there would be a profound shortage of accommodation outside the metropolitan area. We have seen supported residential services under pressure for issues similar to what I described a minute ago — the cost of land and the opportunity cost to providers of SRSs getting out of that business and selling up to capture land values. Recent events have brought the issue of elder abuse into stark relief within the Australian community, and there has been an ongoing set of concerns about the wellbeing of older people and ensuring their safety and security.

Briefly running through the way in which we have responded to those, we have facilitated the Aged Care Land Bank which is a way of trying to drive new investment in residential aged care, particularly in the inner city. We have supported the viability of the pension-level SRS sector for the most disadvantaged and vulnerable parts of the Victorian community who live in that form of accommodation.

We continue to redevelop facilities, so there is an additional \$130 million in capital for aged care centres across Victoria, which cumulatively leads to \$339.7 million committed since 1999 to rebuild in excess of 25 per cent of public sector beds. We have provided for new legislation which will allow greater protection for the administration of medication for high-care residents and also legislation to support the rights and opportunities of residents within SRSs. We continue to advocate to the commonwealth to strengthen the legislative and other regulatory responses to the needs of residents in aged care, to provide for their ongoing confidence and security.

In terms of trying to make sure that people live happy and independent lives and feel supported in their own homes rather than relying on residential aged care, we continue to fund a range of activities to try to support a healthy lifestyle. So the Healthy and Active Living program for seniors and the Well for Life initiative continue to be supported.

We continue to fully match the commonwealth funding for home and community care in this year's budget, but of course, members of the Public Accounts and Estimates Committee would know that within the state budget, beyond our matching requirement, \$55 million for each and every year above that matching requirement is now embedded within the HACC program of state-only money. We are trying to develop alternative service models to support independence, and we have developed specific responses to support people with dementia in the dementia framework.

We believe it is important to empower seniors to make choices about their own lives and act independently. We try to ensure there are participatory programs and ones that encourage people to be active — so, for instance, our support for the University of the Third Age, through programs that support a healthy and active lifestyle and through Go for Your Life. We have seen a particular new approach to elder abuse and a new service regime and training support provided to the service sector to try to cater for the needs of vulnerable seniors who are either at risk of being abused or are being abused.

We have augmented this by other initiatives through the budget to try to ensure that people can get about their active lives as full participants within our community. An example of that is the flexible transport solutions, a significant investment of \$18.3 million in this year's budget. It has been designed to support locally-based flexible transport to enable people to get around either to community-based activities or to receive services, and very importantly to create linkages with mainstream public transport options.

That is a snapshot of how we have tried to identify and respond to specific challenges and to build a more positive and engaged life for seniors who will increasingly become a recognised demographic and hopefully a respected and supported demographic within the Victorian community.

The CHAIR — The first question I would like to ask is about home and community care services. In its 2004–05 budget estimates report the Public Accounts and Estimates Committee recommended that the Victorian government bring to the attention of the commonwealth government the need for a renegotiated HACC agreement to recognise the growth in demand. The government's response stated that the commonwealth had initiated a process for renegotiating the agreement with the expectation that a new agreement would be operational from June 2006. One of your slides mentioned extra money going over the next four years, so what I would like you to do is bring the committee up to date on the developments in negotiating a new HACC agreement with the commonwealth.

Mr JENNINGS — Chair, I want you to know that just as I indicated in my previous presentation to the Public Accounts and Estimates Committee on Aboriginal affairs, I am pretty determined to have a meaningful negotiating outcome with the commonwealth, and while I can say there is some positive engagement by the relevant commonwealth minister by recognising the need for ministers for ageing across the nation to come together — which has not happened for about four years, and still has not happened yet; he has a recognition of the need for it to happen. So that is a positive thing. In terms of face-to-face negotiations there has not been, at ministerial level, a high degree of collaboration, let alone negotiation, up until now.

There continue to be various stages ranging from fruitful discussions at officer level through to downright frustrating conversations that must take place at officer level in relation to these issues. We thought over last summer that we were making some headway in relation to some reforms that were put on the agenda for COAG for reform to the HACC system, and the state of Victoria spent a lot of time and effort trying to develop models that satisfied the commonwealth requirement to have discrete expenditure in ageing and a preference for the states to assume responsibility for disability.

Of course members of the Public Accounts and Estimates Committee will know there is expenditure within the home and community care budget which straddles allocated services to older people but also provides significant support for younger people with disabilities. We tried to develop models that would accommodate their perceived administrative or political need which made sense in terms of the delivery of services, but after investing a great

deal of thought into redesigning the program, we were not successful in achieving a level of agreement. Hopefully we will have opportunities in the future to do so. What I can tell you is that the time frame is going to fall behind.

The CHAIR — Could you take us to the second part of my question which was to outline how Victoria is providing extra funding to meet the increasing demand for HACC services in the face of what you have just outlined?

Mr JENNINGS — I appreciate you are encouraging me to be more optimistic and positive, and I shall do so, because HACC is a significant investment — \$440 million in what is now the matched and beyond-matching element of Victoria; it is a significant program. We are blessed with the investment of local government in the state of Victoria which other states do not have. As I indicated in my introduction, over \$55 million is now embedded in the additional commitment of the state beyond our matching, and I do not think any other state across the country has a similar embedding.

We witnessed in this year's budget an anticipated 6.9 per cent growth in the program — that is, a \$25.6 million growth in the program. We cannot absolutely confirm that until the commonwealth confirms its allocation, but that is in the ballpark of our growth. We are trying to ensure over the next triennial funding arrangements that we address equity questions, both demographic equity in terms of the cultural make-up of our community, to make sure that we are accessible to — —

The CHAIR — Good, as I was going to ask a supplementary on the cultural — —

Mr JENNINGS — You still might have an opportunity to. So that is going to be a feature, and another feature of our approach is the geographic equity question. When I arrived in the portfolio I was pleased with the global level of investment and obviously the effort that was taking place across Victoria, but I was a bit concerned about the uneven nature of the distribution of those services, so we have made a feature in both the last triennial funding and the next round to try and create a more equitable distribution.

We will do that by not taking money from any region; we will do it on the basis of allocating the growth funding to ensure that all regions grow, but some grow far more rapidly than others, on the basis of having a two-tiered approach. Rural regions of Victoria will have one benchmark figure. All rural regions will move to an agreed figure, and the metropolitan regions will move to a statewide average figure.

What that will mean is in rural areas all those regions will move in accordance with the average of \$598 per capita of the HACC target group and in the metropolitan regions to \$523 per capita of the HACC target group. Whilst that will mean a degree of inequity on a dollar value figure, it is important for people to appreciate that there are certain costs associated with delivering services in more remote areas and accounting for transport and other factors to do with isolation. That is one reason why there should be an ongoing two-tiered system.

The other reason — and as a local member you might be interested in this, Chair — is that we have significantly increased the allocation to regions in the northern metropolitan part of Melbourne, and there will be some take-up time in terms of gearing up with their capacity. For instance, there has been such a quantum leap in the resource allocation to cities such as Hume, Whittlesea and others — which one are you hoping for?

The CHAIR — Moreland.

Mr JENNINGS — There are definitely increases to Moreland, but I think Moreland was probably able to account for its growth in a far easier way than by needing the quantum leap we have made in some of those outlying areas.

Mr CLARK — I am trying to trace where the different additional funds that are said to have come into your portfolio areas come from. Could I, first of all, refer you to page 26 of budget paper 3, which talks about \$53 million over four years for home and community care. I cannot find that listed amongst the various output initiatives for the Department of Human Services that are on page 296 of budget paper 3, so I am wondering if you could explain how those fit together. More generally can you tell the committee how much of the additional funding going to any of your portfolio areas in the budget estimates period comes from the demand contingency?

Mr JENNINGS — The simple answer to your question as it relates to page 296 is that we have been talking about growth in the program, and because it is growth in the program, it has not been identified as a new

output initiative; it has been a continuation of the growth within the program. So that relates to 296. In relation to page 26 I think you will find that — —

Mr CLARK — It is the first bullet under aged care services which says the 2006–07 budget provides \$53 million over four years for home and community care et cetera.

Mr JENNINGS — The reason why there might be an initial variation to what I have allocated is that you will note within that dot point there is a run-on beyond the \$44 million for home and community care to include initiatives that relate to the response to elder abuse, expanding the Personal Alarm program and expanding the University of the Third Age. The cumulative effect of those, what are effectively, three program areas brings us to the cumulative total of \$53 million.

Mr CLARK — Could you trace those three elements through the output initiatives either now, or on notice if that is easier? Then, more generally, how much of your increased initiatives in your portfolio areas this year have come from the demand contingency?

Mr JENNINGS — Mr Clark, you might assist us if in fact you can tell us what you mean by the ‘demand contingency’.

Mr CLARK — Yes. I refer you to page 35 of budget paper 2, table 3.2, which lists the government’s overall output initiatives by department and has ‘Less funding from demand contingency and other efficiencies’.

My understanding is demand contingency is available to meet those areas where there is potential for demand growth, which would include hospitals, aged care and HACC. When you look at table 3.2 there is a line of funding from ‘demand contingency and other efficiencies’, so I am assuming some of the demand contingency has gone to meet your portfolio areas.

Mr JENNINGS — We will take that question on notice, but we would not think so. Given the order of magnitude of that item across the whole budget sector, I would be very surprised. But we will take it on notice.

Mr CLARK — Thank you.

Mr MERLINO — Minister, I refer you to page 301 of budget paper 3 and the table headed ‘Asset Initiatives — Human Services’. Can you please provide to the committee details of the five redeveloped aged care centres, and in particular the three residential aged care facilities that will be upgraded as a result of this year’s budget? Secondly, what type of improved services can residents of these services expect from those upgrades?

Mr JENNINGS — Thank you, Mr Merlino, for the question. One of the hallmarks of my period in this role has been to oversee, from my perspective, the fantastic redevelopment of about 25 per cent of the bed stock of residential aged care that is provided by the state of Victoria through various health services across the state. In fact, it is something that marks Victoria in stark contrast with other states, that we continue to provide residential aged care when most other states have got out of the business or the support almost entirely.

In this year’s budget we continue what has been a significant investment by \$130 million being allocated specifically within this program to develop a range of services, which include the Casey redevelopment, which is part of a reconfiguration of services that have been previously at the Kingston Centre and other services in the south-east to create a stand-alone hundred-bed facility in Doveton. That \$34.5 million service will provide for high-care needs and mental health needs of residents from that catchment. For the first time we move the service closer to the catchment that we are hoping to serve. That is an important issue.

Similarly, in Grovedale in the city of Greater Geelong there has been an investment of a \$25 million project to build a new 108-bed high-care residential facility to provide for a greater degree of connection with those people who live in the South Barwon part of Geelong rather than continue the complete redevelopment of the Grace MacKellar Centre within the one location — which we were very proud to be associated with, but we realised that we did not want, necessarily, to put all our eggs in one basket, so to speak. We wanted to spread the degree of community engagement from the Grovedale facility, which will be a first-class facility and will augment the great work done by Grace MacKellar.

We have committed in this budget to the redevelopment of the Warracknabeal nursing home in — pretty much, as I have said — Warracknabeal. It has been a little bit delayed, because we got the project management caught up with

the redevelopment of the hospital more generally, which slowed us up a bit, but by and large we will be pretty proud to be associated with the \$21.8 million, 60-bed facility, which will be for a mixture of high and low-care needs. We have a slightly different profile in regional areas where — whilst we concentrate on high care, we do provide low-care accommodation in smaller regional locations as providing support within communities. Certainly that is a feature of this year's investment.

Mr RICH-PHILLIPS — Minister, I would also like to ask you about aged care facilities. The budget papers note that the facility for Casey, as you mentioned earlier, to go into Doveton will replace the Kingston Centre, and note:

... the City of Casey to replace outdated facilities at the Kingston Centre in Cheltenham that are not compliant with the Commonwealth 2008 Aged Care Certification requirements.

Can you please tell the committee when the Kingston Centre will close? The phasing of the funding that is provided for Casey suggests that the Casey facility will not be open by 2008; most of the funding is in the out years 2007–08 and 2008–09. What is the future of the Kingston Centre in the interim until the Casey facility is fully operational? When the Kingston Centre is vacated, will that land be available in your Land Bank program, or do you intend to sell it commercially, given that it is next to the Mirvac development?

The CHAIR — Take what is your ministerial responsibility, Minister.

Mr JENNINGS — No — —

The CHAIR — I am not sure that the last one is.

Mr JENNINGS — Don't worry about that. No, I appreciate Mr Rich-Phillips's cumulative effort this morning. He has actually been asking me good questions, and he continues in that vein.

First of all, the Kingston Centre in its entirety will not close. In fact, there will be a continuing presence on that site of services; in fact, we have a range of services that will continue to be there. What we are talking about in terms of the Casey development is the appropriate, in our view, shift of a new service to try to meet the catchment needs of the community. So a stand-alone 100-bed facility will be redeveloped in Doveton to be closer to the catchment of residents who will need residential care there.

We anticipate that the facility will be delivered — no, I will not use that phrase which related to timing and within budget; there is a catch phrase that covers it — but we are absolutely confident, as we have been, with the deliverables in terms of the costs and the timing of our projects that we will have it completed by the end of 2008, and we are confident that we will meet our compliance obligations to account for that service, to be able to demonstrate to the commonwealth that we are complying.

Mr RICH-PHILLIPS — Just to clarify, is the commonwealth requirement for accreditation by the end of 2008 or the beginning of 2008?

Mr JENNINGS — The interesting story is that we will comply by having the facility in place by the end of 2008. The way in which the commonwealth's accreditation is accounted for may not require a physical facility to be completed at any particular time, but you have to account for when it is going to be completed.

In fact, there is an acquittal process that the commonwealth has for you to be able to demonstrate your efforts and your way in which you are complying. We intend to comply by having the facility finished by the end of 2008. Other people who may be redeveloping may comply in different ways. That is up to the commonwealth.

Mr RICH-PHILLIPS — So for the people you plan to relocate from Kingston, there will be a direct transfer from the Kingston Centre to the Casey facility? In terms of not necessarily people but capacity you will be able to make that transfer and still meet the requirements of accreditation?

Mr JENNINGS — Yes. The answer is yes to the capacity question. In fact, the individual circumstances of residents — obviously there will be a need for us to make sure that those people are not distressed or made uncomfortable by the relocation schedule. We will account for that on the basis of just the project management and the confidence that we provide for those residents.

Mr RICH-PHILLIPS — The other part of the question related to the site.

Mr JENNINGS — The site — —

Mr RICH-PHILLIPS — Will any of the site be relinquished with the closure of that capacity?

Mr JENNINGS — We have not got an intention to relinquish the site. We are exploring options about what the appropriate ongoing service configuration of the site may be.

The CHAIR — Thank you.

Mr RICH-PHILLIPS — It will not end up in your Land Bank?

The CHAIR — Thank you.

Mr JENNINGS — I do not think so.

Mr RICH-PHILLIPS — Or with Mirvac?

The CHAIR — Thank you — that was the point I was making in terms of the minister's responsibility; that is not his responsibility.

Mr JENNINGS — Do you want me to rule out Mirvac?

Mr RICH-PHILLIPS — If you would like to.

Mr JENNINGS — I would pretty much rule out Mirvac.

Mr RICH-PHILLIPS — Thank you, Minister.

Ms ROMANES — Minister, on page 284 of budget paper 3, amongst the government-wide output initiatives is one line item 'Supporting Our Seniors'. There is also supporting text on page 286 which groups further investment in the HACC program with expansion of the University of the Third Age sector and initiatives to support the safety and dignity of older people. You made reference to this in earlier comments. Can you tell the committee how much of this item is attributed to initiatives to support the safety and dignity of older people and how these initiatives relate to the recommendations of the Cooney report — that is, the report of the elder abuse prevention project, which was given to the government in December 2005?

Mr JENNINGS — Thanks, Ms Romanes, for the opportunity to outline the key elements of that \$7.14 million. I will deal with them in reverse order in terms of the order of magnitude. Let me in the first instance account for the \$1.25 million for providing support for the growth of the University of the Third Age. We recognise that there is a need to try and support a greater engagement by the U3A network in providing support to existing services. That is one of the features of that expenditure. We also recognise there is a need for the provision of U3As to grow. In terms of growing across the state, we will be providing some support to enable new U3As to be created in areas where there are blind spots of engagement at the moment. We are also encouraging the U3As to attract a more representative group of people within their local communities. We are particularly mindful of the engagement of people from the rich cultural diversity of the state of Victoria. Certainly there will be emphasis there to try to encourage U3As to be broadly supportive and engage a greater cross-section of our community. That is how we are going to be spending that allocation.

The \$5.98 million will be supporting our approach to elder abuse. You quite correctly identified the important work that Barney Cooney and his group undertook on behalf of us all in terms of engaging with major stakeholders and older people themselves right across the community in terms of what is needed to address elder abuse. They provided us with a very useful report last December. We have responded to that report by both responding to the specific recommendations and in particular through the budget. The allocation in the budget will do a number of things. Its primary purpose is to try to create a network of supportive environments so that older people, if they feel they have been abused or are at risk of being abused, have someone to turn to. They will turn by and large, hopefully — on the basis of us educating and encouraging people to empower themselves to exercise this form of support and remedy — to their local community legal centre or their legal aid office, where we will have somebody who has been trained and supported to deal with the needs of older people.

Within that broad network of community legal services, which if you bundle in legal aid offices is 69 services across the state, there will be someone with a repository of knowledge and commitment to dealing with older people and who will provide ongoing training and support to others they work with within that environment to increase that responsiveness. However, they will not be alone. Their ongoing role will be supported by a central coordinating service that will be created. An older persons legal service will be created under the auspices of the Department of Justice. It will be a clearing house for best practice and advice and protocols and procedures to support that work. That will be supported by an upgrade by the Department of Human Services in terms of what those protocols and procedures may be, what are the ways in which we build on the existing service network to ensure that people do not fall through the cracks or blind spots in service provision.

That is our approach. We understand there will be a need to have ongoing campaigns to encourage people to empower themselves and to use these services. We recognise that there is some ongoing work that we may need to do in relation to preventing financial abuse being a feature. We are hoping to do some collaborative work with the commonwealth in relation to financial regulations and have procedures set in place to prevent financial abuse. We continue to encourage older people to be empowered by having seminars and approaches to improve financial literacy across Victoria and to make older people more aware of powers of attorney and other remedies that may be available to them.

Mr CLARK — My question follows on from that. With respect, Minister, what you said then and what is in your strategy document on responding to abuse is very high-level verbiage. As best as I can make out, what you are saying is you want a support network or something similar and you want an education campaign. But what is actually cutting through to the case where, for example, you have someone with dementia who is at home under the care of their relatives and is being neglected by them, being ripped off financially and potentially suffering physical abuse? What are you going to do to help that sort of person? What is your position on the issue of mandatory reporting when professionals come across that sort of abuse of a vulnerable person who is not in a position to fend for themselves? Why will you not make it mandatory that that sort of abuse be reported?

Mr JENNINGS — Can I ask you, in your very well scripted question, what is the form of abuse we are talking about in your case study?

Mr CLARK — Take the example I gave you — you have someone who has dementia, who is living with their relatives, does not have the legal capacity to go off to the legal service or ring up to ask someone for help; they are being neglected, they are possibly being physically assaulted and their financial situation is being abused. There is a whole range of these sorts of vulnerabilities with people who do not have the capacity to look after themselves. I think we need to be more proactive than the sort of reactive services you have been talking about.

Mr JENNINGS — I know you had a bit of difficulty identifying what that form of abuse was.

The CHAIR — Four areas.

Mr JENNINGS — It is four areas, but what is implied in Mr Clark's question is this older member of the community is locked away, being abused and how do we remedy that situation. Is that what you are saying?

Mr CLARK — Not necessarily locked away but in the care of their relatives, possibly suffering malnutrition because they are not being well fed, possibly being physically assaulted; as I say, their financial interest being neglected or abused by relatives who have formal or informal control over their financial affairs.

Mr JENNINGS — First of all it assumes that the older person is not becoming engaged with any aspect of community life or the service system, that they do not have any idea of how to go about community life. That is what the assumption is.

Mr CLARK — I am talking at the outset about someone with dementia. They may be taken to a day centre for people suffering from dementia, and then my question becomes, if the person who runs that day centre suspects they are being neglected or abused at home, should we not have in place a regime whereby that professional is obliged to report that incident and because it is mandatory they have the protection that they doing what is required of them by law?

Mr JENNINGS — I think the great difficulty we have in having this conversation is depending on the circumstances of abuse rather than — I get accused of verbiage but I am responded to with a whole proliferation of

forms of abuse and a whole range of limitations about what the capacity of an individual may be to express that to the service system. In fact, that is not how the real world works. The real world will have some degree of intervention that may be available to any individual. The circumstances of acuity of dementia will more likely mean that the person is in residential care — they are far more likely to be in residential care than staying at home if they are not capable of communication in their own right. What we are trying to work on, in collaboration with the commonwealth, is particular incident reporting regimes that apply within residential aged care to have that degree of confidence that if abuse is taking place you have confidence that those issues will be responded to.

The great myth that advocates of mandatory reporting assume is that there is either no capacity for individuals to take some action on their own behalf, or that they would not choose to take action on their own behalf. There is a great assumption that people are closeted and locked away and not involved in any interaction with the service system and the obligations that may flow from that interaction. It sounds pretty scary but in fact it is very important for anybody to deconstruct it in a positive way that will enable us to take the appropriate remedy. That will depend upon the circumstances.

The CHAIR — Could I just ask a supplementary? Would such an avenue for investigation be the public advocate in a case like the one Mr Clark just outlined?

Mr JENNINGS — There is a whole range of different responses. It could be that the next-door neighbour is acutely aware of these issues and decides to take the matter up with Victoria Police because some of the circumstances that Mr Clark has bundled in together into his non-specific case would warrant criminal investigation.

Mr SOMYUREK — Minister, I refer you to budget paper 3, page 296, table A.5: output initiatives. Three-quarters of the way down there is a line item, supporting accommodation for vulnerable Victorians. I note that in the four next years \$29.4 million is allocated to be spent for that particular category. I notice on page 299 there is an explanation on what supporting accommodation for vulnerable Victorians is about. Can you please expand on that explanation and explain why it was necessary and its objectives.

Mr JENNINGS — I am very pleased we have made this commitment in this budget. We are talking about people who are quite vulnerable because they have a range of care needs that may not be met in their circumstances because they live in supported accommodation which is private-sector run and operated but relies solely on the income of people who are living on the pension. It means that given there is a high prevalence of people with mental illness, acquired brain injury disabilities and, coming from my centre of responsibility, many of those residents may be older members of the community, we have felt they may be vulnerable. The Office of Public Advocate and community visitors have said to us they are worried that the care needs are not being addressed and there was no way without some degree of public support that the care needs could ever be addressed.

We embarked upon a pilot program a couple of years ago to try to see if we could put together a shandy of resources across the mental health, disability and aged care portfolios — if we start providing effectively what is the equivalent of packaged care to account for the needs of residents — whether in fact that would improve the quality of life for residents. We also tried with the investment that was provided by the state to allow for a more secure and stable environment within the facility itself and underpin its ongoing viability. We think we were successful in that approach. It is important for the Public Accounts and Estimates Committee, which may be concerned about public expenditure in terms of whether it is value for money, to recognise that we clearly identified that if we made these services viable, then in fact there would be a net saving of the potential for all of these residents' total care needs to be paid for in total by the state.

Mr RICH-PHILLIPS — I would like to ask you about the portfolio of state-run aged care facilities. You mentioned in your introduction the investment of \$130 million and that 25 per cent of public-sector beds have been upgraded to meet the requirements of 2008. Can you provide the committee, presumably on notice, with details and a list of all the aged care facilities that DHS is responsible for; which ones have been upgraded; how much has been spent on each of those particular facilities and which ones will meet the requirements of the 2008 accreditation?

Mr JENNINGS — We like to account for things straightaway if we can. The 14 facilities we have we developed to meet certification are: Grace McKellar Centre, Geelong; Yarrowonga Nursing Home; Lyndoch, Warrnambool; Colac Nursing Home; Maryborough Nursing Home; Beechworth Hospital Nursing Home; Anne Caudle Nursing Home, Bendigo; Caulfield Hospital and Nursing Home; Evelyn Wilson Nursing Home, Sale;

Lumeah Nursing Home, Echuca; Mount Alexander Nursing Home, Castlemaine; John Pickford House Nursing Home, Ararat; Wangaratta Nursing Home, Wangaratta; and Casey Residential Aged Care, City of Case which accounts for the Kingston requirement.

Beyond that we have done Alchera House, Korumburra; Daylesford Nursing Home; Heywood Nursing Home; Maldon District Hospital Nursing Home; Hopetoun Nursing Home; Rosebank Nursing Home, Yea; Barwidgee Lodge, Myrtleford; Casterton Memorial Hospital Nursing Home; Manangatang and District Hospital Nursing Home; Swan Hill District Nursing Home; Natimuk Nursing Home; Grange Residential Care Service, Hamilton; Dimboola District Hospital Nursing Home; Queen Elizabeth Centre, Ballarat; Avoca Nursing Home; Dunolly Nursing Home; Omeo Nursing Home; Rainbow Hospital Hostel and Nursing Home; S.C. Grabham Nursing Home, Wonthaggi; Jacaranda House, Bairnsdale; Parkville Hostel; Darlingford Upper Goulburn Nursing Home, Eildon; Numurkah Nursing Home; Red Cliffs Nursing Home; Andrews House Nursing Home, Trafalgar; Seymour Nursing Home; and Skipton Campus. We have not done too badly.

Mr RICH-PHILLIPS — There were 14 you have upgraded, but you read out a list a lot longer than 14. Which were the ones that have been upgraded? I presume they are the first list you read out just to clarify your comment about the 14.

Mr JENNINGS — The first list was upgraded for 2008. The other ones have either been rebuilt for their deteriorated fabric or renovated to make sure they comply with our standards of fabric.

Mr RICH-PHILLIPS — So the full list you have read out, they will all comply with 2008 requirements then?

Mr JENNINGS — Every single facility we have got will comply with 2008.

Mr RICH-PHILLIPS — And the 14 that were upgraded specifically — —

Mr JENNINGS — They were specifically for that purpose.

Mr RICH-PHILLIPS — Are you able to give dollars against each of those projects, perhaps on notice?

Mr JENNINGS — Absolutely. Do you want it on notice? I could do it.

Mr RICH-PHILLIPS — Just to keep it clear.

Mr JENNINGS — We will table it later.

Mr RICH-PHILLIPS — So that is the full portfolio of DHS?

The CHAIR — You may like to laminate it so we can give it to Mr Rich-Phillips. I am sure he would like it up on his wall.

Mr RICH-PHILLIPS — Just to clarify that, that is the full list of aged care facilities for which the department is responsible?

Mr JENNINGS — No, that is a longer list. That is the list that we have redeveloped, which is about a quarter of the portfolio.

The CHAIR — These were the ones that were going to be sold.

Minister, I would like to take you to probably a much shorter question with an even shorter answer. If you go to BP3, page 90, there is a target there for personal alert units, and that allocation has risen from 18 700 to 19 556. How do you intend to achieve that?

Mr JENNINGS — Very sympathetically and in a supportive environment! We inherited the situation when coming to government where about 8200 personal alerts had been distributed through this program to seniors who may be isolated and at risk of not having the appropriate support mechanism. By now, thanks to this budget, we have increased it to 20 255 units. They are serviced — —

The CHAIR — Sorry, are we talking about personal alert units?

Mr JENNINGS — Personal alert units, yes.

The CHAIR — You have changed it to 20 000? The budget paper says 19 556.

Mr JENNINGS — Yes, the budget paper figure was cautious in relation to the target just in case it was actually a little bit slower to roll them out than we might have hoped, but we are intending to roll out 20 255 and have them all operational if we can.

Mr CLARK — I want to come back to this issue of elder abuse and what the government is doing to assist. Let us leave in abeyance the issue of mandatory reporting and agree to disagree on your assessment of that. If you look at the Office of Senior Victorians elder abuse prevention page on the web site, you will find basically an account of the investigations that have been done and access to copies of various reports. If you go to the Queensland facilities you will find an elder abuse protection unit which has a lot of practical advice for people about what to do if they are concerned about elder abuse including a 1300 hotline and a list of other responses to be taken by the elder abuse protection unit. Have you considered going down the Queensland route? In particular, have you considered establishing a hotline such as is referred to on that Queensland web site?

Mr JENNINGS — In the first instance, it will be shorter this time because the answer is yes. The essential unit that will be established under the Department of Justice will have similar information and advice that it can provide to individuals, families and the community through a coordinated place. That will be actually happening.

Whether in fact the 1300 number delivers what we might hope is a different question. Our understanding of the effectiveness of the 1300 number perhaps falls short of what you might instinctively or intuitively think, Mr Clark, because in fact people do not necessarily exercise their rights through that means. In fact our estimates are that they may have as few as 30 calls a month that come through that number. We did not place all of our confidence in one place, in one call number. Though I was accused of having an approach that is underpinned by verbiage, I can assure you that my interest is trying to create a service network and response that is actually accessible and well used by people. There will be information that is available over a telephone line from our unit, but in fact its primary purpose will be to provide advice to the sector but be available to individuals in the community.

Mr CLARK — When do you expect to have that running?

Mr JENNINGS — We hope to have that in place by the end of the year.

Mr MERLINO — My question is about the Aged Care Land Bank pilot which was referred to in your earlier discussion with Mr Rich-Phillips and is located on page 301 of BP 3. Can you inform the committee as to why the government has established this initiative? What will the pilot consist of?

The CHAIR — You might like to make reference to the PAEC recommendation.

Mr JENNINGS — We are very happy to work hand in glove with PAEC when we are at the cutting edge of public policy. When we are together there can be nothing stronger within public policy in Victoria, and we are together on this one because we recognise the value. Part of the challenges that I outlined to the committee before — and the committee has heard before and obviously the committee has responded to it as well — is the issue of the paucity of investment in residential aged care, particularly in suburbs where there are high land values and where there has been a deterioration of the investment of a number of providers, particularly not-for-profit providers who are finding it very onerous to comply with accreditation and other obligations, particularly those that are not highly geared because they recognise their obligation to concessional residents and the like. So we embarked upon a program to see whether the provision of public land in areas close to the centre of the city — not necessarily exclusive to the centre of the city but within the inner-middle ring — would attract investment of a not-for-profit provider.

When I say investment, PAEC should not underestimate that in fact it is an investment strategy, because by the provision of land we bring services. They cost the better part of \$20 million to build, no. 1, so there are construction costs and investment there. But there is also the recurrent value of the service that is created that otherwise would not be. Obviously that has benefits for the entire community. It also has benefits in terms of trying to relieve the stresses we have had dealing with the ongoing shortage of beds that are provided in the state of Victoria, and of course the backlog that occurs through our hospital system of people waiting in hospital beds that would be more appropriately housed in residential aged care facilities.

From the state of Victoria's perspective there is a whole range of reasons why we should embark upon this program. I am very pleased to say that we have sought expressions of interest from the not-for-profit sector to see whether the provision of public land would facilitate that degree of investment and that ongoing service, and we have had very positive responses from the not-for-profit sector. Very soon we will be entering into memorandums of understanding with the not-for-profit providers to develop services. The first locations that we have identified are in Preston and Coburg. We have some confidence that that provision of public land will generate great services to those communities that may otherwise not have occurred.

Mr RICH-PHILLIPS — Again on the issue of upgrading aged care facilities, the *A Fairer Victoria* document refers to the government upgrade of 34 facilities. Can you confirm, is that the list you read out in answer to my previous question — the 14 plus the others? If not, can you provide a list of the 34 that are covered in *A Fairer Victoria*? In relation to your previous answer, you said that was 25 per cent; 75 per cent of the state's facilities you did not mention. Can you confirm that 75 per cent will all meet the accreditation requirements for 2008?

Mr JENNINGS — Going in reverse — I think I have actually said this on just about every occasion I have been before the Public Accounts and Estimates Committee — we are absolutely committed and confident that we will deliver on the certification requirements for 2008 for all our facilities. So that is that one.

Then going back to *A Fairer Victoria*, they are perhaps not as modern as the rest of us in that the 34 figure relates to the outgoings last year, up to 2004–05. We have built on that base to add to that number. That is why this year's number is the larger number.

Mr RICH-PHILLIPS — So that 34 is within those facilities you read out earlier in your previous answer?

Mr JENNINGS — Yes, absolutely.

Ms ROMANES — Minister, I refer to the output initiatives on page 284 and table A.1. The one at the top is 'Better health — healthy and active Victoria', and there is a substantial investment over the next four years in that program. Can you tell us more about the elements of this initiative which is directed towards promoting health and wellbeing in older Victorians?

Mr JENNINGS — One of my regular themes in question time in the upper house has been to actually talk about a whole range of fantastic community-based projects and programs that we have designed to try to engage older people in physical and healthy activity and improve their nutritional wellbeing. We have designed a number of programs to support that. It comes at a time when there was a whole-of-government effort. We have had emphasis on the Go for Your Life approach, which tries to engage the entire Victorian community in their own personal wellbeing and a lifestyle that will impact upon their health status and maintain their health status at higher levels throughout their lives. That is particularly important for older people.

We have seen a number of programs that have been designed to try to restore confidence in older people — for instance, the strength training has been one where older people are provided with some support and encouragement to take up weight training where they may have thought it was far beyond them and, in fact, probably had very little utility for them. When you actually place it in the context that if you do not use muscle, it is likely to deteriorate in terms of sedentary fat that accumulates within the body, which then means it is harder for you to play with your grandkids and it is harder for you to get up out of your chair. If you actually adopt the sedentary life where you lose confidence and ability and muscle definition, then in fact there is a cumulative downward spiral in terms of your quality of life.

We have designed a range of information advice about good nutrition and physical activity. We have engaged in primary care partnerships in terms of providing a network of providers that have the focus of engaging with local communities and making people participate. They range from, as I said, the Living Longer Living Stronger program and strength training; we have brought in partnerships with institutes and community-based organisations, whether they be the Council On the Ageing, the International Diabetes Institute or Arthritis Australia; we have brought in programs to encourage bicycle riding with Bicycle Victoria; we have a number of partnerships with local government; we have programs such as tai chi for arthritis; we have embarked upon Go for Your Life-type activities with local governments, and we have seen many local governments across Victoria develop these programs.

We are very confident that we have turned around the profile of this form of physical engagement of older people. In fact I have not got the statistics in front of me, but I was very pleased to be informed that the highest proportion of hits to the Go for Your Life web site comes from seniors. This is extraordinary given the fact that seniors continue to have a lower use of computers than other age groups in our community, yet they have taken the opportunity to get advice on physical activity and nutrition through the Go for Your Life web site.

Mr CLARK — Minister, I refer you to page 91 of budget paper 3 and to the output of HACC primary health, community care and support where you will see that the quantity of home and community care service delivery units is going from an actual of 5434 in 2004–05 to a target of 5437 in 2006–07 — in other words, a change of three units. Over the same period the output cost is going from \$377.6 million in 2004–05 to an expected \$440 million in 2006–07. There is a footnote referring to the transfer of the Koo Wee Rup and West Wimmera health services as affecting some of the measures there. Initially I ask what are the number of units involved in the movement of those two facilities? But then, subject to that, why is it that the number of units being provided has hardly changed whereas the output cost has increased dramatically? As a subsidiary to that, what has been happening to the dollar value of the home and community service units over the relevant period?

Mr JENNINGS — It is a good question, because in fact it assists me in knowing this budget paper a little bit better. The simple answer to the question is that, as you have correctly identified from the footnote, a significant transfer of effort from Koo Wee Rup and West Wimmera to the small rural services group has occurred. You have clearly identified that as the change in effort of items that had previously been accounted in terms of the level of activity that had actually been within the unit pricing structure, which has reduced as a consequence of that in accordance with the erosion. As a starting point, in terms of the 5434 figure that we actually have as the 2004–05 actual figure, we have actually had an erosion of those items that had been costed on the unit basis, so that is withdrawn.

Then there is the additional funding, which we have changed from the 377.6 to the 440. We have seen a greater degree of unit costing items come back in as a result of that investment, so that investment has actually led to a more-than replacement. I agree with you, it is a modest increase, but there is a modest increase in the number of unit-costed items that have come back into that output group; at least there has been a net increase.

The other items that have been costed within the 440 are not items based on unit costings, but rather block-funded items. They range from a degree of assessment and other activities that are not currently unit costed within this output, either items that involve support and planning mechanisms, engagement of stakeholders, certain programs that are not unit costed, and they would make up the balance of that increase to 440.

Mr CLARK — I appreciate and accept your description. Maybe either now or on notice you could come back to us with the figures for the number of units that were involved with the Koo Wee Rup and West Wimmera move, but even allowing for that, presumably the cost of those has been taken out of the output cost in 2004–05, so we are comparing like with like. I am wondering whether you could give us any further explanation as to why there has been such a dramatic increase, given that the number of HACC units is basically unchanged. There must be a heck of a lot of other stuff going in, unless it is due to an increase in unit cost. Again, maybe on notice you could come back to us on what has happened to the dollar value of a HACC service unit over the relevant period.

Mr JENNINGS — There is recognition of the indexation factor within it, but there has not been a quantum lift in the unit value, and we will be able to explain it to you in a way in which I have had it explained.

The CHAIR — When you take that on notice, in the information you give us could you make reference to any differential in the costs for services to particular cultural groups? I presume there is no difference, but I would be interested to know that because the initiatives taken in HACC around specific cultural groups — for example, Italian, Greek and Maltese around my way — , have been very much appreciated.

Mr SOMYUREK — Minister, you commenced your presentation with a graph, which you allege was compiled by the coach of the Ecuadorian soccer team. This graph demonstrates the significant ageing of the Victorian population. The Victorian local government positive ageing project was intended to build the capacity of local government to plan for an ageing population. Can you please inform the committee of the progress of this project?

Mr JENNINGS — Anybody who actually reads this transcript might be at a loss about the recurrence of the reference to the Ecuadorian soccer team. I take the opportunity to explain that the graph in question is brilliant blue, red and yellow, which is exactly the same hypnotic mixture which we see on the Ecuadorian soccer team.

The CHAIR — If it would help, other ministers have agreed to put their overheads, which go up in colour, on our web site. If you wish, your overheads can be right beside your transcript so people can enjoy them.

Mr JENNINGS — That will make an impression.

The CHAIR — I take that as a yes.

Mr JENNINGS — I think so; I think that is a very positive opportunity. I am interested in improving the engagement of older people in IT and computing. In fact, that will be one of the projects that I will be talking about in answering Mr Somyurek's question.

We have embarked on a collaborative effort with the Municipal Association of Victoria to try to create a greater understanding of what an age-friendly community is. Through this collaborative approach we have put our toe in the water with a \$1.4 million investment over the next three years by starting some pilot examinations of what that might mean locally. A number of local governments have come together and tried to think about what aspects of community life we can try to ensure and account for the degree of engagement and comfort that older members have. One of those examples is in Warrnambool where there has been a specific program designed to increase the confidence level of older people using ATM machines, Internet banking, computers and the way in which training and support can be provided to seniors to make sure they are comfortable with community life.

The City of Casey is adopting a different approach and drilling down and having a look at the linkages between the members of its community and the service provision network. What are the access points? Is it easy to circumnavigate the system? Are people experiencing isolation? What do we need to be able to do to advertise and publicise our services and make them more accessible, with a greater degree of use? They are a couple of examples.

We want to build on that through the provision of the remaining \$1.3 million. We are trying build on those demonstrated projects and build connectivity between local governments on a regional basis to start looking at those types of participatory and educative models and do a bit of an audit about what type of user-friendly environment and public amenities are needed where there are impediments to people getting around in public life. They are the types of things through which we hope we can achieve some real difference for people on the ground, but also learn from them in relation to the way in which we can roll out these in the future.

Mr RICH-PHILLIPS — I would like to get some details on the finances of how your Aged Care Land Bank pilot program and how it is going to work. You have listed an output cost of \$4.8 million for 2006–07, and I assume it is only going to run as a pilot program for that one year. Can you tell the committee what the basis of the concession will be that non-profit aged care providers get? Is it a simple percentage off the Valuer-General or a percentage off the market value? And what does the \$4.8 million in the budget papers actually represent? Is that the value of the concessions, and, if so, have you already identified potential parcels of land?

Mr JENNINGS — I do not want to play favourites in relation to the Public Accounts and Estimates Committee, but I have actually enjoyed the questions asked by Mr Rich-Phillips the best today. My apologies to everybody else.

Mr RICH-PHILLIPS — I do not know whether that is a good thing or a bad thing.

Mr JENNINGS — This is a good question, because in fact the \$4.8 million has been on the basis of the nominal value that the state has placed on the two sites in question, so that is the upper limit of the real commitment in the budget in terms of providing for the transfer or the leasing arrangements of the land to underpin these developments. But the absolute mechanism of the engagement between the government and the providers, we bring a degree of flexibility about what those arrangements may be in terms of suiting the business model that the provider may bring to the developer.

Interestingly enough, whilst the offer was flexible about whether it was going to be a peppercorn rent or whether it was going to be a sale, when we had expressions of interest the providers, depending upon their business model,

came back with a whole range of variations about what suited them. Some people wanted to buy it. Because they wanted freehold title to underpin their capital investment, they thought it was preferable to buy it rather than have a peppercorn rent. The final arrangements the state of Victoria enters into with those providers is not set in concrete. We are flexible to meet the needs of the business case, and we have accounted for a figure in terms of if the state of Victoria was to lose the value of those parcels of land, what the cost would be to the state of Victoria.

Mr RICH-PHILLIPS — The total value of the land. If you would totally lose — —

Mr JENNINGS — Yes, that is right. But in fact the outcome, when we come back and discuss this next year —

Mr RICH-PHILLIPS — It will be smaller amount.

Mr JENNINGS — You are hoping to provide the presentation, and you will be well versed now in the issues.

Mr RICH-PHILLIPS — Probably not as yet.

Mr JENNINGS — Hopefully that is not the case, Mr Rich-Phillips, but we will see. We will come back and account for what the real outcome will be. It may be a variation on that amount, but we have accounted for that as the total value of the parcels.

Mr RICH-PHILLIPS — You mentioned there are two sites. Are you able to tell the committee what those sites are; and is there scope to extend this program to other sites, or will it only be those two sites?

Mr JENNINGS — If the Treasurer were here answering this question, I would like the Treasurer to actually say what my confidence level is about the growth of the program; I would be happier. I reckon it will demonstrably be a successful program, so I have a degree of confidence that we will build on it; but I cannot account for ERC processes, you would understand, so I do not want to get too far ahead of myself. However, I am pretty confident that we will be able to demonstrate success. That is that, in terms of us going forward.

Mr RICH-PHILLIPS — It is not just a general program; it is at this stage targeted to those two specific locations.

Mr JENNINGS — Those two specific locations came through as being, in our view, the best prepared to deal with it. The parcels of land are in Coburg, what was the site of the former Newlands Secondary College, and the tramways site in Preston.

The CHAIR — Thank you. We appreciate that fulsome answer. I appreciate the information provided on the portfolios of Aboriginal affairs and aged care. Thank you to the staff of DHS who have attended, the witnesses from the secretary through to others sitting here at the table and who were personally present — that is good to see — and to the people who have prepared the briefing notes for the minister today and filled in the questionnaire for us. We will be following up other items that will be sent. We place on record our appreciation.

Witnesses withdrew.