

## **CHAPTER 4: DEPARTMENT OF HUMAN SERVICES**

### **Transcript of evidence**

#### **4.1 Community Services portfolio**

# VERIFIED TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2008–09

Melbourne — 22 May 2008

#### Members

Mr G. Barber	Mr G. Rich-Phillips
Mr R. Dalla-Riva	Mr R. Scott
Ms J. Munt	Mr B. Stensholt
Mr W. Noonan	Dr W. Sykes
Mr M. Pakula	Mr K. Wells

Chair: Mr B. Stensholt  
Deputy Chair: Mr K. Wells

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Ms L. Neville, Minister for Community Services,  
Ms F. Thorn, Secretary,  
Mr A. Hall, Executive Director, Financial and Corporate Services,  
Mr A Rogers, Executive Director, Disability Services,  
Mr P. McDonald, Executive Director, Children, Youth and Families,  
Ms P. White, Executive Director, Operations, and  
Ms B. Whitmore-Seidel, Director, Program and Sector Support, Children, Youth and Families,  
Department of Human Services.

**The CHAIR** — I declare open the Public Accounts and Estimates Committee hearing on the 2008–09 budget estimates for the portfolios of community services, mental health and senior Victorians. On behalf of the committee I welcome Lisa Neville, Minister for Community Services; Fran Thorn, Secretary of the Department of Human Services; Alan Hall, executive director, financial and corporate services; Arthur Rogers, executive director, disability services; and Paul McDonald, executive director, children, youth and families. There may be some others whom we will call up from the ranks as needed. Departmental officers are also here. Members of the public and the media are welcome. In accordance with the guidelines for public hearings I remind members of the public that they cannot participate in the committee’s proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or her chief of staff, can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording proceedings in this room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. There is no need for evidence to be sworn. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript, and the committee requests that verifications be forwarded to the committee within three working days of receiving the proof version. In accordance with past practice, the transcripts and any presentations or documents will then be placed on the committee’s website.

Following a presentation by the minister, committee members will ask questions relating to the budget estimates. Generally the procedure followed will be that relating to questions in the Assembly. I ask that all mobile telephones be turned off. I invite the minister to give a brief presentation of no more than 5 minutes on the more complex financial and performance information that relates to the budget estimates for the portfolio of community services.

#### **Overheads shown.**

**Ms NEVILLE** — Thank you very much, Chair. I was just going to take the committee through some of the key areas within the community services portfolio, looking at what has been achieved, the challenges, and the way in which this budget attempts to address that. Given the time constraints I will not be able to cover all of community services, but I will focus particularly on disability and the children, youth and families area.

What underpins our work in disability is of course the disability state plan. The plan is a shared vision and a commitment between government and people with a disability and the sector. It has a whole-of-government approach that puts the needs of individuals at the heart of policy and practice. This has been reflected in the priority of our investments since 2002 when the plan was first launched. This slide gives a sense of some of the achievements that we have been able to realise over that period of time, particularly noting that we now see a 105 per cent budget increase in disability since 1999–2000. But some of the other key achievements have been the closing the Kew Residential Services, the new Disability Act 2006, the establishment of the Disability Housing Trust, the commencement of My Future My Choice, which is the program to support young people in residential aged care to find better accommodation and the establishment of the Victorian Disability Advisory Council. But of course there are many challenges. We know, for example, that we have demand growing at about 4 per cent per annum. We know that employment opportunities for people with a disability are minimal despite the fact that many can and want to work. We also know we need to work closely with carers as they age and plan for the future of their children. Unfortunately we still need to tackle negative perceptions in our community about the ability of people with a disability. We must also continue to ensure our focus is on individualised support and make sure our services are based on people’s needs rather than the needs of the services.

To try to meet and tackle some of these challenges, this budget represents the biggest ever investment in Victoria’s history for disability services. It sees an increase of \$105.3 million over last year’s budget, and, as I said, represents a 105 per cent increase in disability service funding since 1999–2000. The budget provides \$44.4 million, or \$233.4 million over five years, for new initiatives to continue the reform and enhancement of disability services. The investment is in addition to \$19.9 million for 08–09 provided in last year’s budget, and it will see an extra 3700 people receiving services. It does not include the announcements by the commonwealth of additional funding. Some of the specific areas of funding, areas in which this funding will be spent on, include 70.6 million over four years to increase access to individualised support packages; \$50 million in new capital investment to replace support accommodation facilities; \$10 million over four years to support young people to develop job skills and achieve long-term employment options; \$16 million over four years to deliver respite services, including a respite

information service and a carer's reward card; additional funding to the non-government sector for attendant care services; the implementation of more individualised funding approaches; as well as \$5 million for access to aids and equipment and a further \$10 million for My Future My Choice on top of the COAG commitment that Victoria already has.

Moving on to children, youth and families, this has again been a major area of reform for the government. There is new legislation, a new focus on early intervention and prevention, and also record investment, seeing an extra 110 per cent in funding since 1999–2000. A key focus is on providing more support to vulnerable families earlier to help them before they hit a crisis point and require statutory intervention. The statewide rollout of family support innovation projects is now complete across all 79 LGAs, a year earlier than previously planned, and it supports the statewide expansion of Child FIRST. These teams will be operational in 16 catchments in 2008, and this again is a year ahead of schedule. These reforms have contributed and are continuing to contribute to arresting the growth in notifications that other states are experiencing, which you can see on the slide. In addition we have implemented initiatives to enhance out-of-home care services, including therapeutic foster care and the Hurstbridge Farm. However, there are emerging challenges when we work with vulnerable children and families. In out-of-home care placements, even though we have the lowest growth in Australia, the growth rate continues to rise — around 49 per cent as at June 07 — but we are significantly behind the other states.

Kinship care, which is the other graph there, is the fastest-growing form of out-of-home care, and we need to continue to support kinship carers. We also need to continue to build the capacity of our residential care workforce and the capacity of indigenous organisations to be able to deliver on the legislative reforms. This budget has a particular focus on supporting children in out-of-home care; more money for 12 pilots of a therapeutic model of residential care; more money to support kinship carers to ensure stability and quality; also more money to pay for the increased demand for caregiver reimbursements; and a focus on indigenous children particularly in residential out-of-home care.

We continue our approach to youth justice. There is also our whole-of-government family violence program and, as you can see, these are the particular initiatives that sit within my area, within community services. Also concessions continue to grow to over \$1 billion. This budget provides additional concessions particularly to tackle the impact of climate change with the increase in the water concession cap of 14.8 per cent as well as some other measures to support and assist low-income families.

**The CHAIR** — Thank you, Minister. We have about 1 hour and 25 minutes for questions on the community services portfolio. I might take up where you left off, and you might want to inform the committee across all of your portfolios on specific subsidies or concessions and revenues forgone within your portfolio and whether there are any changes to these in this year's budget. You might even want to tell us in more detail about your concessions review.

**Ms NEVILLE** — Yes, I will do this across all the portfolios. I have got responsibility for a range of programs where concessions and subsidies are in place to assist members of the community. The most notable is the concessions program. A detailed listing of those concessions — I will not go through every part of that — is provided through DHS in our resource guide on concessions.

**The CHAIR** — You will give us a copy of that.

**Ms NEVILLE** — But principally the main ones administered are the mains electricity concessions, mains gas concessions, the non-mains electricity concessions, water and sewerage concessions and pensioner concessions for municipal rates and charges. In 06–07, \$264.8 million was expended on the provision of these particular concessions or subsidies. For 07–08 we cannot confirm yet what those figures will be as concession payments; it is an entitlements program, not an appropriated budget. In 08–09 the government will make changes to key concessions and hardship programs to assist more vulnerable members of the community and households to afford water, energy and other essential services. Key changes are making water and sewerage services more affordable by providing \$42 million over four years to make it more affordable for low-income earners; funding of \$2.1 million to ensure eligible concession cardholders continue to receive free emergency ambulance services; funding of \$2.5 million over four years to further assist with the electricity bills of concession cardholders who suffer from some sort of health condition that means they are unable to regulate their body temperature; and providing funding of \$9.2 million over four years to provide an additional 1855 grants through the Home Wise appliance and infrastructure grant program. This was previously known as the capital grants scheme.

In the disability area the aids and equipment program provides people with permanent or long-term disabilities with subsidised aids, equipment and home and vehicle modifications to enhance their safety and independence, reduce reliance on carers and prevent premature admission to institutional care or high-cost services. Recurrent funding for the aids and equipment program in 08–09 will be \$29.6 million, and the program will assist about 28 310 Victorians.

The very successful companion card scheme is currently assisting over 19 156 people to access leisure and recreational opportunities without additional admission cost. The companion card is issued to people with significant permanent disability who can demonstrate they are unable to access most community activities and venues without attendant care support. In supporting the card over 1200 key industry participants have formally affiliated to accept the companion card, and 66 of the 79 Victorian local governments have formally affiliated with the companion card.

Across the area of children, youth and families there is only one service that actually incurs a fee, and that is in relation to adoptions. There are no concessions provided for these fees. In relation to youth justice it is known that adolescents 18 years and under and young people on youth justice orders are often unable to afford dispensing fees, so the Victorian government funds a pharmacotherapy dispensing support program to assist this most disadvantaged group to access opioid substitution therapy. The program has consequently removed a major impediment to commencing and retaining young people in a program that treats their drug addiction.

In terms of senior Victorians, as detailed on page 213 of budget paper 4, the estimated cost of concessions administered within the health category is \$506 million for 08–09. The senior Victorians portfolio has responsibility for approximately \$6.6 million of this amount, and this is an increase of 0.2 over the allocation in 07–08. The concession program administered within the senior Victorians portfolio is the Victorian Eyecare Service, which is a fixed budget program that provides optometrist services and spectacles to eligible people who are pension and health care cardholders to ensure they have correctible or preventable visual impairment. That gives you a summary of the concessions, fees and subsidies across all my portfolio areas.

**The CHAIR** — Thank you, Minister. I do appreciate there is a treatment of this in the budget papers, but we are trying to be a bit more comprehensive in the way we are looking at it this year. If there are any more questions, we will probably send them to the department to provide a little bit more comprehensive information. A list is always easier to see. It gives a comprehensive picture across the whole thing. Of course in the transport area, as you just mentioned, there are significant concessions to seniors, as well as pensioners too. We will be looking to try and consolidate these when we view our report in terms of the chapter.

**Mr RICH-PHILLIPS** — Minister, I would like to ask you about the new CSTDA that is coming up next year. The Prime Minister last year indicated that would be fast-tracked. That has not happened and the budget papers note that at the earliest we will have it is January of next year. Minister Macklin has indicated Victoria would get, on a fifty-fifty funding basis, approximately \$90 million extra a year — \$450 million over the life of the agreement. Given those funds have not come through because the PM has not delivered an early agreement, has the Victorian government contributed funding in the disability area to make up for the funding that would otherwise have come from that agreement had it been delivered as promised?

**Ms NEVILLE** — I am pleased to say there is a pretty positive working relationship existing between the commonwealth and the states in the significant area around disability and ensuring that the arrangements around commonwealth and state funding for disability are well coordinated and are about enhancing the services and not competing across the commonwealth and state field. We are in negotiation for the next agreement and there has been progress made in relation to that agreement. Through the commonwealth budget, for example, on 13 May they made some announcements. Those included redirecting funding of \$901 million over four years from the disability assistance package to the commonwealth state/territory disability agreement. That will mean that states and territories will be responsible for delivering accommodation support and other services that were to be delivered by the commonwealth government previously under the disability action plan.

**Mr RICH-PHILLIPS** — But that does not constitute new money, does it? That is just reallocating — —

**Ms NEVILLE** — It is money that has not yet been yet allocated.

**Mr RICH-PHILLIPS** — No, but it is not actually new funding for disability. It is existing funding that will now be — —

**Ms NEVILLE** — It is on top of the current CSTDA.

**Mr RICH-PHILLIPS** — It will now be state responsibility rather than a commonwealth responsibility, but it is not actually new — —

**Ms NEVILLE** — It is all new funds. It is on top of the current CSTDA that operates at the moment, which is due to expire in June of this year. This is on top of those current arrangements and that package of money.

**Mr RICH-PHILLIPS** — But in terms of service delivery though, those are services that are currently being delivered by the commonwealth?

**Ms NEVILLE** — No. The commonwealth allocated and made an announcement that on top of the CSTDA there would be \$962 million which they would administer. Of that, about \$901 million has not been allocated; the rest was allocated to some agencies. The \$901 million is new money that does not exist in the CSTDA, has not been allocated, and will absolutely go to building and enhancing disability services that are able to be provided in Victoria and across Australia.

**Mr RICH-PHILLIPS** — For the current financial year until the new agreement comes into place has the Victorian government added additional funding to make up for the delay in the new CSTDA?

**Ms NEVILLE** — The CSTDA was extended to June of this year. So current money is still coming in. The budget I have just been speaking about has allocated an additional \$44.4 million, which equates to, in fact \$105 million of new money in the 08–09 budget, which is well and truly above our commitments under the CSTDA.

**Mr RICH-PHILLIPS** — If the CSTDA had been fast-tracked, as the PM suggested, it would have been \$90 million, is that correct — with the commonwealth component and the 45 you have talked about from the state?

**Ms NEVILLE** — What will become available, which we did not have before, from 1 July, is the \$901 million, and we are in negotiations with the commonwealth about our share of that at the moment. There is a meeting of disability ministers next week in order to progress that. It is expected that the CSTDA will be extended until January next year, as the other agreements have been, and that there will be indexation as part of that. So you will have the \$901 million, you will have the CSTDA continue with some indexation on top of that until the new agreement is finalised at the beginning of next year. In addition to that the commonwealth has also announced \$100 million, which is unmatched money, to provide for supported accommodation and respite services, and that will be distributed across the states on an equity basis, and we are expecting around \$24 million — it is still to be worked out in detail but around \$24 million — for Victoria to assist in building further supported accommodation.

**Mr RICH-PHILLIPS** — Will that flow before the CSTDA?

**Ms NEVILLE** — The CSTDA is still flowing.

**Mr RICH-PHILLIPS** — The new CSTDA?

**Ms NEVILLE** — The \$901 million will flow from 1 July and the \$100 million, as I understand, will come forward before 30 June, because it was 07–08 money.

**Ms MUNT** — I would like to talk about disability funding as well. Budget paper 3, page 291, talks about enhancing disability services and outcomes. Also in your presentation there is a page on disability funding. It seems to me that there is a very big increase in disability funding, including a whole lot of new funding. I was wondering if you could detail what that funding will be used for. Also, on this page it gives the increases in funding but it does not give the total funding for disability services. I wonder if you could detail that as well?

**Ms NEVILLE** — Thank you for that. It is a very significant budget for disability. In fact, as I indicated in my presentation, it is the biggest ever increase in funding in disability in Victoria's history. So it is a significant increase, which takes the total funding for disability services to \$1,175 million. It is a significant increase.

**The CHAIR** — That is just under your portfolio, isn't it?

**Ms NEVILLE** — That is right. That is under my portfolio. That is what sits under the community — —

**The CHAIR** — So there are disability services for kindergartens and things like that which are separate.

**Ms NEVILLE** — That is right. So there was additional money on top of that that was provided as part of the whole of government disability commitment which sits also within the department, particularly in the Department of Education and Early Childhood Development.

**Ms MUNT** — So it is a huge spend when you put it into figures.

**Ms NEVILLE** — It is.

**The CHAIR** — It would be useful to have a figure for the whole package across government.

**Ms NEVILLE** — Yes, someone can quickly pull that out actually. I will just take you through some of our specific funding, so hopefully by the end I will be able to give you that particular figure. But it is a 105 per cent increase. This particular year we have allocated \$44.4 million in 08–09, \$233 million over five years, and it is really about continuing the reform and enhancing disability services in Victoria. It is a very significant boost to try and meet some of the demand patterns that I talked about also in my presentation. It is also in addition to further investment that we committed last year that comes on board in the 08–09 year, which is \$19.9 million.

The 08–09 budget initiatives provide more responsive and enabling supports for people with a disability, easing the pressures on families and carers and strengthening the capacity of the non-government sector to deliver its essential supports for living and participating in the wider community. I will just take you through a little bit of what that means and what that represents in numbers of people as well. So in this year's budget, 08–09, \$17 million will provide additional individualised support packages that promote access for an additional 340 people with a disability to a range of flexible support options based on their individual choices and needs. It builds on our commitment of an additional \$12 million which is also provided in 08–09, which will promote access for a further 350 people with a disability; \$4.2 million in 07–08 to pilot enhanced client-centred planning — this initiative is to pilot in two regions, one metro and one rural, and the pilot is not included as a specific performance measure, as it is a pilot; \$9 million in 08–09 to support the ongoing viability and sustainability of the non-government organisations who play a very important role in providing community-based supports and services to people with a disability; \$3 million to assist the disability service sector to transition from what has been historically block funding to a much more individualised funding approach which we know will put some pressure on the non-government sector but is really about providing much more flexible and more individualised focused support and more choice to people with a disability.

There is also \$5 million to increase the number of people with a disability or chronic illness who have access to aids and equipment. It is in addition to \$3.9 million that was committed under LFS for aids and equipment that also comes on board in 08–09; \$3.7 million to expand carer support which includes \$3 million to deliver 300 episodes of respite that are flexible and meet individual families' needs. Respite has changed a bit and someone might want to explore that a bit further but it is a really exciting area of change in supporting people with a disability and their families.

**Ms MUNT** — Very welcome too.

**Ms NEVILLE** — Yes. There is money to establish the carer reward card to recognise the contribution of carers; also money for a centralised respite information service — that is about better informing and enabling carers to get advice and information about access to respite services; \$2.4 million to provide intensive support to eligible young people to develop their job skills and achieve a sustainable and long-term employment outcome; \$1 million on top of another \$4 million which was an LFS commitment — that comes on board in 08–09 to address the increasing demand for the slow to recover ABI program; just over \$1 million to facilitate the disability action plans in public and community organisations — so that will enable us to work with more than 50 of those organisations to improve people's access to buildings, et cetera, and workplaces to improve employment opportunities and participation of people with a disability; also \$1.6 million to develop a targeted community awareness strategy to try and shift community attitudes and perceptions about people with a disability and their capacity to contribute and participate in the community; \$50 million which will come forward in 07–08 which will be given to the Disability Housing Trust, which is now called Housing Choices Australia, to replace 38 supported accommodation facilities over the next three years in partnership with the department; \$10 million, which is in 07–08, on top of the \$60 million COAG commonwealth-state commitment for My Future My Choice, which assists young people in residential aged care who want to either move out, want enhanced support, or young people who are at risk of

entering residential aged care to find alternative accommodation, and this will assist around 43 younger people who move out to either be able to move back home or into some other form of accommodation.

Money is also provided to continue the consultation and planning about the future of the Colanda Centre, which remains one of our institutional care areas. The investment will continue the process of the service transformation that has been initiated by the government under the State Disability Plan by providing more responsive enabling supports for people with a disability, easing the pressure on families and carers and strengthening the capacity of the non-government sector.

**The CHAIR** — Okay. Thank you, Minister.

**Dr SYKES** — Minister, I have got a question on supported accommodation but just before I go there: just putting the budget increase in context you said that the expenditure in your area has gone up 105 per cent since 1999 but the state's income has gone up the same amount so it is really just keeping track with the increased income of the state.

**Ms NEVILLE** — I will just have a bit of a look at the per cent, but it is a significant per cent as well so we have acknowledged these demands.

**Dr SYKES** — Yes, you have doubled it, but the point I am making is the money available for spending has doubled too.

**Mr BARBER** — That is why we take in more taxes. So that we can double it.

**The CHAIR** — We could quote you on that.

**Ms NEVILLE** — Obviously, it is about a long-term commitment to continuing to try and meet the pressures and the demands — —

**Dr SYKES** — Yes, but you would be disappointed if you had not doubled the expenditure given that you have got double the income to spend. Just looking at supported accommodation, I noticed in your introductory remarks that \$50 million is being allocated to new investment in refurbishing or replacing all the buildings and rebuilding supported accommodation units. Looking at pages 106 and 107 of budget paper 3, it appears to me that there is no increase in the number of new beds. There are no new beds coming on line. Given that the Auditor-General's report commented that there is a continuing crisis in unmet accommodation needs for people with a disability across Victoria, and he also said currently demand for supported accommodation exceeds supply by around 30 per cent — that is, 1370 people in need of accommodation — and the DHS forecast is that demand will grow by around 4 to 5 per cent annually, given that situation and given that you recognise that there is an ageing population and older carers, what is being done to make more beds available to address that backlog?

**Ms NEVILLE** — I think just to be clear that the combination of both state and commonwealth capacity will provide new and additional accommodation, and we have been delivering that already. I just want to be clear so that — —

**Dr SYKES** — So where does that appear in the budget papers?

**Ms NEVILLE** — Since 1999–2000 there are around 257 additional supported accommodation places coming on in 08–09, and a further 75.

**Dr SYKES** — That does not show up in the papers. Your prediction for 08–09 is the same as 07–08, isn't it?

**Ms NEVILLE** — If you have a look at what we are measuring in the budget papers, when you talk about bed capacity — —

**Dr SYKES** — Page 106 says for clients in shared supported accommodation the 2007–08 target was 4880, the expected outcome is that and the target for 08–09 is 4880, so there is no change.

**Ms NEVILLE** — Exactly. If you have a look at bed capacity in the disability and service system it is much more complex than it used to be. What we used to do, and really what this is trying to do as well, is that we

used to count the number of beds in institutions. That was pretty easy: Kew and Colanda and Sandhurst. We used to count those beds and so we always knew how many accommodation supports that there were. But we are now managing a much more flexible, more individualised range of accommodation services for people with a disability, including providing supports for people in their own homes to live at home.

If you look at out-of-home care accommodation support, there is a total of just over 1000 — 1065 — facilities that provide accommodation and support. This has increased from 1045 with the redevelopment of Kew, so we have got an additional 20 properties in the Kew redevelopment. The total of that includes 902 long-term group homes, so they are a specific form of accommodation — a group home that people might call CRUs. There are 82 facilities that provide respite care; 32 that provide congregate care for larger numbers; 15 accommodation units providing independent living; 13 units that provide outreach accommodation; a holiday facility for Kew residents; and there are a total of 287 supported accommodation provided by the non-government sector. They also manage some on our behalf. There are over, as you see, 4800 people in the group home component of the total component of beds of accommodation stock and this is reflecting people who live in a group home. These places will increase as innovative options become available — for example, My Future My Choice. That will be a form of accommodation for some — it will not meet everyone's needs — young people in residential aged care. There will also be additional accommodation that is built. The commonwealth has also announced, as I said before, about \$24 million or \$23 million for the state government to build further supported accommodation and it might — —

**Dr SYKES** — It does not show up in the — —

**Ms NEVILLE** — No, because that money will flow from the — —

**Dr SYKES** — I will cut to the chase. The Auditor-General — —

**Ms NEVILLE** — But can I just finish, Bill? So if you then look at what is also provided in here under clients receiving individual support, what that enables is for people to have choice about their accommodation. A lot of those packages are used to assist people to live at home, to live independently in a flat or a unit, to live in stock that is being built by the Disability Housing Trust, for example. In the past the way that we supported people with a disability in terms of accommodation was either institution-based or group home-based. We are now moving to a system which is about individualised funding and support packages to people with a disability to assist them to make the right choice. Some of those packages enable people to move out of, for example, our current group home arrangements and back into more appropriate accommodation because they have the capacity and the desire to live more independently than living in a group home arrangement. There is a flow in and out of the group home arrangements. There will be growth in that figure over a period of time, but where the biggest growth is going to be in accommodation for people with a disability is going to be enabling people to make choices about where they live with the support that they need to do that.

**Dr SYKES** — Sorry, I am not finished. When Mr Dalla-Riva has done the sums on the total forms of accommodation available on page 106, there has actually been a decrease since 06–07 from 5088 to 5070. But again to cut to the chase, the Auditor-General has identified 1370 people in need, and he has identified or reported that the DHS forecast is that demand will grow by 4 to 5 per cent per year. If the Auditor-General comes back tomorrow and asks how you are addressing the needs of those 1370 people, what is the answer? Has the number been reduced? Is it going to be reduced with either supported accommodation or other means, or are there still going to be 1370 people in need?

**Ms NEVILLE** — Firstly, can I just say they are numbers of people, not facilities. So they are the number of people.

**Dr SYKES** — Yes. Sorry, they are numbers of people, but the fact is that it has gone from 5088 — —

**Ms NEVILLE** — Which does support what I am saying in that what we are trying to do is support people with the right packages to make choices.

**Dr SYKES** — The 1370 — —

**Ms NEVILLE** — Rather than just saying that people with a disability should and have to live in a group home, that they should and can with our packages be able to choose other more appropriate forms of accommodation — —

**Dr SYKES** — I accept that argument.

**Ms NEVILLE** — Which is a good thing; it is a really good thing.

**Dr SYKES** — I will accept the argument, but now if you could answer the question: 1370 have been identified by the Auditor-General as unmet demand; if he comes back tomorrow and says, 'What plans do you have in place, what will be the number at the end of the next financial year?', will it still be 1370 with unmet demands or will it be reduced to, say, 600 because for the other 770 their needs have been met by A, B, C and D?

**The CHAIR** — Dr Sykes, I might point out that as I understand what the minister is saying you need to look at individual support and residential accommodation support together and that they are now looking at packages, rather than just simply whacking people into an institution.

**Dr SYKES** — Yes, I understand that.

**The CHAIR** — You will see under 'Individual support' further up the page there is an increase of 5500 clients receiving individual support for next year. The footnote says that some of those are for acquired brain injury and those sorts of things. That is the way I am reading it, as a total thing.

**Ms NEVILLE** — There might be a question about the long term, whether these are the only performance measures, and we need to have a look at that.

**The CHAIR** — Maybe the minister can try to give us something in writing to try — —

**Ms NEVILLE** — Can I just say that the number of those waiting is declining. In 04, 1950 people were waiting. It is now on the decline, so the trend is down. That is obviously through a mix of measures, through our young people in nursing homes program, through the money from the commonwealth and through the individual support packages. They are all about and are all designed to try to continue to drive those figures down but also to meet the right needs in the right way.

**Dr SYKES** — I am happy with the general principle, but perhaps there can be a question on notice. Currently the Auditor-General has identified the figure as 1370 and the minister has said it has come down from a higher figure. My question on notice is: what will it be at the end of the 2008–09 financial year; what is your target?

**The CHAIR** — In responding to that, I would understand if the response comes back with a more sophisticated analysis in terms of individual packages as well as actual places. I note also that in the Auditor-General's report there was a response by the secretary which I assume they will probably review and come back to us on.

**Dr SYKES** — At the end of the day you have to address those needs. If all this is happening, that number should be reducing.

**Ms NEVILLE** — Yes, and it has been.

**Mr SCOTT** — Minister, my question relates to younger people in residential aged care. On pages 309 and 312 of budget paper 3 is a detailing of a \$10 million investment in the My Future My Choice program. Could you give the committee some information on this initiative, because I understand it is dealing with the very important issue of young people living in residential aged care?

**Ms NEVILLE** — Thank you for that. This is a really important issue and it has been a major concern and a major priority for the Victorian government. We have also been working very strongly in cooperation with the commonwealth government. It is a national problem and all the states and territories have committed to some change in this area. In fact Victoria has been certainly leading the way. We signed our bilateral agreement with the Australian government in August of 06 committing at that time \$60.2 million in joint funding over five years. In this budget this \$10 million represents an addition to that \$60 million joint funding.

As at February this year there were about 213 people under 50 who were in a residential aged-care facility in Victoria. The initiative My Future My Choice has three main objectives. They include providing alternative accommodation and support for younger people who currently live in a residential aged-care facility. Where this is what they choose, this is about how we support those. We are trying to provide an alternative suitable option where

they do not want to remain in residential aged care. We are also seeking to minimise the number of young people being admitted to residential aged care in the future, by providing more appropriate options. We do want to enhance the quality of life for young people who are in residential aged care. What the initiative has involved is a comprehensive assessment and individualised planning for all the people younger than 50 who are currently living in residential aged care and who choose to participate. Not everyone has decided to participate, so we have provided this to 150 people out of the 213.

Provision of new, more suitable housing and support options which meet the needs of people who would otherwise be living in or are at risk of entering residential aged care includes in-home support and new facility-based models located within the community. The range of options will respond to the diverse needs of the population. People with acquired brain injury are the primary target group. To date funding has been allocated for the development of seven new purpose-built services to provide accommodation for a total of 46 people: in Alphington, Glen Waverley, Noble Park, Balwyn, McKinnon, Geelong and north and western regions. Further services will be developed as the initiative progresses. The provision of these new services will strengthen the capacity of the disability housing sector to respond to people with a range of disabilities and support needs. Priority for further developments in coming months will include options in rural Victoria.

Over 30 individual support packages have also been allocated to enable people to be supported in their own home or in another community setting, if that has been their choice. Many of these people were ready for discharge from hospital or rehabilitation services, with the residential aged-care placement their only option. Other packages have enabled people to move out of a residential aged-care facility back to their home or into another community setting.

To prevent future inappropriate admissions to residential aged care, wherever possible a joint strategy between aged-care assessment services, health services and disability services is being established. Regional disability services are working actively with their residential aged-care and ACAS colleagues to avoid admissions of younger people wherever possible. In addition, Multiple Sclerosis Ltd has recently commenced a pilot project to identify and respond to factors which lead to early admission for younger people with MS.

For younger people who remain in residential aged care, because that is what they have chosen to do or because they are still waiting for a more suitable option to become available, the My Future My Choice package has also allocated additional supports to improve their quality of life while remaining in a residential aged-care facility. About 90 funding packages have been allocated to provide community access, being able to go home on a weekend — all those sorts of things — social opportunities, therapy and allied health aids and equipment, and case management for younger people in residential aged care. We are continuing to work with the commonwealth to ensure that we are monitoring and evaluating the outcomes of this program. The \$10 million is welcome and will ensure that we are able to meet even more of those demands, and the intention is to not allow that figure of 213 to grow, but to continue to bring that down as well as prevent inappropriate admissions to residential aged-care facilities.

**Mr DALLA-RIVA** — Minister, I refer you to the service delivery budget paper 3, page 109. As you know, I put a few questions on notice in the upper house. I asked you a question 1355 in relation to the numbers of young people receiving a leaving care support response, which is in the budget paper. I asked specifically in respect of the 2006–07 budget how many young people have been supported as a direct result of these funds. In your reply you said:

The 2006–07 information will be reported in the 2008–09 budget paper 3 and the 2007–08 information will be reported in the ... annual report ...

I have gone to the budget paper, to page 109, in respect of exactly that question that I asked in Parliament and in respect of exactly your response that you would provide it in budget paper 3. I note that in the budget paper it has ‘nm’ — no measure. I am concerned that the response you gave me was not exactly what would be reported in the budget paper. Secondly, I am trying to get a feel for the 450 target expected outcome and future target being the same. How much money of the allocation that is down below 213 is apportioned to that? Because I understand in the 06–07 budget it was 2.09 growing to 3.73 recurrent. Is it still 3.73 recurrent into the forward estimates? Or has that increased? And if so, then why is the target not increasing correspondingly?

**Ms NEVILLE** — I am not sure why it is ‘nm’. I do not know if Alan has an answer to that. But as I understand it, there were about 424 young people who were assisted in the 06 — —

**Mr DALLA-RIVA** — Four twenty?

**Ms NEVILLE** — Four hundred and twenty-four young people who were assisted in 06-07.

**Mr DALLA-RIVA** — So we take that as the given number?

**Ms NEVILLE** — As I understand.

**The CHAIR** — It could be there may not have been a measure in that particular year and it was introduced the following year. You would have to go back to the history in terms of — —

**Mr DALLA-RIVA** — Yes, it is just that the response from the minister was that it would be provided.

**The CHAIR** — You have got a number now.

**Ms NEVILLE** — Yes. In terms of the — —

**Mr DALLA-RIVA** — Yes, the second part is about the funding allocation. Is it still \$3.73 million or is it higher?

**Ms NEVILLE** — Yes. The funding continues to grow as allocated, so rising \$2.09 million rising to \$3.73 million in 2009–10.

**Mr DALLA-RIVA** — Sorry, where is that?

**Ms NEVILLE** — In 08-09 there will be \$3.167 million in this budget. You are quoting figures that were announced at the time, in the budget?

**Mr DALLA-RIVA** — Yes. I am trying to get a feel for the expected income or the expected expenditure in the 08–09 forward estimates.

**Ms NEVILLE** — Sorry, \$3.167 million will be spent.

**Mr DALLA-RIVA** — Is that a drop? It is growing to 3.73. Is that up to — —

**Ms NEVILLE** — No, it is not a drop. The intention of the project — I think you asked in your question — it is rising from \$2.09 million.

**Mr DALLA-RIVA** — Two point zero nine growing to 3.73.

**Ms NEVILLE** — 3.73 in 09-10 over the four-year period.

**Mr DALLA-RIVA** — Okay.

**Mr PAKULA** — Minister, I am looking at the same budget paper that Mr Dalla-Riva was just referring to, but at page 291. Under the output initiatives 'Enhancing disability services and outcomes', I know that over the forward estimate period there is money allocated for a community awareness campaign in the vicinity of between \$4 million and \$5 million over that forward estimate period. With that in mind I am wondering what the government plans to do to raise awareness of disability issues and increase the community participation of people with disabilities?

**Ms NEVILLE** — This is again another really important area in terms of improving the opportunities and participation of people with a disability, turning around community attitudes, focusing on the abilities of people with a disability to encourage people to take up and to enable people to get jobs and participate more broadly in our local communities. The Office for Disability has already undertaken a number of initiatives to improve awareness at local levels. Educating the community around accessible housing options and supporting public sector bodies in relation to the disability action plans are some of our new initiatives.

If I can just, firstly, touch on some of the things we have already done that have been extremely successful. Many members of the committee would have noticed the Bar None campaign, which was a community awareness campaign launched last year. It was an eight-week local media campaign aimed at recognising the leadership of

people and organisations in local communities that are tackling the barriers for people with a disability. As part of the campaign, Victoria's first media charter on disability reporting was developed and implemented in conjunction with News Limited-owned Leader community group. As a result of the charter, a clearly identified trend of improved reporting standards emerged throughout the campaign. Examples included more positive photographic representations of people with a disability, a decreased use of unacceptable language, and a wealth of stories that placed no undue emphasis on the disability but portrayed the active and varied role played by people with a disability in our community.

The campaign included eight regional events and one metropolitan event attended by about 2000 people. More than 150 Bar None stories appeared in the Leader community newspapers — 33 mastheads across Melbourne. There were more than 30 campaign-inspired stories on general access and disability issues, demonstrating a noticeable improvement in the reporting standards as a result of that media charter. There was extensive coverage in regional news media, including radio, television and print outlets. Stories about Bar None featured in 15 mastheads in regional papers. These stories focused largely on businesses and individuals that actively employ and support people with a disability, and sporting and recreation clubs that provide an inclusive environment. One example was the Spotlight store in Mill Park that works with a local employment agency to find suitable employment for people with a disability. The store has recruited three men with intellectual disabilities and is providing them with a supportive work environment. Another example was a bowling alley in Moorabbin that provides a fully inclusive recreational facility, with wheelchair-accessible lanes, gutter guards and ramps for players of all abilities to bowl. That would probably help a number of us, actually.

**Mr PAKULA** — I grew up at that bowling alley.

**Ms NEVILLE** — They are good cases to illustrate the really practical ways in which local businesses and organisations can really try and improve the participation of people with a disability.

In relation to accessible housing, the Office for Disability is currently working with the Office for Senior Victorians in building policy, and with the Office for Housing, VicUrban and the Building Commission to develop an accessible housing awareness campaign, and that is what funding has been provided for in the 08–09 budget. It will provide a coordinated approach to a range of accessible housing initiatives that aim to promote a greater understanding of the need for and the benefits of building and supporting accessible housing. It will comprise a number of elements, a media component, an advertising campaign and website and a consumer industry resource. It is anticipated that it will be launched later in 2008.

Funding was also provided in this budget for disability action plans. They are regarded as one of the most effective vehicles for increasing participation, promoting employment opportunities for people with a disability and systematically addressing physical, technological and attitudinal barriers for people with a disability in our community sector and also the public sector. We currently support all 10 Victorian government departments in the planning and implementation of their disability action plans. This additional \$1.1 million will enable us to work with about 450 over a three-year period. Also, in 08–09 the office has been allocated \$1.6 million to develop a targeted community awareness strategy and support a range of activities. It will deliver specific cross-government and community awareness campaigns aimed at improving educational outcomes and opportunities and promoting increasing participation in mainstream community activities for people with a disability. This targeted strategy will strengthen the current government effort to remove physical and attitudinal barriers for people with a disability in our community.

**Mr RICH-PHILLIPS** — Can I ask you about the concessions payable for water. I take you to page 113 of budget paper 3 which lists 638 000 households receiving water and sewerage concessions for the current year. Can you tell the committee what proportion of those 638 000 households receive the full concession or are eligible for the full concession?

**Ms NEVILLE** — One hundred per cent of the cap — up to the cap.

**Ms WHITMORE-SEIDEL** [inaudible]

**The CHAIR** — Can you come up to the table and announce who you are? Otherwise Hansard finds it virtually impossible to deal with. You will need to swap places with one of the others.

**Ms WHITMORE-SEIDEL** — I am Brenda Whitmore-Seidel, and I look after the budget for the children, youth and families division, and the concessions program — hence the question. You are talking about water and you want the percentage of people who receive the full amount of the cap for water, which is around 70 per cent.

**Mr RICH-PHILLIPS** — Seventy per cent of the 600 000?

**Ms WHITMORE-SEIDEL** — Yes.

**Ms NEVILLE** — Of the current cap.

**Ms WHITMORE-SEIDEL** — Of the current cap.

**Mr RICH-PHILLIPS** — The actual number for the current year.

**Ms WHITMORE-SEIDEL** — Yes.

**Mr RICH-PHILLIPS** — The increase the minister mentioned earlier — 14.8 per cent in the cap going forward — why is that less than the expected increase in water charges this year? Why are you having a declining proportion of the bill covered by the concession?

**Ms NEVILLE** — The 14.8 per cent increase in the cap?

**Mr RICH-PHILLIPS** — Yes. The charges are expected to go up 17 per cent, but your cap is only going up just under 15 per cent.

**Ms NEVILLE** — The cap is indexed for a start. I think there is only at the moment one water authority — and it is still going through a process of consultation — where it is more than 14.8 per cent.

**Dr SYKES** — Just for clarification, Minister, I believe the water charges for North East Water and, I think, Goulburn Valley Water are going up 50 per cent, or thereabouts.

**Ms NEVILLE** — That is over five years.

**The CHAIR** — A year on year increase — —

**Ms NEVILLE** — It is over five years. This is 14.8 per cent that is indexed and ongoing, so the cap will continue to rise to be able to do that. There is only one, as I understand it — and it is still going through consultation, so the final outcome is still to be determined — that is suggesting, I think it is Gippsland, that the first year the increase would be around 17 per cent but then it would decrease over future years. But the 14.8 per cent does cover the predicted rises in water, and will continue to grow by CPI.

**Mr RICH-PHILLIPS** — Consistent with water prices — —

**Ms NEVILLE** — With the recommendations that are currently being considered.

**Mr RICH-PHILLIPS** — So it is the government's position that it will maintain the same percentage of the bill as prices rise, so you will adjust the cap accordingly?

**Ms NEVILLE** — At the moment it is 14.8 per cent, which is indexed. We are still waiting on the final outcome of the decision by Essential Services Commission, at which point if any further adjustments need to be made they will be considered as part of future budget considerations.

**Mr RICH-PHILLIPS** — Just on the proportion receiving the maximum cap, for the other utilities you provide concessions. Are you able to get the figures, perhaps on notice, as to what proportion gets the full cap?

**Ms NEVILLE** — Sure.

**The CHAIR** — Minister, I would just like to ask you a question about aids and equipment for people with disabilities. Being disabled myself and relying on an aid and equipment — one of which failed during the hearing this morning, but fortunately I have got two so I can carry on — what is the budget — —

**Ms NEVILLE** — I do not think you are eligible for our aids and equipment.

**The CHAIR** — This is true. What are you going to do in terms of aids and equipment in this budget? I think you have got some information there on page 105 of budget paper 3. Can you advise us what funding you have for essential aids and equipment, and what are you going to do with that funding?

**Ms NEVILLE** — Thank you for that, Chair. We are very committed to ensuring that we are able to provide appropriate and responsive supports for people with a disability. We know that the aids and equipment program is an important component of encouraging and enabling people to participate in our community. Since coming to government we have increased the recurrent budget for aids and equipment by 80 per cent. It has grown from a budget of \$16.4 million in 1999–2000 to \$29.6 million in 08–09.

The aids and equipment program, for those who may not be as familiar with it, Chair, as you might be, provide people with a disability of all ages with subsidised aids and equipment like wheelchairs, walking aids, continence aids, domiciliary oxygen, and home and vehicle modifications to enhance their safety and independence. The program is delivered by about 30 issuing centres across the state, including five statewide providers. It was actually originally a program established by the Australian government back in 1981. It was then handed over to the states in 1997. Since then, as I have said, we have continued to increase the recurrent funding for the aids and equipment program. This year we will see it being able to support about 28 000 Victorians.

The new budget for disability supports includes an immediate one-off funding boost of \$5 million 07–08 to enable a further 2650 people to be assisted by the aids and equipment program. The funding will also support a number of equipment libraries and equipment advisory services, including the Motor Neurone Disease Association of Victoria and the Yooralla Independent Living Centre. The \$5 million funding is in addition to the \$3.9 million already committed for 08–09 under Labor's financial statement in 06, which allocated a total of \$20 million over a four-year period. The \$3.9 million will be used to support a further 2100 people to access aids and equipment over the 08–09 period. It will also continue to meet our commitment to establish a vehicle modification subsidy scheme and provide more home modification subsidies and to broaden the eligibility of the program to support people in receipt of commonwealth community aged care packages and extended aged care at home packages.

As part of the 07–08 budget announcements, \$30.2 million was provided to help meet the increased demand for aids and equipment to support people with a disability and their families. That included the \$20 million growth funding over four years and the \$9.9 million one-off funding in 06–07. Of the \$9.9 million, \$6 million was provided to reduce the risk waiting lists for new aids and equipment, \$3.5 million to resource a range of equipment libraries and 400 000 to the Royal Children's Hospital to clear the waiting list of 300 children. Subsidy levels have also been increased on a number of items. Since this funding the number of people waiting for aids and equipment has reduced by more than 60 per cent. In March 07, prior to the \$6 million funding boost, there were 5043 people waiting on the waiting list for aids and equipment. By June, following the additional money in 07, the waiting list had dropped to 1900 people. Because of the immediate impact on waiting lists, the government has funded increases to aids and agreement on a non-recurrent basis — one-off money to try and reduce waiting lists over that period. The additional new growth funding of \$2 million in 07–08 has had a direct impact on reducing the increasing waiting list figures, and the waiting list has remained relatively stable. The aids and equipment program has a significant impact on quality of life and improving independence, with 89 per cent of people reporting in the annual client satisfaction survey that their life is now better because of access to aids and equipment. It is a significant program and one that we continue to invest in to reduce waiting lists and meet the needs of people with a disability who require aids and equipment.

**Dr SYKES** — I have got a question on young people in nursing homes, but just clarifying the issue in the discussion on access to aids and equipment, in terms of your targets for clients accessing aids and equipment, your targets have actually dropped. In 2006–07 — and I am now referring to budget paper 3, page 105 — 30 343 accessed aids and equipment. In 2007–08 the expected outcome was 28 860, and your target for 08–09 is 28 310, so it is actually going down.

**The CHAIR** — I think the minister mentioned there was a one-off boost in 2006–07, if you look at the output cost across the next page.

**Dr SYKES** — It is still coming down, okay.

**Ms NEVILLE** — There is historically a commitment, wherever possible, where additional money is available or money that has not been spent is available, that we have been able to put it into aids and equipment. So you cannot really predict that from year to year. Also, the other thing about it is what you cannot predict is what sort of aids and equipment people might want. Some years you might find yourself in a high demand for oxygen, which added additional cost. It is about trying to make sure you have a program that is flexible and is able to actually meet the demand. So I imagine that the performance outcome will be higher than that. That is the best we can do to predict.

**Dr SYKES** — Then my question, Minister, relates to young people in nursing homes. I know you have covered this in part in your earlier responses. My assessment is that in budget paper 3, page 309, there is \$10 million going that way. Your media release of 5 May says you promise to reduce the number of young people in residential care by more than 35 per cent, and in that same media release you say there will be 46 new beds. My calculations are that there are 212 or 213 people under 50 in residential aged care, and 35 per cent of that is 74, so there is a difference of 28 people between your media release, or what your 35 per cent claims, and the numbers you are delivering. Can you explain that difference to me?

**Ms NEVILLE** — Firstly, can I just say, I think you said 46 beds; it is 46 people.

**Dr SYKES** — Forty-six people.

**Ms NEVILLE** — Just to make it clear that we are working on people and what their individual needs are — some of whom might want a facility, some of whom will not.

**Dr SYKES** — Yes, sorry, 46 people.

**Ms NEVILLE** — So of course, as I also mentioned we have our ongoing commitment to My Future My Choice, so there is the five-year program which we have agreed with the commonwealth, which involves \$60 million of joint funding which continues to roll out each year. On top of that we have also put in an additional \$10 million, so over the 08–09 period, that is what the figure is talking about, so there is the additional 46 out of the \$10 million, and then — did you say 75?

**Dr SYKES** — But even in the same media release one figure says 35 per cent, and your actual number is 46, and that does not —

**Ms NEVILLE** — Sorry, can you just say that again? So 35 per cent — you are talking about percentages — of the 213?

**Dr SYKES** — You are saying 35 per cent by 11 June and you are suggesting 46 in the coming financial year, so the rest will come in the subsequent period. Is that the answer, or is it coming from other sources?

**Ms NEVILLE** — It is the \$60 million, of which the portion in 08–09, combined with the \$10 million — so the \$10 million will include the 46, but there is also the flow-on of My Future My Choice for the 08–09 period —

**Dr SYKES** — So that will do the other 28?

**Ms NEVILLE** — That is right. The flow-on will continue either to build facilities, provide in-home support to people, move people out into in-home support; there is a range of measures, so it is the combination.

**Dr SYKES** — So the net result will be, or you are confident of achieving, your outcome of reducing it by 35 per cent, which is 46 one way and 28 covered by other means?

**Ms NEVILLE** — That is right, so our ongoing program will continue to roll out, but this gives that a boost and enables us to assist more people than we have been able to under the original \$60 million.

**Ms MUNT** — Minister, can I refer you to budget paper 3, page 309, under output initiatives for Human Services. There is a line item there, ‘Strategic replacement and realignment program — stage 3, for which \$50 million was allocated. Could you tell the committee what that is actually for?’

**Ms NEVILLE** — Certainly. Thank you for that. This is, as I talked about in my presentation, in relation to our \$50 million commitment to continuing our strategic replacement program for disability accommodation in Victoria. This funding is being done in a partnership with the Disability Housing Trust, which is now known as Housing Choices Australia, and the government. Just to remind the committee, the Disability Housing Trust was established back in 2006, and we established it with a capital grant of \$10 million. That was about providing new and innovative forms of housing for people with a disability. It is a community based charitable trust, with a board elected by its members, with the exception of the chair, whom I, as the minister, appoint. The 08–09 budget provided \$50 million in 07–08 to the Disability Housing Trust — Housing Choices Australia — to replace 38 supported accommodation facilities over the next three years, in partnership with the department. It builds on our strategic replacement program that we have been undertaking over the last few years to ensure that all our facilities meet disability standards and provide the best and most modern forms of care and arrangements for people with a disability who do need to live in a group home.

The committee will probably be interested to know that the Disability Housing Trust has already developed a number of other housing opportunities through a range of partnerships and joint ventures. It is developing a family package, for example, which is used to assist in working with families who wish to assist in accommodation development for their family members with a disability. There are approximately 80 housing opportunities in planning and development stages, of which 36 have been purchased or are under construction. A number of properties are now tenanted. Examples of some of the accommodation options provided or in development include a two-bedroom unit in Eastern Metropolitan Region; 3 units with five bedrooms all up in Southern Metropolitan Region; 2 two-bedroom units in Gippsland; Parkville Gardens, with nomination rights for 12 properties in Parkville; and 8 in regional Victoria — 2 in Geelong, and 3 each in Bendigo and Ballarat. They are examples of innovative developments and accommodation options, which I was talking about a little bit earlier in terms of individual support packages and different choices that people are making. The residents in these new places all receive support and were on the disability support register or have moved from a group home to a more independent option.

To assist project developments the Disability Housing Trust has now established significant partnership arrangements with a housing association and community service organisation, and the coming together as the Housing Choices Australia organisation has brought together the Disability Housing Trust, Singleton Equity Housing and Supported Housing Ltd, all of which have a very long history in developing and delivering supported accommodation and alternative accommodation for people with a disability, including those with an intellectual disability. It will aim to continue to provide and manage a range of affordable accommodation for people with a disability. For example, tenancy and property management — they will be managing in excess of 600 properties and 1000 tenancies of people with a disability. This will grow over the next few years as they continue to develop new properties and new arrangements for people with a disability and their families.

**Mr DALLA-RIVA** — Page 109 of budget paper 3 relates to child protection and family services delivery. I note in the number of operational Child FIRST sites that its target is 24. I understand these services were supposed to take the pressure off child protection and intervene earlier. My understanding of the budget paper is we see that the same number of clients receiving a specialist assessment and treatment service is there; there is a minor reduction in child protection reports also in that area; and there is an increase in the daily average number of placements from 5300 to 5400. I guess what I am trying work out is: with the increase from 16 to 24 there really is no noticeable change in some of those other measurements in some of the other areas. I am just trying to work out: is Child FIRST failing to meet its objectives, or does it just indicate that child protection is, as everyone knows, pretty much stretched as it is? How are you going to apply these projected number of operational Child FIRST sites to ensure there is a reduction in some of those other key areas, which there does not appear to be? Are you expecting a period of time delay?

**The CHAIR** — I am not sure what Mr Dalla-Riva is getting at there, but anyway.

**Ms NEVILLE** — You have mixed up a number of different things in that. If I can just firstly talk about the front end of our system, which is really what Child FIRST is all about. I mean by that how do we manage and continue to manage what has been substantial growth in notifications right across the country. I think I showed you a graph in the first presentation I did on, in fact, how well Victoria is doing. We are undoubtedly leading the way. There is growth in notifications, but we are basically stabilising our growth. We will continue to grow a bit, and in fact in the context of the new legislation, it would be predicted that you would have some growth, because, as

people would be aware, the new legislation also provides, importantly, for very early notification: pre-birth notifications, unborn children notifications, all designed around intervening very early.

We would predict in fact there would be some increase in that, because we are wanting to encourage a system that is about identifying potential risks for children and issues in families very early on in the process. A system around Child FIRST, our system around family support innovation projects, is all about intensive, early intervention and prevention services for families. We are predicting a pretty stable number of reports despite the fact that we are encouraging additional reports in unborn children, and in the context of a national major increase in notifications, we are predicting a stabilisation around notifications. Child FIRST: as you see, we are rolling this out more quickly. We are going to be a year ahead of schedule. The reason we are doing that is that we think that this is a really important platform to ensure that families are identified early, that families get intensive support; not just one-off support but ongoing, intensive support to turn around the issues that often contribute to children having to come into the out-of-home care system.

Can I also say that Child FIRST is not just about saying we want less notifications; in fact what we want is to ensure that we can also arrest some of the out-of-home care growth. What we want to make sure is that we are getting in early before the problems become entrenched, before it becomes more difficult, before there is greater damage to children to ensure that families have a real opportunity to sort through their problems. I do not want to give a message to the community that they should not be alert to the wellbeing of children. We are trying to measure in a number of ways — both in stabilising notification growth but also in giving a message — that it is important we all have an interest in children's wellbeing as well as ensuring we have got the services to keep families together, because we think that is the best outcome for children.

With out-of-home care placements, there is, as I spoke about before, a challenge for all governments, but in Victoria we are growing at around 49 per cent, the growth rate in out-of-home care placements. I think New South Wales is growing at about 300 per cent from the recent inquiries they have had in their child protection system. So again we are hoping that we are able to get to a point where we can start to stabilise that but at the same time continue to ensure that the out-of-home care system that we have is also the best possible. Internationally and across Australia, Victoria is held up as the model for child protection. These are early days yet, but we are already seeing some results in terms of arresting growth in notifications, and I think the Child FIRST program will prove to be extremely successful in helping us continue to do that.

**Mr DALLA-RIVA** — Maybe you can take on notice my question about the cost per site. I do not know if you have provided that, but you have increased it in that total output cost from 118 to 121.7. I would be curious what the cost componentry of that would be — of each of the sites.

**Ms NEVILLE** — It will vary a bit, again, on the partnerships, but — —

**Mr DALLA-RIVA** — They are not part of DHS, are they?

**Ms NEVILLE** — They are a partnership; they are alliances between family support agencies. For example, I launched one in Maryborough the other day, which is for the Southern Loddon Mallee region, and it has St Luke's involved, it has the Bendigo Community Health Services involved and it has two Aboriginal organisations involved. It has a unique model around indigenous support, and it is going to be really interesting to see how that goes — I think, very positively. It brings together a number of organisations which will play a range of roles, but within the Child FIRST sites there are also very strong linkages, rightly, with the statutory child protection system, and that is one. It has been great to build those relationships, but also it is about learning about the sort of supports and interventions that work with families. So a lot of the sites, not in all, will have a child protection worker operating out of them.

**The CHAIR** — Thanks, Minister. Obviously this program is getting out there and getting right ahead of its targets, so we are pleased with that. Minister, that completes our questions on community services, and I thank the officers.

**Witnesses withdrew.**

## **Transcript of evidence**

### **4.2 Health portfolio**

*The transcript for the hearing on this portfolio was included in the Report on the 2008-09 Budget Estimates – Part One.*

## **Transcript of evidence**

### **4.3 Housing portfolio**

# VERIFIED TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2008–09

Melbourne — 21 May 2008

#### Members

Mr G. Barber	Mr G. Rich-Phillips
Mr R. Dalla-Riva	Mr R. Scott
Ms J. Munt	Mr B. Stensholt
Mr W. Noonan	Dr W. Sykes
Mr M. Pakula	Mr K. Wells

Chair: Mr B. Stensholt  
Deputy Chair: Mr K. Wells

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr R. Wynne, Minister for Housing,  
Ms F. Thorn, Secretary,  
Ms M. Crawford, Director of Housing & Executive Director, Housing and Community Building,  
Mr R. Jenkins, Acting Director, Policy, Strategy and Communications, and  
Mr A. Hall, Executive Director, Financial and Corporate Services, Department of Human Services.

**The CHAIR** — I declare open the Public Accounts and Estimates Committee hearing on the 2008–09 budget estimates for the portfolios of housing, and later, Aboriginal affairs and local government. On behalf of the committee I welcome Mr Richard Wynne, Minister for Housing, Minister for Aboriginal Affairs and Minister for Local Government; Ms Fran Thorn, secretary; Ms Margaret Crawford, Director of Housing & Executive Director, Housing and Community Building; Mr Rob Jenkins, acting director, policy, strategy and communications; and Mr Alan Hall, Executive Director, Financial and Corporate Services. Departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings I remind members of the public they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff, can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording procedures in this room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. There is no need for evidence to be sworn. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. All evidence being given today is being recorded. Witnesses will be provided with proof versions of the transcript. The committee requests that verification be forwarded to the committee within three working days of receiving the proof version. In accordance with past practice the transcripts and PowerPoint presentations, and any other documents tabled, will then be placed on the committee's website. Following a presentation by the minister, committee members will ask questions related to the budget estimates. Generally the procedure follows that relating to questions in the Legislative Assembly. I ask that all mobile telephones be turned off, and I invite the minister to give a brief presentation of no more than 5 minutes on the more complex financial and performance information relating to the budget estimates for the portfolio of housing. Minister, I gather you have something to table as well and circulate to members.

**Mr WYNNE** — Yes, I do, Chair, thank you very much. I have got here a slide presentation. I will just hand it around and I will basically talk to it in overview form. This is my second year of the Public Accounts and Estimates Committee, and I of course want to welcome Margaret Crawford, the new director of housing, who is with us today for her first PAEC presentation.

**The CHAIR** — A very important area.

**Mr WYNNE** — Indeed, absolutely, and we are delighted to have Margaret with us, and Fran of course, and various other colleagues who you have met on no doubt numerous other occasions.

**The CHAIR** — That is right. Thank you.

**Mr WYNNE** — I am going to give a brief overview of the budget priorities for 2008–09 and the progress against 2007–08 commitments and then we will move to questions and answers as is your wont, Chair.

**The CHAIR** — Correct.

**Mr WYNNE** — So 2008–09 budget priorities really are set against the backdrop of, of course, the record investment by the state in the last budget of \$500 million, including the commitment of \$200 million to public housing and \$300 million to housing associations. As you know, this was a record commitment by a state government — the biggest commitment by a state government anywhere in Australia to date — and we were particularly pleased with that budget outcome. This of course has run out successively over the last 12 months. Within the public housing side of the commitment, a lot of that has been about being very aggressive and proactive in terms of a spot purchase program — really getting out there into the market and seizing opportunities as they would come along. The forward years now are about, given that we have got a lot of the planning in place, implementing a lot of the projects that have gone through the planning process through the relevant local governments. Similarly for housing associations, \$300 million into housing associations. That is a very big commitment. In A Fairer Victoria you may well have noticed, Chair, that we have had a transfer of stock in the order of nearly 500 units that are currently managed by housing associations which will in fact go onto their budget bottom line. So it is a pretty healthy situation for both public and social housing.

So 2008–09 priorities include \$201 million to buy and build 1030 properties, both public social housing and indeed Aboriginal housing as well; \$194.3 million for 2150 upgrades and major improvements; increased homelessness and family violence services with an announcement of \$36.4 million in that area. Renewing neighbourhoods of

course, with an additional \$12.8 million over four years for neighbourhood and community renewal, and I would be very happy to talk some of the initiatives in that area which have been, I think, terrific outcomes for those communities more generally, and \$52 million to promote social inclusion through our neighbourhood renewal program. Now what do we mean by that? We mean not only lifting the physical infrastructure of those areas but also lifting the social infrastructure, offering people the opportunity for education, training and employment, and I would be happy to talk in more detail about that.

In 08–09 the government has indicated that it has allocated the \$201 million for more units, and I think that is a good setting for us going forward in terms of public and social housing, because if you think about it in a broader context we are trying to be active right across Victoria. So a third of our stock, as you know, is in regional Victoria, and we want to be actively ensuring that the funds do in fact get allocated in a fair and equitable way across the state. This is of course against a backdrop of a very difficult commonwealth-state housing agreement that we had in the past which effectively meant that Victoria was short by over 5000 units of public housing from the net effort of the CSHA. We have always committed, since we came to government, above and beyond our commitments that we were required to fulfil under the matching component of the commonwealth-state housing agreement, the 2 for 1 agreement, but the net effect is we are 5000 units down so we have got a fair way to go. We have got a new commonwealth government now and indeed I can say with certainty that we will have a commonwealth-state housing agreement going forward. It may be rebadged in a new name, but, as members of PAEC will recall, we were under the previous government in a situation where we were not at all clear about what form of new social or public housing arrangements the previous government was proposing to prosecute. But I can say with confidence, having had discussions with the commonwealth, that we will be signing a new agreement, hopefully by the end of the year.

**Mr WELLS** — And there will be no more problems.

**Mr WYNNE** — We can talk about that, Mr Wells. I would be very happy to talk about that. Progress against the 2007–08 commitments — there are always challenges, as you know.

**Ms MUNT** — There is always more to do, Kim.

**Mr WELLS** — There is more to do?

**Mr WYNNE** — We will have delivered by 30 June — 2007–08 — 1150 new social housing properties; we will have upgraded 2450, which exceeds the target; and assisted close to 120 000 people in need of homeless support services. In that context, particularly around homelessness, we have the most developed intervention in the homeless service sector of any state in Australia, and widely recognised as such. I was pleased to see the bipartisan support that we were given for the recent supported housing initiative, the 120 units that we are doing down at Elizabeth Street in the city. I was very pleased with that. I appreciated the bipartisanship that occurred around that because it is trying to fill a gap in the homeless provision, where for the chronically homeless this new model called Common Ground is about wrapping the services around the most vulnerable people on site.

We think that that is a really interesting model going forward, that with drug and alcohol services, health services, mental health services, education and training opportunities in fact you can turn people's lives around from a position of chronic homelessness to lead very productive lives. As I am sure the committee is aware, Chair, and I will finish on this point, I did look at some of these models overseas, both in New York and in the United Kingdom, and there are some very impressive outcomes going forward. Longitudinal research that is being done, particularly in the US, would indicate that an early intervention up-front, wrapping services around chronically homeless people, can make a real difference to their lives and they can get back into productive outcomes for themselves.

Chair, it is a good picture for housing going forward, with A new commonwealth government to work with. Challenges ahead, Mr Wells, no doubt — —

**Mr WELLS** — More to be done?

**Mr WYNNE** — But some that we are absolutely up for.

**The CHAIR** — Thank you very much, Minister. You should realise that both the Chair and the Deputy Chair have a very strong interest in these matters, so I am sure you will get lots of questions.

**Mr WYNNE** — Indeed. We look forward to it.

**The CHAIR** — First of all, I refer you to budget paper 3, which you have already mentioned, page 115 and following, where you have the outline of the performance measures and outputs, deliverables et cetera. Can you tell us about specific subsidies, concessions and revenue forgone — and I am sure there is a lot in your portfolio — and whether there are any specific changes to them in this year's budget; and also whether the figures in the budget paper represent the total spending on housing assistance in the coming year?

**Mr WYNNE** — In relation to your first point, specific subsidies, I can advise the committee that in 2008–09 the budget puts housing in reach for more low-income families. As you know, the announcements that we made in relation to stamp duty will save Victorian home buyers in the order of \$2460 on the purchase of a median-priced house, that is around about the \$315 to \$317 000 mark, a cut of almost 17 per cent. And more expenditure is expected, as I indicated, for social housing and homelessness in 2008–09 than in 2007–08, help which we believe is directed to the people in most need.

The budget does commit \$395.6 million to grow and improve social housing, to build another 1030 units for over \$200 million, and a further \$194 million for upgrades redevelopments. We will be undertaking 2150 upgrades in 2008–09 and major redevelopments on at least 15 sites. It is a big agenda, Chair. There will be more funding to the vulnerable through our homeless services and family violence services, as I indicated. Our Opening Doors program, which is one of our significant interventions which is providing a coherent response to young people when they come through the agencies. Being able to provide a comprehensive response to particularly young people at risk is, I think, a really important initiative here.

In supported housing I have already indicated the Common Ground proposition that we have down here in Elizabeth Street. Putting the services in place, putting long-term stable accommodation in place can make a difference to people's lives. Support for high-risk tenancies is the last aspect that I wanted to touch upon there. That is a \$4.2 million program over four years to try to support some of the most vulnerable people who are living in public housing. Many of those people, as you know, suffer from a whole range of difficulties. They might be drugs and alcohol, they might be mental health, they might be a combination of all those, or family breakdowns. Public housing for those people is really critically important. Stable, long-term, affordable accommodation is fundamental to maintaining these people's lives. We will be putting in place a program to support those tenancies over the next four years.

In relation to your second point, does budget paper 3 reflect the total spending on housing and homelessness, the answer is no, it does not. It tells part of the story but not all. It reflects the appropriations obviously made by the Parliament, but there are a number of other key aspects of the housing budget, including contributed capital, rental revenue — obviously the rental revenue that we get from the organisation itself — and earned interest. In reality, Chair, we are expecting to spend \$1 billion in 2008–09. That means our acquisition budget will be going up this year. In 2006–07, 52.2 million; 2007–08, 102.8 million; and in 2008–09 we will have 111.6 million in the next financial year for acquisitions.

On contributed capital, budget paper 3 does not include contributed capital. Contributed capital are appropriations that are used to acquire assets that go onto the state's balance sheet, such as houses but not land. Therefore, when the government provides funds to the Department of Human Services, to my section of the broader department, for the acquisition of public housing, some \$100 million in 2007–08 is not reflected in budget paper 3. But budget paper 3 shows funds appropriated for expenses, such as funds used to undertake upgrades or for homeless services more generally. So that is the broad sweep. In essence, Chair, \$1 billion to be allocated to public and social housing in the year going forward, which is the amalgamation of both what you have here in your budget papers and contributed capital, rental revenue and any interest that we have earned.

**The CHAIR** — Is there a separate financial statement for the Office of Housing?

**Mr WYNNE** — At the end of the financial — —

**The CHAIR** — To cover all these ones that you mentioned. A billion dollars is quite different to what we see in the budget papers.

**Mr WYNNE** — Yes, it is in the annual report.

**The CHAIR** — It is in the annual report. Separately? Not just as an overall figure within DHS?

**Ms THORN** — It is the total DHS annual report.

**The CHAIR** — You do not actually pull it out in terms of the Office of Housing?

**Mr WYNNE** — I will ask the director of housing to respond.

**The CHAIR** — That is okay. So long as it is there, you can give us a copy.

**Ms CRAWFORD** — I asked the same question.

**The CHAIR** — I am sure. It would probably have been the first question you asked.

**Ms CRAWFORD** — We do bring that all together and report once a year in this summary of housing assistance.

**The CHAIR** — It would be good if you can give us a copy of that. My other question, just to follow up in clarification of my colleagues talking about subsidies, is that I would have thought a major subsidy would be the revenue forgone in terms of rent. Have you got a figure for that, in terms of revenue forgone for rent? You are paying only 25 per cent of your income, if you actually have a job — —

**Mr BARBER** — If I can be of assistance, Chair, that figure is in the annual report. It is market rent less the subsidy. That is how it is worked out.

**The CHAIR** — I know how it is worked out; I am looking for a figure.

**Mr WYNNE** — You want to know what the total figure is. We will get you that figure.

**The CHAIR** — Thank you.

**Mr WYNNE** — Mr Barber is correct.

**Dr SYKES** — He might be applying for a job as ministerial adviser, Minister.

**Mr WYNNE** — With all due respects to my colleagues, I do not think he is shooting for ministerial adviser; I think he would like to be the minister. Just watch — you cannot have it, at least not at the moment.

**Mr BARBER** — You will be out at the next one.

**Mr WYNNE** — I do not know about that. I am happy in the service, believe me.

**Mr WELLS** — Minister, before I ask my question, what is the definition of ‘homelessness’?

**The CHAIR** — We had this discussion last year, didn’t we?

**Mr WELLS** — I just want to know if it has changed in the last 12 months.

**Mr WYNNE** — It is a very interesting question. There is a range of academic definitions of ‘homelessness’. My definition of ‘homelessness’ is someone who is living in insecure housing. That could be in a whole range of ways. I can elaborate, if you want.

**Mr WELLS** — No.

**Mr WYNNE** — A person living in insecure housing would be how I would define it — insecure housing or no housing.

**Mr WELLS** — Minister, I refer you to budget paper 3, page 115, in regard to the ‘Proportion of SAAP support episodes where an accommodation need was unable to be met’. I note that this output has increased from 9 per cent in 06–07 to 17 per cent and is expected to remain 17 per cent, so it is one in six requests being turned away. Are you able to tell the committee why this percentage of unmet need for SAAP has doubled in the last 12 months and why you are prepared to accept it remaining at 17 per cent?

**Mr WYNNE** — Thanks, Mr Wells, for the question. The whole question of support to homeless services is a matter that is currently being addressed by the federal government in an inquiry in relation to homeless services by Tony Nicholson, which is on at the moment. A green paper will be released in the next little while. It seems to me that one of the key aspects of this is to ensure that the support that is provided to homeless people is in fact developed in a more integrated way. We are going to be a part of that conversation, both with the Nicholson report and, more specifically, around how the federal government resources are in fact better allocated than they are now. He would argue that we need to ensure that people do not continue to cycle into chronic homelessness, so the initial intervention ought to be the one that assists a homeless person to stabilise their life. He would argue, more broadly, that SAAP services are potentially missing the longer-term supports that people require — for instance, if you look at the Common Ground initiative that we have in Elizabeth Street, that is about a strong and early intervention, wrapping the services around people and being able to redirect the outcomes for them.

We in Victoria, as I indicated in my introductory comments, are one of the largest users of SAAP services of any state in Australia. We have the most comprehensive intervention of any state and we are one of the largest users of SAAP services. In that context, it is I think a good story, but a story that is not complete because we want to ensure, in our engagement with the Nicholson review, that there is a more comprehensive response. You cannot forget that that is in a context, Mr Wells, of clearly increasing demand because of the critical private sector rental situation that we are in.

**Mr WELLS** — You say it is a good story, but unmet demand has jumped from 9 per cent to 17 per cent. I am not sure where you get a good story on that.

**Mr WYNNE** — The story is that when you have an incredibly tight private rental market, where do people go? Let's have a look at the situation of the private rental market at the moment. Anywhere within 10 kilometres of where we sit and meet here today, the vacancy rate is about 0.9 of 1 per cent. There are no vacancies in the private rental market at the moment, anywhere within 10 kms. The further out you go, it is not necessarily much better than that; it around about possibly 1 or 1.2 per cent. So if you are a poor person, how are you going to compete in that marketplace? Where does the pressure come? The pressure comes onto the public housing waiting list and of course it comes onto supported accommodation assistance programs and all those support organisations. That is why you see this type of phenomena. That will take time to change.

In your early comments you said, 'Oh, well, you'll have the federal government and everything will be better'. It will be better, and I will tell you why it will be better. For the first time in my history of knocking around in the housing sector, you have a government that has said it is prepared to intervene in the private rental market. Now, I have never heard of that before. You have a proposition afoot now where the federal government has said, 'We will actually intervene to try to take some of the pressure off the private rental market' — through this scheme called NRAS, the national rental affordability scheme.

I will not go into huge detail about this, but basically this is a scheme where investors would invest in a newly built rental property. It has to be retained in the private rental market for a period of 10 years and it has to be at 20 per cent below the market value for where that property is. In return the investor gets \$6000 subsidy per year from the federal government, \$2000 subsidy from the state government for the 10 years, plus obviously the rental income that comes through the property as well. That is a significant intervention that, in our view, will make a big difference to the private rental market.

What does it mean for Victoria? Probably over the next four to five years we will get somewhere in the order, we would think, of 10 000 to 12 000 units of private rental accommodation through this NRAS scheme — around about 12 000 units. But it also means, and the Prime Minister has indicated that if this scheme is as successful as what we hope, they will look at doing another 50 000. That would be 100 000 units across Australia. So for Victoria we would be looking in the order of, say, in the next 10 years potentially 25 000 units in the private rental market. That makes a big difference to how the equation works. It opens up opportunities for a bit more competition in the private rental market, and of course the peaks and troughs of the way the private rental investment market works will in fact change over time as well. If we get a gradual easing of vacancy rates that will assist; the NRAS scheme will assist; the investment in the public rental and social housing sector will assist as well. All of those combined will make a significant impact on really your initial question, which is the SAAP outcomes.

**The CHAIR** — Okay.

**Mr WYNNE** — But it is a difficult environment, and I do not shy away from that.

**Ms MUNT** — Minister, I refer you to budget paper 3, page 116, headed ‘Long-term housing assistance’. There is a line item there, ‘Number of dwellings with major upgrade during year (includes neighbourhood renewal areas)’. I would like to focus on the housing capital program and what is happening in the 2008–09 budget in that regard. I have had an interesting example of a capital upgrade in my own electorate, in Parkdale, where the upgrade was proposed and the plans were put together and they did not have community approval.

**Mr WYNNE** — Sorry, which one was this?

**Ms MUNT** — Parkdale.

**Mr WYNNE** — Parkdale, yes.

**Ms MUNT** — Parkers Road, Parkdale; it did not have opportunity approval. It went back to the community, where everyone got together to put together a better plan, and it has ended up being a wonderful example of where the community supports public housing. Could you expand on the housing capital program for 2008–09?

**Mr WYNNE** — Yes, briefly on the Parkdale one, this was an example of where there was disputation with the local authority?

**Ms MUNT** — That is right.

**Mr WYNNE** — Over what sort of housing outcomes should occur there. These, as I recall, were a number of very downgraded, I think it was concrete stock?

**Ms MUNT** — Yes, long-term housing.

**Mr WYNNE** — The classic long-term stock that has been around for a long, long time and, from all of the points of view on energy conservation and decent quality housing, were ready for replacement. I think there were 16 one-bedroom units that we replaced. It went through quite a significant ebb and flow with the council. I think there were initially plans approved, as I recall, and then the council rescinded, Ms Munt?

**Ms MUNT** — Yes, that is right.

**Mr WYNNE** — Rescinded the planning approval. This has gone on for a number of years and it is only more recently that we have been able to get a plan that has been basically approved by both the council and the local community more generally. We let a contract for initial site works on 7 April, so we are finally off and going with a new redevelopment down there at Parkdale. It took a lot longer than what any of us would have hoped, but there you go, at least we are up and going again.

But on your broader question, in 2008–09 we are spending more money on capital than last year. Over \$300 million this year versus \$291 million, nearly \$292 million last year. The capital budget balances our commitments to grow whilst ensuring we have quality living environments. So it is really this tension about doing redevelopments such as Robert Street in Northcote, or Parkdale, where you have got clearly run-down, old concrete stock that —

**The CHAIR** — Ashwood.

**Mr WYNNE** — Ashwood, which are past their useful life, so getting those sites redeveloped and trying to get a bit more density there so the net outcome is positive, as well as doing our acquisitions program. We spent over \$2 billion investing in improvements and maintenance and redevelopments since 1999. Now that is \$2 billion. Without getting too rhetorical —

**Dr SYKES** — Go on, your previous ministers have — have a go.

**Mr WYNNE** — All right. Chair, I have been invited by Dr Sykes to have a go.

**The CHAIR** — You are limited to about 4 minutes per answer, so just restrain yourself.

**Mr WYNNE** — I will only say one thing, but it is a very telling comment. Over the years of the previous government we got 44 high-rise towers. Apart from general maintenance, \$1 million a year was spent on those estates. It tells a story. We were left with a smouldering wreck in the high-rises. So when you drive home tonight, if you drive past any of the high-rises have a look up, and you will see floor by floor by floor by floor renovations of all of those high-rises. That is an enormous task. We have spent tens of millions of dollars on what had been some shocking neglect of those high-rise estates, and they are an important part of our broader housing portfolio.

When you say, ‘\$2 billion, where has it gone?’, they are some of the places it has gone, into readdressing some of the neglect that had occurred in the past. It is a big number. We have delivered, since we came to government, to June 2007, 11 500 social housing units, 90 million on building and buying more units in partnership with housing associations, and as I indicated our stock numbers for this year and going forward. People laugh and say, ‘There is more to be done’. There is more to be done; there is always more to be done in housing. There are big backlogs — CSHA, 5000 units down. We have inherited some really difficult situations, particularly the high-rise stuff. We are catching up still.

**Mr WELLS** — But you still support the 2030 program, don’t you?

**Mr WYNNE** — Of course I support the 2030 program.

**Mr WELLS** — But it is putting an enormous pressure on the price of houses in Melbourne.

**Mr WYNNE** — How do you mean?

**The CHAIR** — I am not sure this is actually relevant.

**Mr WELLS** — We are talking about supply and demand.

**Mr WYNNE** — I am happy to talk about 2030 — no problem.

**The CHAIR** — It is actually Mr Rich-Phillips’s question.

**Mr WYNNE** — If Mr Rich-Phillips wants to ask me that question, I will answer it.

**Dr SYKES** — That was a decoy strategy.

**Mr PAKULA** — Now is the time for unity, Gordon.

**The CHAIR** — Gordon, it is yours.

**Mr RICH-PHILLIPS** — Thank you, Chair.

**Mr WYNNE** — Is this a 2030 question?

**Mr RICH-PHILLIPS** — The minister may respond in terms of 2030 in his answer. The budget papers show net long-term stock only increasing by 130 units next year.

**Mr WYNNE** — Yes.

**Mr RICH-PHILLIPS** — It is 74 556, up from 74 426. At the same time the Office of Housing waiting list at March was 35 394. There is obviously a substantial waiting list for public housing.

**Mr WYNNE** — There is.

**Mr RICH-PHILLIPS** — When could those people on that waiting list reasonably expect to be accommodated in public housing? Obviously, I take what you say about capital work for this year, there is minimal increase in stock so you have got roughly a 50 per cent additional demand on top of the stock you have got now. When can those people expect to actually be accommodated? What is the turnover rate in the existing stock that would see those 35 000 people accommodated in public housing?

**Mr WYNNE** — As you say, Mr Rich-Phillips, you are right. At March 2008 we had 35 000 on the waiting list. It has gone down by about 6000. We had 41 000 in 1999 and that is not a bad result, but — —

**Dr SYKES** — There is more to be done.

**Mr WYNNE** — The waiting list does move around, according to what the market conditions are. As I indicated in my earlier answer, the private market for low-income people is no longer an option for them. As members of Parliament we all get representations from our constituents, and every one of you has written to me in relation to somebody who has been waiting on the public housing waiting list for a period of time. My advice generally to those of our constituents is, 'Broaden your scope of where you are prepared to go to'. That is my answer. I am sure you will have stories, as we all have, of people who say, 'I have been waiting on the list six, seven, eight, nine years'. Why? It is because they are asking for a highly specific property in a highly specific area, and they are not prepared to open up to other options. Therefore it is so contained. The particular area they may be asking about may have a very limited amount of stock in it. It is not for me to be saying to people how they should seek to redress their applications, except in broad terms to say, 'Be as expansive as you possibly can be and that will improve the opportunities for you'. We should not forget of course we do have a segmented waiting list as well. Obviously those in most acute need are those who are housed first. In broad terms, that is my answer.

**Mr RICH-PHILLIPS** — In the context of that answer, do you have stock that is occupiable but is unoccupied because it is in areas where there is no demand at the moment?

**Mr WYNNE** — Yes, we do.

**Mr RICH-PHILLIPS** — What sorts of numbers are currently unoccupied?

**Mr WYNNE** — Current vacancies?

**Mr RICH-PHILLIPS** — Current vacancies that could be occupied.

**Mr WYNNE** — I have that figure for you. I will just get it for you off my colleagues here. For instance, yesterday I was up in Maryborough; we had a community cabinet up there. We have got a very small number of people — about 35 — who are sitting on the public housing waiting list. For that area it is nothing; it is a very small number of people. But we have got a whole bunch of stock that does not fit people's needs. For instance, we are top-heavy across the broader portfolio with a lot of two and three-bedroom units, where the waiting list is predominantly single people. You have got this mismatch.

**Ms THORN** — Or very big families.

**Mr WYNNE** — Or big families. So you have big families at one end and a huge amount of the waiting list are single people. There is a mismatch between the stock and the supply. But to answer the question more specifically, as at 30 June 2007 we had 559 vacant properties, which is exactly 0.9 per cent of direct tenure stock.

**Mr RICH-PHILLIPS** — Will you accommodate an applicant where they do not match the stock? Will you put a single person into a double-room unit to accommodate them?

**Mr WYNNE** — Will we put a single person into a double — —

**Mr RICH-PHILLIPS** — Into a room that exceeds their requirements just to accommodate them.

**The CHAIR** — A two-bedroom place.

**Mr WYNNE** — Yes.

**Mr RICH-PHILLIPS** — Likewise, larger families into smaller accommodation simply to accommodate them in the absence of a larger house?

**Mr WYNNE** — We will accommodate families. We have particular issues with some communities. Where we are building now we are building more five-bedroom stock for some communities. I opened some units in Footscray months ago which were very large — significantly larger units, four-bedroom units — to try to accommodate some of the larger families. We obviously try to match stock to people's needs. It requires us to reconfigure our stock configuration, and that takes time. But the answer to your question on vacancies is 559.

**The CHAIR** — Thank you, Minister. By the way, the housing stock numbers that Mr Rich-Phillips refers to, does that include the housing cooperative numbers?

**Mr WYNNE** — That is total public and social housing stock, yes.

**The CHAIR** — So it includes the housing cooperatives.

**Mr SCOTT** — My question is regarding neighbourhood renewal. I refer the minister both to his handout and page 116 of budget paper 3. Will the minister confirm and outline what is being done to address the needs of disadvantaged communities through the neighbourhood renewal program, particularly through funding in this budget? And do not miss out on East Reservoir, if you can.

**Mr WYNNE** — No, we will not miss out on East Reservoir. I think we have a map at the back here. The second last page shows you all of our 19 neighbourhood renewal sites around Victoria. I reckon this is probably one of the best success stories of this government — 19 sites.

In 2008–09 we are going to invest a further \$52 million, \$41 million for capital projects and \$11 million for what we call community building. If you think about any of the neighbourhood renewal sites, in my own and indeed Mr Barber's area, the Atherton Gardens estate in Brunswick Street, Fitzroy, is a good example of where we are doing fantastic work around not only renovating all of those high-rise towers, but we have also put in place a terrific rainwater and grey water collection scheme for the collection of water to be used on the gardens there and really tried to lift the environment of that estate; and we have controlled entry to the towers to make sure the places are secure. But the interesting aspect there is that we actually have a very significant employment program afoot there as well, with Brotherhood of St Laurence.

People are getting trained as concierges in the foyers of the towers to monitor people coming in and out of the foyers. People are employed in maintenance and in cleaning programs. This is really the essence of what we are trying to do with neighbourhood renewal. It is about saying, 'Right, we will fix the physical infrastructure of the place', but you will not actually make a profound and long-term difference if you do not fix up the social infrastructure.

If you think about much of the public housing that has been built around Victoria and you remember its history, it was designed as worker housing, whether it was the high-rises, which were part of the slum reclamation program, or Braybrook, Maidstone or Broadmeadows — all of those large conurbations of public housing were worker housing.

If you go back to the early research, a very good piece of social research that was in fact undertaken by the Brotherhood of St Laurence in relation to the high-rises — I think the research paper was called 'High Living' — shows that everybody worked. There was not this concept that people in public housing did not work, whereas now if you go to any of the large conurbations of public housing, most people do not work. So that is the big social challenge for us going forward.

It is not that difficult to lift the physical infrastructure of these areas, but it is when you change the social fabric, when you in fact offer the people the opportunity to get training, to get employment, to get education that you profoundly change the way those suburbs work. So if you think about Corio-Norlane, you are driving into Geelong, past the waterslide there, everything to the left and everything to the right is basically all public housing; that whole area in there is a massive area of public housing. We have put \$40 million into there in terms of lifting the physical infrastructure, and we have now put in place other aspects of urban renewal to start to get employment in there and to start to get community hubs in there. The generation of community interest and activity there has been quite phenomenal.

I was down there three weeks ago. They have taken over one of the Commonwealth Games demountables. That has now become a community facility, a place for people to meet, and a place for the neighbourhood renewal staff to work from in the community. They are a huge success story right across not only metropolitan Melbourne but particularly also in country Victoria.

Those areas and places like Kangaroo Flat and Wendouree West are terrific examples of where you would often go to some of those public housing areas and see there was not a shop or local convenience store to be found. We have a great example of where we in fact reopened the local milk bar and put within the complex some computer and

internet facilities so that kids could come to the milk bar after school and be casually supervised by the milk bar staff while doing their homework and so forth next door.

Also located on the site is a men's shed to enable blokes who have been unemployed or out of mainstream activity, to get themselves engaged in the men's shed activities. So we have this sort of hub that has been developed and a whole lot of local people have been employed in the milk bar. That is a sensational outcome for that community. In a broader sense that is what neighbourhood renewal does: it is about renewing in every sense the fabric of the community.

I am a huge fan of neighbourhood renewal. We support these projects. They are long-term projects. All of the commitments are in the order of eight years, and that is a big commitment by any government going forward. But if you go to some of those places now, compared to what they were before, you will see they truly are renewal, and they are sustainable renewal going forward.

**Dr SYKES** — Minister, I refer you to budget paper 3, page 116, and the output under the heading relating to the average waiting time for public rental housing for those clients who have received early housing allocation, which are those families at risk of recurring homelessness, coping with a disability, or have special housing needs. It is the third one down, I think.

Budget measures apparently show a steady increase in waiting times from an average, as I understand it, of 3.7 months in 2001–02 through to 6.4 months in 2005–06; and the waiting time for 07–08 is 6 months and the target for 08–09 is 6.1. I have noted your comments on increasing pressure on housing and the activity the government is undertaking in general. Do you have plans to lower the waiting time for this group; if so, what is the target; and what additional measures would you implement to achieve this lower waiting time, keeping in mind that this group is particularly vulnerable?

**Mr WYNNE** — Certainly. You would be aware of the Disability Housing Trust. We have just amalgamated three organisations together. I know I will get these wrong, and I will be flogged for this because the chair of it is my former boss, Brian Howe. It is Disability Housing trust, Singleton Equity Housing and Supported Housing Ltd, and it is chaired by my former boss, Brian Howe. These include a registered housing association. These three have come together and combined their resources to enable, as their new name suggests. I think they are calling themselves or rebranding themselves as Housing Choices Australia.

We just launched them last week. Naturally enough, Dr Sykes, their specific area of interest is people with a disability; they are — I think — going to do some really excellent work in this space. If you think about the fact that we are transferring across to those housing associations in the order of 500 properties by 30 June that would have been managed by those organisations, they get the titles of those at no consideration, so they have built an asset base of their own now, they have got access to the \$300 million leverage that comes off that.

I know, in talking to Brian, he is particularly interested in engaging the families who are often getting older and who are seeking to support a disabled person. They are saying, 'What does the future hold for my son or daughter going forward?'. Clearly often it is an older woman who is trying to support a child who might be getting into their 30s and 40s. What is this person's future going to look like? That is absolutely the space that Brian and the housing association are in, you will see a terrific amount of activity in that area starting to pick up on the incredible demand there is and the demand that we would all naturally respond to, of ensuring that a person with a disability has got decent, long-term accommodation options for them going forward.

**Dr SYKES** — Let me clarify: the waiting time has gone from 3.7 to 6, and you are saying pressure of housing plus growing demand — I presume as the baby boomer parents have a greater need — what is your target? It is sitting at six months at the moment. Are you proposing to bring it back down to 3.7 over the next couple of years?

**Mr WYNNE** — We are expecting to meet our target of six months in 2007–08.

**Dr SYKES** — That is just holding it.

**Mr WYNNE** — We think that the sort of propositions that Housing Choices are engaging in will be of assistance there, Bill. At this stage I can paint you the broad landscape of how that looks going forward, and I think that is going to make a big difference, because there is a big appetite and a strong recognition of the need. There is a

strong engagement, particularly with the carers and the families, but there is also a strong engagement with the broader philanthropic sector who want to be involved with this as well. I think there are good outcomes coming forward, Bill.

**The CHAIR** — And it varies throughout the state of course, as you described?

**Mr WYNNE** — Yes; of course.

**The CHAIR** — Two years in our area.

**Mr NOONAN** — Minister, I wanted to ask you about energy efficiency measures being taken as part of this budget. I wonder whether you can explain to me what you are doing as part of this budgetary process? I think you mentioned greywater and rainwater. If that is the extent of it, you might expand on that; but if there are broader implications out of what you are doing in that area, it would be useful for the committee to understand.

**Mr WYNNE** — We are doing some good work in terms of environmental sustainability. All of our new-built housing is appropriately energy rated — 5-star-plus energy rating, and that is what we have got to work towards. All of the projects that I have opened most recently — or many of the projects — have got rainwater tanks in them. A lot of them have got the solar panels on the roofs for hot water and correct orientation to the north in terms of passive solar access. That is just good, sound property development, I would have thought. In the future we have a responsibility to be leading the way as public authorities.

If members are not aware of the K2 apartment block, I recommend it to you. It is in Windsor. We have got a 96-unit, environmentally sustainable development down there which has pretty much cleaned up every award you can think of. It is an absolutely cracker development, and it achieves 6 and 7-star greywater, third-pipe, black water — — you name it. It is doing everything that is right on the edge of environmental sustainability, and that is the way we want to lead going forward.

More generally, we have done about 13 600 upgrades of energy and water saving initiatives in public housing, so we are progressing through that. As I said, all new buildings have 5-star energy rating — 3075 dwellings have been done since 2001. The water saving projects that I indicated at Atherton Gardens is a terrific one as well. We are going to be looking to work more collaboratively with DSE around other projects that can make a difference to our public housing tenants more generally.

It is our responsibility; we are major builders. The government public housing authority is a major investor in housing, and we ought to be leading the way, not only in terms of our multi-unit developments, but more generally the provision of public housing and social housing.

**Mr BARBER** — Minister, over the last couple of years you have made an annual payment of over \$60 million a year to the Treasurer under an old arrangement we are familiar with, set up by Mr Stockdale.

**Mr WYNNE** — Yes.

**Mr BARBER** — It is a repayment of principal and interest to what used to be the Office of Housing — or the Housing Commission — debt.

**Mr WYNNE** — Yes.

**Mr BARBER** — I understand it is up for negotiation each year between yourself and the Treasurer, but is it a fair bet that it will be 60 million next year and ongoing? If it is at that rate, can you tell me how long it will take to finally get out from underneath these sharks?

**Mr WYNNE** — Sorry? Sharks?

**Mr BARBER** — Loan sharks; I think that is what you would call them.

**The CHAIR** — I am sure you are not referring to the officers of Department of Treasury and Finance in that way.

**Mr BARBER** — Thirdly, when I look at the budget papers and I see output group ‘Long Term Housing Assistance’, 230-odd million, is that before or after the 60 million?

**Mr WYNNE** — Thanks, Mr Barber, for your question. It is not 60; it is 50. It is \$50.5 million; that would be payment to the Treasurer — 50.5.

**Mr BARBER** — I am looking at note 24(d) from last year’s accounts.

**Mr WYNNE** — Fifty million is what I am — —

**Mr BARBER** — Whatever your advice.

**Mr WYNNE** — No, it is not my advice, it is what I am up for paying; I am not paying 60! It is 50.5.

**The CHAIR** — Answer, please, Minister.

**Mr WYNNE** — It is \$50.5 million, which you rightly portray as a scheduled payment to the Treasurer. It is a deed of debt assumption agreement between the director of housing and the Treasurer, to be paid in instalments every year — that 50.5. This year the adjustment was \$37.9 million, so we kept \$37.9 million and paid back 12 million. But every year it is different. I mean some years it is extinguished for the year; other years we have to pay a bit back. I do not know whether, Rob, you want to clarify this 60 figure?

**Mr BARBER** — Staff are going to advise you that \$60 million is the contingent liability, because you cannot be charged more than the amount of principal and interest that is due each year. But if you tell me you paid 50 million last year, I will take your word for it.

**Mr WYNNE** — I did not pay \$50 million. No, 37.9 we retained, and we paid whatever it is less than 50 — 12, or near enough.

**Mr JENKINS** — There is a formal agreement between the director of housing and the Treasurer, and the schedule to that agreement has got the \$60-odd million in it. The figure that is in our budget at the minute is 50.5, as the minister has indicated, and this current year we are paying 12.6, I think.

**Mr BARBER** — At that rate how long does it take to extinguish this debt?

**The CHAIR** — You might check with your actuary on this.

**Mr WYNNE** — No, that is an ongoing conversation that we have with the Treasurer each year.

**The CHAIR** — If you could provide additional advice, we would appreciate it.

**Mr PAKULA** — Minister, page 116 of budget paper 3 talks about long-term housing assistance measures. I am just wondering if you could give a little bit more information, and if you like, Minister, you could talk specifically about the Western Metropolitan Region. We are talking about what major public housing redevelopments are in the pipeline; what projects you might have, including, as I say, those in the western part of Melbourne.

**Dr SYKES** — Have you got notes on that one?

**Mr WYNNE** — Yes, I have got my notes on that one, of course I have. Where do you want me to start?

**Dr SYKES** — At the beginning, Minister.

**The CHAIR** — Dr Sykes would probably prefer you start at Benalla.

**Mr WYNNE** — Dr Sykes, where would you like me to start? Benalla?

**Dr SYKES** — That would be a lovely spot

**Mr WYNNE** — We know Benalla well, don’t we?

**Dr SYKES** — We do, it is a lovely area. A great place to live, work and a raise a family.

**Mr WYNNE** — I used to live there part-time. I did not raise a family there.

**Dr SYKES** — Come back and have another go.

**Mr WYNNE** — I was very happy there; I have very happy times in Benalla. The biggest redevelopment we are doing at the moment is the Carlton redevelopment. It is down to a short-list of five developers. As you know, it is a major walk-up estate, which is being progressively demolished. At the moment we would expect on advice to the director of housing, who is of course responsible for these tenders, to be in a position to announce that development in the next two or three months; I believe we are on schedule. But that will be, at this stage, the biggest public housing redevelopment that we will undertake. It will be closely followed by Richmond, which we will be commencing consultations and planning work with the community and the council in the next short while. That is the largest conurbation of high-rise public housing in the state — a really huge development opportunity there.

Then we get to smaller redevelopment opportunities, and to, for Mr Pakula, the Braybrook–Maidstone area, which of course you are extremely familiar with. We have got a large redevelopment proposition on those broadacre estates in the order of 1200 units. So that is a massive project there. I talked about Corio–Norlane earlier — again, a massive project. At Shepparton, where the shadow minister is, there are 84 units of housing there; Wodonga, 79 units; Kensington, which as we know is just about complete now, 900 units — that is a huge development over there.

We are busy right across the state. As I indicated, we want to really look at both redevelopments and particularly neighbourhood renewal projects. I was up in Horsham last week. We were very much welcomed by the community, with the upper house member, Jaala Pulford, with a \$1.8 million community engagement project up there. There is tremendous energy up there around it. We are very keen to continue those investments right across the state. These are big projects. Carlton is a huge project. Richmond will be a huge project, and others going forward.

**Mr DALLA-RIVA** — Minister, in your presentation you had on the first page, ‘Growing social housing and making it better’.

**Mr WYNNE** — Yes.

**Mr DALLA-RIVA** — In terms of the 201.3 million to buy and build 1030 properties, I understand that you have indicated a number of times that you will be transferring, I think it is, 500 properties from public housing to the associations. Is that correct?

**Mr WYNNE** — Yes — the titles.

**Mr DALLA-RIVA** — I understand that when it was initially set up there was not going to be any large-scale transfers of stock from public housing to associations. There seems to be a change in policy in respect of that.

**Mr WYNNE** — Yes.

**Mr DALLA-RIVA** — How does that impact on the budget and the forward estimates with this sort of changing from it being public housing to housing associations, and has that been a policy change that is not reflected in the budget? Or is it something that is reflected in the budget, and, if so, what impact?

**Mr WYNNE** — It is a very good question, because you point to a potential inconsistency — it is not. These are properties that have been managed by those associations through the director of housing for significant lengths of time in all of those circumstances. There is a differentiation that needs to be had between the direct provision of public housing, which is the responsibility of the director of housing. So if implicit in your question is whether we are going to be transferring direct public housing stock over to housing associations through that transfer of the 500, the answer is no. These are properties that have been administered — some of them quite long term — by these housing associations. So it is not a change in policy.

**Mr DALLA-RIVA** — Is there any property transfer?

**Mr WYNNE** — Absolutely, the title is transferred.

**Mr DALLA-RIVA** — Are you paying land tax? Are you paying stamp duty, I should have said?

**Mr WYNNE** — They are being transferred at no consideration.

**Ms THORN** — And it has a negligible impact.

**Mr WYNNE** — Perhaps that could assist me with the Treasurer.

**The CHAIR** — That might actually be a subsidy.

**Mr WYNNE** — That is a cunning plan.

**Mr RICH-PHILLIPS** — He would assess them at market value.

**Mr WYNNE** — Why didn't you think of that?

**The CHAIR** — There might be some revenue forgone there, Minister, which might actually land you in more trouble.

**Mr WYNNE** — As the director of Housing reminds me, they are charities as well; they have got charitable status.

**The CHAIR** — That is revenue forgone, which I am sure the Treasurer has taken into account.

**Mr WYNNE** — I am sure he has.

**The CHAIR** — Minister, thank you for the presentation on the housing portfolio, and I thank the departmental staff for their attendance and assistance.

**Witnesses withdrew.**

## **Transcript of evidence**

### **4.4 Mental Health portfolio**

# VERIFIED TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2008–09

Melbourne — 22 May 2008

#### Members

Mr G. Barber	Mr G. Rich-Phillips
Mr R. Dalla-Riva	Mr R. Scott
Ms J. Munt	Mr B. Stensholt
Mr W. Noonan	Dr W. Sykes
Mr M. Pakula	Mr K. Wells

Chair: Mr B. Stensholt  
Deputy Chair: Mr K. Wells

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Ms L. Neville, Minister for Mental Health,  
Ms F. Thorn, Secretary,  
Mr A. Hall, Executive Director, Financial and Corporate Services, and  
Ms G. Callister, Executive Director, Mental Health and Drugs, Department of Human Services.

**The CHAIR** — I again welcome the minister and welcome to the committee Ms Callister, executive director, mental health and drugs division of DHS. I call on the minister to give a brief presentation of not more than 5 minutes on the mental health portfolio.

**Overheads shown.**

**Ms NEVILLE** — Thank you, Chair. I will be taking people through mental health and drugs, as it is a combined division within my area of responsibilities. I will start with mental health. Over the last few budgets we have been investing in improving triage systems, building bed capacity as well as enhancing the capacity within our emergency departments to respond to mental health clients. This has started to see improvements in outcomes. For example, 74 per cent of mental health patients waited less than 8 hours in an emergency department, which is an improvement from 62 per cent in 04–05. Growth in presentations to emergency departments with mental health or related drug and alcohol problems in this financial year is also on track to be our lowest since 2000. The investments in things like short-stay beds in EDs for mental health patients, specialist mental health staff in our emergency departments and the capital program both in acute and community beds are all contributing to these performance improvements, as well as contributing to improving care for people who have a mental illness.

We move on to the challenges. What this slide indicates is some of the challenges that we have in relation to mental health. Firstly, it indicates clearly that there is a mismatch between the prevalence and the burden of disability and the way in which our resources are distributed in mental health. Currently spending by public mental health services is heavily directed towards adults, yet we know that 75 per cent of mental illness and substance abuse issues occur before the age of 25. It is mainly the result of a historical problem; as we deinstitutionalised that is the way that resource allocations were made.

Another problem is that our system remains very focused on acute and crisis responses and not enough effort in prevention and early intervention. Although we have commenced investment in those areas — things like the youth early psychosis program, conduct disorder et cetera — the process of investment in services that are focused on intervening earlier is required. It is also difficult for people to understand how to actually access the system and what the appropriate services are that might meet their individual mental health needs. Also the capacity of other parts of our service system to respond to people with a mental illness is still limited, whether that is child protection, housing, corrections, drug and alcohol. That is despite the fact that people with a mental illness are overrepresented in that service system. We need better linkages between our primary care system, especially GPs, and the specialist system to ensure the continuum of care for people experiencing a mental illness.

In order to meet these challenges and ensure that we are able to reduce the burden of mental illness on the community and on the individual it is essential that we reconfigure, or refocus, our mental health system. We know from the work that the government has done that just investing in more of the same, or more money in doing exactly what we are currently doing, will not create greater access or improve outcomes. I have recently released a green paper, *Because Mental Health Matters*, which sets out a direction for change and seeks input from community professionals in the field, consumers and carers. It is focused around seven strategic areas, which I will not go through, that are listed there — prevention, children, youth and families, for example. The final strategy will be released later in the year. It will have a strong focus on a system that can intervene early in life, early in illness and early in an episode.

This budget provides \$128 million to both enhance the capacity of the current system as well as seeding reform. The budget has a strong focus on improving access and referral pathways, redesigning and expanding our children, youth and family service system, new approaches to supporting housing needs for people with a mental illness, and it also continues our capital program. This slide indicates some of the initiatives, such as the new 24 hours, seven day a week community information and referral service, our new supportive housing model and the statewide provision of a perinatal depression screening program.

If I can move onto drugs, we have made a significant investment in drugs and alcohol issues. In fact, since 1999 over \$490 million has been invested, and this budget continues our commitment but also provides additional money to address the issue of alcohol misuse. Our investment since 1999–2000 has seen us almost double the number of drug treatment beds as well as reduce waiting times for counselling and drug treatment. We have also improved access to services with a 33 per cent increase in the number of clients. It has also enabled an enhanced focus on prevention activities to reduce the uptake of illicit drugs and reduce the misuse of legal drugs like alcohol. During this financial year, for example, a successful Ice — It's a dirty drug campaign was undertaken, targeted at

15 to 25-year-olds. We, of course, need to be constantly vigilant and able to respond to ongoing and emerging problems. Some of the particular challenges relate to binge drinking, especially amongst young people, and increasing levels of poly drug use. We know that about 64 per cent of 18 to 24-year-olds binge drink and 32 per cent of 14 to 17-year-olds are binge drinking, and we have also seen increases in alcohol-related hospital admissions, ED presentations, assaults and unfortunately also alcohol-related deaths.

The budget provides \$37.2 million to support the initiatives that are outlined in the alcohol action plan, which is focused on preventing and reducing the harms of alcohol through changing community attitudes and behaviours, clear rules for responsible use and sale of alcohol, and measures to improve enforcement and safety. Some of the specific measures include online and telephone screening, which has shown — in fact, you might have seen recently some research on this — to be extremely effective in reducing harms, short intervention treatments, community-based alcohol education programs, access to family-based counselling services for young people, capacity-building for GPs, new rehabilitation treatment options and a community awareness campaign. There are initiatives that sit within the Department of Justice around the liquor licensing compliance unit and also some non-budget items like the late-night entry restrictions and the 12 month freeze on liquor licensing.

**The CHAIR** — Thank you very much, Minister. Certainly I appreciate today's announcement that the police are going to look at extending the 24-hour restrictions to Glenferrie Rd in Hawthorn, which is not too far from my area.

**Mr SCOTT** — Minister, in your handout you outline the mental health reform strategy briefly, and I understand on pages 309 to 312 of budget paper 3 there are a number of mental health initiatives related to this matter. Can I ask what progress is being made on the development of a new Victorian mental health reform strategy, particularly relating to this budget?

**Ms NEVILLE** — As you have indicated, the budget does talk about — and as I just spoke about briefly in the presentation — the need to reform, and we have commenced that process in this budget. We provide the funding to do that reform. The green paper that I released, *Because Mental Health Matters*, does set out a clear direction for service development and improvement across the spectrum from prevention and early intervention through to recovery and support. It also proposes a range of specific reforms to the way we plan, coordinate and deliver support for Victorians with mental health problems. The paper is a reflection of intensive consultation over the last few months with key stakeholders and an extensive internal whole-of-government process. Following a further period of consultation over the next three months I hope that we will be able to release the final strategy at the end of 2008. It will take a whole-of-government approach to mental health and guide reform and investment over the next 5 to 10 years.

Key changes that are being pursued through the strategy are a broader whole of population response to the spectrum of mental health and illness; a less acute-oriented system that relies on people being in crisis and being acutely unwell before providing intervention; a greater emphasis on earlier support, as I said before, in life, particularly in childhood and adolescence and in the development of a disorder and also in illness and episode; also a more networked capacity across sectors, as I spoke about before, in primary care and acute sectors, to provide support and foster social participation; and an organised targeted effort to prevent mental health problems and reduce the prevalence of disorders. The budget announcement provides a concrete response to this policy context, allocating, of the 128 million, around 76 million as part of our total investment to particularly focus on initiatives that seed reform that are talked about in *Because Mental Health Matters*. There is also money to provide essential infrastructure to support that reform.

The reform is about rebalancing the mental health system towards earlier intervention and supporting recovery within an integrated community-based system. Recovery, stronger support for children, stronger support for young people and families and improved responses for people with complex health and social needs are very much major themes of this reform package. Initiatives in the budget that have been selected for early commencement because they address the most significant risks and gaps in current service delivery models and/or trial new service delivery models where there is considerable lead time required to get them up and running are what is the focus of this budget — for example, and I touched briefly on this, in order to improve and streamline access and ensure appropriate referral pathways to mental health care and support, we are establishing a 24-hour, seven days, mental health telephone line. That will be statewide.

In conjunction with this we will also be enhancing specialist mental health triage services in metropolitan and regional areas. We are also redesigning and expanding services to children, young people and families: \$16.8 million over the next four years through a redesign of the child and youth platform. This is about testing ways of delivering age-appropriate programs and we will also be enhancing our support to families where a parent has a mental illness, substance abuse problem and particularly those families that are engaged with our Child FIRST services.

We also trialling a new approach to supporting people with a mental illness in community housing: \$8.7 million over four years through a new model which provides intensive, on-site support to assist people to achieve stability in accommodation and through additional funding to the psychiatric disability rehabilitation and support services sector to support people who require intensive and sustained psychological and clinical outreach to live in various types of independent accommodation.

Funding has also been provided to address increased complexity and demand pressure in public hospital mental health services with further support provided for paediatric eating disorders at the Royal Children's Hospital, Southern Health and Austin Health. The budget also delivers on our commitments to continue to build prevention and recovery care services and bring some of those into operation. The capital will provide 30 new beds in three community-based facilities affiliated with Monash, Maroondah and also Peninsula hospitals, which completes our election commitment of 70 new PARC beds in Victoria. This is a comprehensive package that continues to deliver on our election commitments but also begins the process of what will be significant reform, which I believe will deliver much better outcomes to people with or at risk of developing a mental illness.

**The CHAIR** — Thank you, Minister. That is a certainly a big improvement.

**Dr SYKES** — Minister, my question relates to access to mental health services, and the general issue is the relationship between government commitment to increasing delivery of mental health services and increased funding but little apparent change in performance indicators, and I refer particularly to pages 91 and 92 of budget paper 3. While people are getting their minds around that because I am going to come back to the detail of those performance indicators, I just want to touch on a specific example of the need that is out there and the need to have the policy commitment backed up with money and people on the ground, and I am talking about the drought. Unfortunately we are in our 11th year of drought and it is hurting like hell. Even the most financially and emotionally robust people are crumbling; they are very fragile and they just say they cannot go through another year. We have a very good person in our area called Ivan Lister, an outreach worker, and people think he is God because he is their lifeline. He has saved a large number of lives because he can connect with people that are hurting. He goes to their kitchen table, he wins their confidence and connects them with support people.

Last Saturday we actually had an art exhibition opening where Ivan displayed another talent he has of creating art objects out of farm junk. The people that were there were many of his clients and they were there because they love him, and they were there because he is their lifeline. In talking with me their eyes were begging me to say, 'Bill, can you please ensure that Ivan is going to be around full time next year'. The problem is that some of Ivan's funding cuts out 30 June so I am making a plea to you: I am passing on that beg that they begged to me, please ensure that Ivan and other like workers are given an ongoing commitment. Can you perhaps answer me on that now?

**Ms NEVILLE** — Yes. There is no question that the drought has impacted and is impacting on communities across Victoria, and is having an impact on the mental health and wellbeing of those communities. That is why a number of programs have been put in place one of which supports Ivan. The programs include the Sustaining Community Wellbeing program where I think in fact his funding might come from which sits under the community services portfolio. Last year we announced this as a sort of trial to see how this worked. The mental health intervention teams were also funded and there is also money for supporting communities to tackle rural poverty. These provided a number of things. Some of them provided direct service delivery, some of it was about secondary consultation, some of it was about training to skill up the broader community and service sector as well to actually be able to respond better to the ongoing needs of communities that were affected by drought. Of course in that there has also been funding for things like the Looking Out for Your Neighbour program with the VFF, which is a really good program, which again is trying to build capacity amongst the broader community to provide support for members of the community who might otherwise be isolated and might not actually be able to seek out services. There has also been great programs like the Mental Health First Aid program, building up capacity in

community and other service sector areas to again ensure that the whole community takes some responsibility and has some capacity to respond to each other because often the local community is the best place to do that.

As you know, the government has also recently announced the Future Farming strategy and the document as part of that. It is a new environment that we are working in in terms of the Future Farming strategy which is trying to look long term at the sustainability of farming as well as the sustainability of the communities that develop around farming in many of our rural communities. This strategy includes and also is focused on improving the health and wellbeing of Victorian farmers. Some of the initiatives are about assisting farmers to make long-term decisions, some of it is about supporting the physical, mental health and wellbeing of 500 particular families as well. There will be some case management part components of that as well. In the context of this and these new developments, some of which sit within the Department of Human Services but some also sit within the Department of Primary Industries, I am currently in the process of looking at the initiatives that we have in place to see what has been effective, and through some of our initiatives what have been some of the sustainable changes that we have seen in communities that we could then look at shifting and responding to in different ways.

We need to make sure our interventions are right, but we also need to make sure in this changed environment around Future Farming that we can best respond. I understand that technically that funding is running out for many on 30 June this year. For many of the councils in fact it will not be until about September. At the moment we are doing that evaluation and we are doing that evaluation in the context of Future Farming. I am very aware of the issue that you have raised — and you have also spoken to me about it. At the moment I am very aware of the time pressures around this, but I am also needing to make sure that the programs we have in place to support the health and wellbeing of rural communities are the right programs and targeted in the right way.

**Dr SYKES** — I close off on that by saying that the guy's performance is outstanding. The desperate need of the people is being met. Just to confirm, it is only about \$15 000, for heaven's sake, it is not millions; so please come back to me on that one. Just coming back to this broader issue of increased commitment or increased funding, when you look at the performance indicators on page — —

**The CHAIR** — You have asked your question on the drought, so I think we might — —

**Dr SYKES** — That was an example of the relationship between increased commitment, and that performance indicator is not change.

**The CHAIR** — If there is time, we can come back to your further question.

**Mr PAKULA** — Minister, during your presentation you touched on alcohol and drugs. Looking at pages 22 and 23, you talk about the alcohol action plan and \$37 million over four years. With that in mind, I am just wondering if you could take the committee to some more detail about the plan and what it is proposed to do to reduce the harm associated with the misuse of alcohol?

**Ms NEVILLE** — As the committee would be aware, late last year the Premier committed the government to a renewed focus and a renewed attention on what is undoubtedly one of the biggest social issues that is facing Victoria and Australia and particularly facing young people. If you would indulge me for a moment so I can take you through just very briefly, I suppose, why we needed to act in this area. What we have seen in Victoria each year are 24 700 inpatient hospital admissions as a result of alcohol; 4700 ambulance attendances in metropolitan Melbourne as a result of alcohol; 759 alcohol-related deaths, which include 57 road deaths that were alcohol related; and 10 000 to 15 000 people apprehended for public drunkenness. Also we have seen in the CDB an increase in assaults by 17.5 per cent in a 12-month period. Those statistics give you an idea of the level of alcohol-related harm that is occurring, and clearly it is unacceptable.

As a result of that the Premier established a task force which I chaired and on which I worked closely with the Minister for Health, the Minister for Corrections and for police, the Minister for Consumer Affairs and the Attorney-General. The work that we undertook was supported by an expert advisory group which had experience across health, policing and licensing. So it was a broad-ranging expert committee that provided advice to us on what some of the key priorities for action should be. They identified good practice strategies for addressing alcohol-related harm and provided comments on the draft alcohol action plan. I would like to thank them for the work that they put into that.

We launched in on 2 May the alcohol action plan. The budget provides the financial commitments behind it to deliver on some of the key priority areas for action. It is a five-year plan with the investment over the next four years. It is called *Restoring the Balance* because the emphasis of the document is on getting the balance right. In recognising that there are benefits that alcohol provides, that it is part of our social and community life, we also want to shift the balance a bit so that we can prevent and reduce the harms, particularly violence, road accidents and some of the chronic illness that is associated with alcohol. The plan contains some long-term measures to address the culture around binge drinking, education, prevention and early intervention treatment as well as some licensing and policing initiatives to address alcohol-related harms in our community. In addition *Restoring the Balance* also focuses on some short-term actions to try to address public safety and alcohol-fuelled violence that we are seeing particularly in the CBD of Melbourne. Those people would be aware, because they have had probably the most publicity, of the three-month trial of a 2.00 a.m. late-night entry declaration, which will cover the four local government areas of Port Phillip, Stonnington, Melbourne and Yarra, as well as a 12-month freeze on late-night liquor licences, after-1.00 a.m. licences, in those four municipalities. There will also be the establishment of a liquor licensing compliance directorate and some Safe Streets project work by Victoria Police.

In my area of responsibility, the budget areas focus on the community awareness campaign, providing \$4.3 million on that, looking particularly at the issues of risky drinking and the harm that can be caused. That will be particularly targeted around not just changing young people's behaviour but also working with parents on the risks associated with alcohol use and binge drinking. There is also money for early intervention and prevention initiatives and, as I mentioned, things like the online and telephone screening and the community-based alcohol education programs. There is also money, \$9.4 million, to provide support to GPs from trained alcohol-addiction specialists. There is also money for family-specific interventions and a new medium-intensive, community-based rehabilitation model. *Restoring the Balance* builds on a range of programs and initiatives that we already have in place, such as alcohol and drug education in our schools. There is an increase in the number of alcohol and drug treatment beds which, as I have said, has almost doubled; and there are the reforms we undertook in the Liquor Control Act as well as the Koori Youth Alcohol and Drug Healing Service. This is a whole-of-government strategy that will focus action right across government, reduce violence but in the long term reduce drinking behaviour in our community in Victoria.

**Mr RICH-PHILLIPS** — Minister, my question is on the same plan. To clarify, you mentioned a doubling of drug and alcohol treatment beds?

**Ms NEVILLE** — Yes.

**Mr RICH-PHILLIPS** — How many beds are delivered under this plan?

**Ms NEVILLE** — We have the new community rehabilitation program, and we want to see how that works. But a lot of our intervention in this area will be on the short interventions, which overseas experience shows are if not more successful than treatment beds, very successful at reducing risky levels of drinking. There is also the work with the GPs to improve their ability to respond to alcohol-related harms, particularly linking into new evidence around pharmacotherapy work in the area of alcohol. There is also the family therapeutic services and programs for young people, which work with young people and their families. Again overseas experience suggests that these are extremely effective at changing alcohol misuse amongst young people. There is also the online telephone screening program Again we have had, in fact just this week, one of the experts in this field talking about the success this has, particularly amongst young people, in reducing risky drinking behaviour. This is a package that has tried to invest in the things that we have had a look at, that we have had experts have a look at and advise us on as being the most effective ways of intervening in terms of somebody's alcohol problem.

**Mr RICH-PHILLIPS** — So the plan does not actually deliver? Treatment beds are not part of this plan?

**Ms NEVILLE** — Sorry, no; certainly, as I said, there is the community long-term rehabilitation, which will be for a particular targeted group, and again we will pilot that — whether that achieves more sustainable changes in someone's drinking patterns. But as I said, all the experience suggests that these other mechanisms are much more effective in reducing and treating alcohol problems in our community than just using the alcohol and drug beds.

**Mr RICH-PHILLIPS** — Do you have a figure for the beds that will be contained in that pilot aspect?

**Ms NEVILLE** — We can let you know.

**Mr RICH-PHILLIPS** — As to the funding of the program, this year there is \$6.4 million in the budget across presumably your department and Justice for the action plan. Can you tell us how much is funded through the drug and alcohol outputs?

**Ms NEVILLE** — That is what I was just going through then, the things that fall within my outputs.

**Mr RICH-PHILLIPS** — You mentioned the 4.3.

**Ms NEVILLE** — So \$4.3 million over the four years for the community awareness campaign, \$4.7 million for early intervention and prevention initiatives — that is all the online and telephone screening, the community-based alcohol education programs.

**Mr RICH-PHILLIPS** — That is also over four years?

**Ms NEVILLE** — Over four years, yes. There is \$9.4 million for support for GPs, the family-specific interventions, and that is over four years.

**Mr RICH-PHILLIPS** — And that is included in the drug treatment and rehabilitation output group for this year?

**Ms NEVILLE** — Yes, I think that is where it sits.

**The CHAIR** — This is on page 104, is it?

**Ms NEVILLE** — Yes, that is where it sits. The footnotes talk about that.

**Mr RICH-PHILLIPS** — There is only a \$2.6 million increase in that output group for this year. Does that indicate there are cutbacks in other programs in that output group for this year?

**Ms NEVILLE** — No, I think it sits in there. There will be some under drug prevention and control, which will be the community awareness area as well.

**Mr RICH-PHILLIPS** — Across the two you have an increase of \$3.6 million, but the funding you outline would suggest there is more than \$3.6 million for VAAP for this year. Has something else been cut back in order to fund for VAAP for this year?

**Ms NEVILLE** — Unless Alan knows, otherwise I will take it on notice. Can you just — —

**The CHAIR** — Let us take it on notice and you can give us a picture of the alcohol plan as it relates to the output and deliverables areas. Mr Hall, did you want to add something?

**Mr HALL** — Yes, the output price has a number of changes that are wrapped up in that, so there is some new money for initiatives, there is some money that is the impact of savings that have come in the efficient government process last year and so forth. There is indexation on the base, so we would need to unpack all of that.

**Mr RICH-PHILLIPS** — If you could do a reconciliation, that would be helpful.

**Ms NEVILLE** — If you look at page 84 of the budget papers, it shows that.

**The CHAIR** — We are looking at pages 22 and 23, which outline the alcohol action plan. If you could give us the details of where that extra funding fits in under the various outputs and deliverables.

**Ms NEVILLE** — If you look at the drug services output summary in DHS, so \$116 million to 123.9 million.

**Mr RICH-PHILLIPS** — Sorry, what page is that, Minister?

**Ms NEVILLE** — Page 84.

**Mr RICH-PHILLIPS** — That is not necessarily aligned with those other two output groups, drug prevention and drug treatment?

**Ms NEVILLE** — Then you have to look at what is included in the revised, which is indexation and all of that. But if you take against the budget, again 08–09 will have revised as well, but if you are against the 07–08 budget that is where it sits.

**Mr RICH-PHILLIPS** — Perhaps if we could get a reconciliation so we can separate out the program from the indexation.

**Ms NEVILLE** — Sure.

**The CHAIR** — Minister, I want to ask you about child and youth mental health, because we have an interest in that in our local area, particularly about some work in Box Hill and also in Camberwell. I am wondering what you have got on hand to basically improve services for children and young people with mental health disorders.

**Ms NEVILLE** — As you would have seen in the slides, the impact of mental illness and substance abuse issues is significant, with most of the onset of mental illness occurring before somebody is 25, so it has a serious impact potentially on the lives of children and adolescents.

This is a major focus for the government. This budget increases resources and seeds the development of new innovative services for children, young people and families. It is very central to the budget but it is also very central to our mental health strategy, which as I said before is very much about rebalancing our mental health system towards one that is much more able to intervene earlier, and in this case earlier in life, as well as support recovery. Recovery and stronger support for children and young people and families are very much underpinning themes of our whole reform process, as well as underpinning themes of our current budget. The reforms recognise the need for more widespread responses to mental health problems among children and young people, delivered as part of core services and within our communities, including early years services, schools, GPs; the need for greater capacity for specialist mental health care for those with severe and complex problems; and better supports for families and carers. The budget includes a package of initiatives that are aimed at improving these service responses.

As I indicated before, funding of around \$16 million has been announced to redesign and expand services for children, young people and families through the child and youth services redesign initiative and through enhancing the support to families where people have a mental illness. Children who live in a family where a parent has a mental illness are at a higher risk of developing a mental illness later in life, so being able to support the whole family, not just the parent who has a mental illness, is important in the prevention over the long term of the development of a mental illness amongst children and adolescents. Of course this funding of \$16 million builds on our budget of last year of just under \$60 million for child and adolescent mental health services and for Orygen Youth Health.

The child and youth services redesign initiative will test more effective ways of delivering age-appropriate services and evidence-based programs for children and young people under 25 years of age that remove some of the current barriers to early intervention and to continuity of care across service boundaries. These service developments, which will be trialled in one metropolitan and one regional area, will bring together services involved in the everyday lives of children, young people and families and build upon our CAMHS work.

The child and youth service redesign initiative will also expand the knowledge that we have gained through the CAMHS in schools, the conduct disorder program which we introduced in 2004. This program, which is already operating in 24 schools each term, is a multi-level, early intervention program for primary school children and is proving to be extremely successful in changing behavioural problems in prep to grade 3 children. Enhanced family support will provide vulnerable families and at-risk children where a parent has a mental illness with the expansion of our FaPMI program, but will also have a particular target of families who are in the Child FIRST platform.

As I indicated earlier, the budget also expands our eating disorder responses and enables our paediatric response to be expanded in the Royal Children's, Southern Health and Austin Health. This builds on the trial that we have currently, the day program, at Southern Health which is also at the moment suggestive of being a very important new additional service in our service system. Just out of interest there is also money in the Department of Education and Early Childhood Development area which is about building student wellbeing and support services. Some of our initiatives will be able to work in conjunction with those new initiatives which will see some additional 70 new student support officers being placed in schools to assist students who have particular mental

health and life adjustment difficulties. There is significant investment and work in expanding our response to children and young people and to families. The mental health strategy will have this as a central focus so that as we move forward we are able to get a better match between the level of disability burden and the resources that we provide to children and young people in supporting their mental health and wellbeing.

**The CHAIR** — We have the Festival for Healthy Living in our area, which is ongoing. It is a one or two-year program, and there has been a marvellous response from schools in terms of creating awareness in a community-based way of the difficulties people are faced with in mental health and accepting that that is a part of normal living. I commend that particular program and the support that has been given to it, particularly through the Royal Children's Hospital.

**Mr DALLA-RIVA** — You mentioned earlier the issue of alcohol consumption and the amount of drug offences. Do you support the offence of public drunkenness, or do you see that as being a social issue?

**The CHAIR** — Is this an estimates question?

**Ms NEVILLE** — It is not really in the estimates. I spoke about some of the figures which said that there were about 10 000 to 15 000 people who were picked up on charges of public drunkenness. I think what our action plan is about and where our focus needs to be is on trying to turn around our culture around drinking. That is a really significant challenge for us here but also a challenge across the country. The figures are pretty extraordinary and astounding, and we need to put our energies into that end of the system. What we also know at the moment is that — which is why some of the initiatives that sit within DOJ are included in the whole-of-government response — alcohol at the moment has social health harms but there has also been an incredible increase in the rate of assaults and therefore a reduction in the sense of safety on our streets in Melbourne's CBD. That is concentrated between Friday night and Sunday morning; so it is Friday night, Saturday morning et cetera.

What contributes to that, or what the police will say to you, is that you have both perpetrators and victims of violence, large numbers of them all together. Something like 47 per cent of perpetrators of violence are alcohol-affected, and I think it is 43 per cent of victims of violence are alcohol-affected. We have got this sort of combination in the street. I think we need to continue a very strong licensing focus, a very strong policing response to ensure our young people who are out on Friday, Saturday nights can do so safely, as well as really focus our attention on changing the way that we see alcohol in our communities and within our families.

**Mr DALLA-RIVA** — And keep arresting them if they are drunk in a public place, I gather?

**Mr PAKULA** — We might ask you what you think of alcopops.

**Mr DALLA-RIVA** — It must be my old police hat!

**Mr BARBER** — The question was if you are drunk and not violent, should you be arrested for it?

**Mr DALLA-RIVA** — I thank you for your very long answer; I thought it would be short. I just want to get to the question of the pre-emptive strike on ice, which I think was announced last February — the \$14 million funding that was allocated. I asked a question on notice, no. 790, to which you responded. I asked in particular about how much of the \$14 million had been spent at present. You indicated 'Spending on drug prevention programs and treatment services will be reported in the budget papers'. I asked how much had been spent on initiatives or programs. You said along the same lines, about spending on drugs. I asked in question 5, 'How much funding is unallocated at present for the government's pre-emptive strike?'. You said, 'All funding has been allocated'. In terms of budget paper 3, drug service delivery, I am trying to work out where the \$14 million that has been committed is allocated in the forward estimates. What measure is there in relation to ice, given that there was a significant amount of money for that program? I know you indicated that ice was a dirty drug, which I think many people have heard — it is a good advertisement, I must say. I guess I am trying to get a measure in the forward estimates in terms of the money allocation, where it is going and in terms of the quality outcomes, and how successful it has been.

**The CHAIR** — It is a very long question and we have basically run out a time. Unless you can answer that very quickly, Minister, we will take it on notice.

**Ms NEVILLE** — I do not think I can do it quickly. That is the only problem.

**The CHAIR** — We will take that one on notice.

**Mr DALLA-RIVA** — Do not refer to the next year's budget, that is all.

**The CHAIR** — I thank the officers for that. I know Mr Barber is very keen to get on to the senior citizens portfolio.

**Witnesses withdrew.**