VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2010–11

Melbourne — 19 May 2010

Members

Mr R. Dalla-Riva	Mr G. Rich-Phillips
Ms J. Graley	Mr R. Scott
Ms J. Huppert	Mr B. Stensholt
Mr W. Noonan	Dr W. Sykes
Ms S. Pennicuik	Mr K. Wells

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

Staff

Executive Officer: Ms V. Cheong

Witnesses

Ms L. Neville, Minister for Senior Victorians, and

Mr J. MacIsaac, Executive Director, People and Communities, Department of Planning and Community Development; and

Ms F. Thorn, Secretary, and

Dr C. Brook, Executive Director, Wellbeing and Integrated Care and Ageing, Department of Health; and

Ms J. Herington, Director, Aged Care Branch, Department of Human Services.

The CHAIR — I now welcome Mr James MacIsaac, executive director, people and communities, Department for Planning and Community Development and Ms Jane Herington, director, aged care branch, Department of Human Services. I thank Mr De Carlo for his assistance. I also welcome Dr Chris Brook, executive director, wellbeing and integrated care and ageing, Department of Health.

Minister, I call on you 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 senior Victorians portfolio.

Ms NEVILLE — I will try to keep my comments brief. I will focus on some of the achievements and emerging challenges and how the budget will address those.

We have the three in a sense priority areas in relation to what we know contributes to the longevity and wellbeing of older Victorians. Our priorities are how we focus on health and wellbeing and how do we ensure that we have age-friendly communities as we have an ageing population. We have a lot to celebrate in Australia and in Victoria in terms of the long life we have, but obviously we want to make sure that people are able to enjoy and participate fully over their whole lifetime in their communities. How do we ensure that we are encouraging people to be productive and participate more fully in their communities and lives?

The total budget in 2010–11 will now be over $1.2 billion in the seniors area — again, spread across aged and home care, senior services and also the Department of Planning and Community Development. The split is 1.238 of money is allocated to the Department of Health, $6.9 million to the Office of Senior Victorians in the Department of Planning and Community Development.

In this budget, in terms of trying to meet the priorities around health and wellbeing, participation and independence, we continue to support those through a range of initiatives in this budget, particularly in relation to the additional funding we are contributing to HACC. HACC growth funding: $66.7 million over the five years. In the 2010–11 period alone we have committed $14.6 million, which will ensure a matching grant from the commonwealth. Of this, approximately $20 million is allocated to service growth.

A reflection of the success of the HACC program in Victoria is that the Victorian government will retain responsibility for jointly funding and managing HACC services for older people and younger people with disabilities and their carers. Every other state that has agreed to the recent health and aged-care reforms has agreed to transfer HACC responsibilities to the commonwealth. It is a unique agreement we have reached and it is a reflection of the particular strengths of the HACC system here in Victoria, given our additional contribution of funding and also the partnership we have with local government in the delivery of those services.

Very quickly, the budget provides funding for personal alert units over two years, an additional 1000. Previous funding enabled us to deliver 2000 personal alert units. There is funding to upgrade the Victorian Seniors Card website to really take us into the modern era in terms of access to information and services for those who use our Seniors Card program. There is $500 000 to sustain the men's sheds program. This has been an extremely successful program. We have another round to commence and some additional funding going forward for more men's sheds. There is the final stage of the Aged Care Land Bank commitment that we made as part of LFS and also $25.8 million to redevelop the Coleraine hospital; and of course the land tax exemption to extend land tax exemption for new residential aged-care during the construction phase. So this is all about trying to encourage further investment in residential aged care to meet the needs of a growing population.

The CHAIR — I think it also goes for residential villages as well, doesn't it?

Ms NEVILLE — That is right. Sorry, it does. Yes.

The CHAIR — Can you just take on notice for the committee to give us a table which shows the $45.3 million for senior Victorians and how it is broken up? It is a bit like a table for the committee for our report, because it is not reconciled anywhere else in the budget papers.

Ms NEVILLE — Okay. So that is across the two departments?

The CHAIR — Two departments, yes. Break it up into the components which you described or may be some other ones as well.

Ms NEVILLE — Okay. I am happy to do that.

Mr NOONAN — Minister, I just wanted to bring you back to the men's sheds, which I think you referenced as a very successful initiative and note of course in this budget there is an additional $500 000 of funding as part of that men's sheds program. I wonder whether you can tell the committee the purpose of the men's sheds and how they in particular support older men?

Ms NEVILLE — Men's sheds have been extremely successful in attracting particularly older men who often miss out on conventional health, employment, education and training initiatives. Certainly research into men's health has established that older men absolutely benefit from socialising, learning in settings that mainly comprise men and where they have a regular hands-on activity. That is really what men's sheds are about and where they have come from. They are making a very important contribution to local communities. I have noticed recently that the commonwealth government has announced some funding for some men's sheds as well, and I think the Tasmanian government similarly. So Victoria was the first in terms of establishing a men's shed program.

We know that men's sheds also play a very important role in drought-affected rural Victoria as a place for men who may be experiencing depression and isolation to engage back into health and other support initiatives. But men's shed programs really are for men of all ages and diverse backgrounds who might be experiencing difficulties because they are in transition periods of their lives: they have retired, they are unemployed, there has been an illness or the loss of a partner. So men's sheds can play a role in that as well.

In 2007 we provided $2 million to establish the new sheds across the state and in last year's budget an additional $2 million over another two-year period. Of course, as you have indicated, in this budget there is another $500 000 that will provide for the establishment of both more men's sheds but also support for what are growing networks of men's sheds as well, so that we can build their capacity to operate across communities and have a really strong network that is able to support individual men's sheds. Certainly they already do a lot of that in assisting a lot of those communities that want to set up a new men's shed that rely on some of those informal networks to get the information and support they need.

So through those three rounds of funding to date we have announced a total of 76 new men's sheds, and they are being established across the state. These new facilities are located in rural, regional and urban communities. For example, in Barwon-south western there are 10, in eastern metro, 4, Loddon Mallee, 12, and north and west metro, 11, so there is quite a significant spread of where these men's sheds are. Of course we have also had a significant investment in men's sheds in bushfire-affected areas; in fact 27 are located in the bushfire-affected areas.

So 19 per cent are located in populations of between 1000 and 10 000, again in some very small communities; 77 per cent in populations of 10 000 to 20 000; and then small numbers of those over 20 000. They are really supporting small communities, whether they are in metropolitan or regional and rural Victoria. As I said, we are the first state to set it up and it is good to see that the program is being picked up at a national level and by other states as well.

Mr RICH-PHILLIPS — Minister, I would like to take you back to HACC funding which you touched on in your presentation, and I ask, firstly, why is Victoria going it alone under the new commonwealth deal — that is, why is Victoria retaining apparent shared responsibility for HACC when the other states are handing it over to the commonwealth under that deal? What trade-offs or offsets has Victoria obtained in going down that path versus the approach being followed by other states? Can you confirm that local government will continue to have a role in the delivery of HACC services?

Ms NEVILLE — Sorry?

Mr RICH-PHILLIPS — Can you confirm the ongoing role of local government? Can you confirm under the new arrangements that there will be no cut to HACC funding to individual providers? Can you also provide the committee with a reconciliation of the funds received from the commonwealth and contributed by the state for HACC and where they are dispersed for, say, the current financial year and the new year to show the difference with the new arrangements?

The CHAIR — There is actually more than one question there, some of which may have to be taken on notice given the details.

Ms NEVILLE — This is, can I say, a great outcome for Victoria. It is a position that the Victorian government held very strongly when the issue of HACC was first raised by the commonwealth government 2 years or 18 months prior to the hospital and health reform program. The proposal would have seen a number of things, but it would have seen a split between HACC services for those people who are over 65. They would have become the responsibility of the commonwealth government. Those people under 65, so basically people with a disability, would have remained the responsibility of the state.

It would have actually also seen those clients who were in, for example, shared supported accommodation who, if they happen to be under 65, would be a state responsibility. If they turn 65, they become a commonwealth responsibility. We were always very concerned about making sure that any focus of reform was related to improvements in better coordination, better access to services, not about who administered and where it administered, not to create even greater opportunities for gaps in services. We were all heading with the commonwealth at that time for Direct2Care services and one access point arrangements for HACC and other aged-care services. We had already put in place a lot of changes in relation to how you achieve better access and we were concerned that you did not break that down.

Secondly, we were concerned that people with a disability were able to age in place, because often people with a disability also can be physically older because of their disability. So 65 became a very arbitrary cut-off point that might have seen people with a disability actually fall through the gap and we were particularly concerned about that in relation to accommodation.

In addition, local government was very concerned. Victoria is unique. Firstly, we contribute $60 million over and above what we are required to under the HACC agreement, so we already put in more. That, for example, funds things like the Royal District Nursing Service, which is a pretty critical service, not just to keep people at home; it has a great interaction with people in hospital as well. We also have I think it is estimated to be around $130 million that local government is contributing over and above.

Now this is unique; it does not work this way in other parts of the country. Individual local governments right across the state were very keen that we continue to maintain our management and control of HACC, and that remained a joint program between local, state and commonwealth. Organisations like the Royal District Nursing Service, et cetera were very strong advocates that the Victorian system was maintained and protected. That is really the position we took to the commonwealth. In the agreement the commonwealth really did acknowledge that we had a unique system here in Victoria and one that you would not want to see lost, that you would not want to see local government walk away from this, that local government were key partners and that they should continue to be. Really this is about saying the status quo continues, that the current arrangements that local government providers and other providers continue, that we will continue to put, which is what we did in the budget, our funding in and our growth contribution in, as will the commonwealth. On the ground this arrangement should continue to see status quo while we continue to build things like Direct2Care to improve access for individuals who rely on HACC services and make it easier.

Mr RICH-PHILLIPS — What were the offsets with the other states, given they have gone to a full commonwealth model and Victoria has not? What is the funding difference there?

Ms NEVILLE — They have, all along that 18-month, 2-year period, always supported doing it. We were the state that had a unique system. We supported, and we wanted to maintain it. The other states were very, very keen because basically they do not contribute like we do. They do not have a local government base for the commonwealth to take those services over. So, as I understand it, it was all part of and rolled into the whole hospital and health reform program.

Mr RICH-PHILLIPS — So the funding offset basically will be that Victoria continues to receive its commonwealth contribution.

Ms NEVILLE — That is right.

Mr RICH-PHILLIPS — And the other states will not receive their respective — —

Ms NEVILLE — That is right, the commonwealth will — —

Mr RICH-PHILLIPS — Paid to the states?

Ms NEVILLE — That is right.

Mr RICH-PHILLIPS — And funding levels will be maintained to each service?

Ms NEVILLE — We grow them every year. Existing arrangements will continue, and I announced recently the last lot of growth funding.

The CHAIR — I think it is growth of $26 million or something.

Ms NEVILLE — Twenty million dollars, I think I said, in 2010-11 is allocated to growth of those services, and indexation on top of that, so all of that continues.

Mr RICH-PHILLIPS — The other part of the question was whether you can provide a reconciliation, on notice obviously, of the revenue and the disbursements for the last year and the new year.

Ms NEVILLE — Yes, no problem.

Mr SCOTT — I refer the minister to the aged support services output on page 87 of budget paper 3. Can the minister inform the committee how the government is assisting, through the forward estimates period, frail, older people who live at home or in residential aged care to improve their wellbeing and independence?

Ms NEVILLE — As I have spoken about earlier, we know that seniors themselves value very much their independence; they value being able to live at home, live within their neighbourhoods, stay connected with family and friends for as long as possible as they get older. They have certainly told us — and we did some work when we have been looking at the development of an ageing framework — that they expect to be able to look after themselves for as long as possible; however, when support services are required they expect that they will be available and easily accessible.

There are a number of ways that the government supports older Victorians. I mentioned before the Personal Alert Victoria program. This is a personal monitoring and emergency response service for frail, older people and people with a disability. It plays a central role in providing reassurance for frail, older Victorians. We know that with an ageing population PAV is becoming increasingly important and popular with those at risk of falls or medical emergencies. In 2010-11 the Victorian government is providing an additional $1.2 million over two years. This will bring the total to be distributed to eligible Victorians in this coming financial year to 2000 additional units. In recognition of the value of this program to older people the Victorian government will have increased the funding from $3.8 million in 1999 to $11.2 million in 2010-11. The number of units have grown by over 200 per cent, from 8200 to now over 25 000 units, that are provided to frail, older Victorians.

The other program that assists particularly frail, older Victorians is the Homeshare program. This is one that is being auspiced by Wesley. We provide funding out of the HACC output for this program. It basically matches older, frail householders who are looking for help and companionship around the home with suitable people who are able to provide this assistance in return for affordable accommodation. We recently increased funding to this program, from $42 000 to $208 000, which has significantly increased the number of people who can participate.

Community registers is another way in which we are helping people feel secure and giving them confidence to be able to live on their own and stay in their local communities. The registers hold people's contacts and other information, such as emergency contacts and any medical risk. They are largely run with volunteers in partnership with local police stations. Certainly in situations of extreme weather conditions — heat waves, storms, floods — the registers will be able to provide information and tips to avoid heat stress. The funding that we provided last year has enabled the development of new registers as well as the expansion of existing ones. We want them to be available to assist people with a disability who live alone as well. Twenty-five new community registers have been funded: 13 in metro Melbourne and 12 in regional Victoria. Eight existing registers have received funding to include people with a disability.

We also run programs for those people who live in residential aged care to try to increase their independence as well. A particularly successful program called Well for Life is one of those. It is about improving the health, independence and wellbeing of residents of aged-care facilities. It improves their independence and functional ability by focusing on their nutritional needs and building strength, mobility, balance and aerobic fitness.

Another program is 'Count us in!', which is particularly targeted at connecting residents of public sector residential aged care with their local communities. It can be through technology — Facebook and some of those things — as well as more social inclusion, playgroup access and those sorts of things to get back into the community.

They are just some examples of some of the models that we are putting in place to assist frail older Victorians but also help maintain their independence.

The CHAIR — A clarification, Minister. The 25 additional community registers — has it been identified where they are going to go yet?

Ms NEVILLE — It has, so we can provide a list. I think I have it here but it would take me a while to go through it, so we can provide a list. There will be another round of that as well to enable some additional — —

The CHAIR — In 2012 or what?

Ms NEVILLE — No, this year — shortly.

The CHAIR — So they can apply?

Ms NEVILLE — Yes.

Ms PENNICUIK — Minister, you would be aware of the concern in the community about the withdrawal of federal funding from social workers providing care for mentally ill clients. This is in relation to seniors: I think under the new arrangements COAG is leaving the responsibility for critical mental health services to the state, whereas it will look after depression and anxiety separately, but then the commonwealth is also taking 100 per cent funding responsibility for all aged-care and primary health care services. So what we are wondering is: how does this work with aged-care clients who require critical mental health services given that our information is that a lot of senior Victorians who require critical mental health care services are getting them from social workers? It is concerning issue and a problem, if you could go that question.

Ms NEVILLE — Firstly, if we go back to what is really a mental health issue, certainly there have been some changes that the commonwealth has made in relation to social work. It is obviously concerning. There has been a lot of concern raised in the community, and that is going to be a matter that the commonwealth is going to need to resolve through their budget processes.

In terms of our mental health reform agenda, which I spoke about earlier, it is whole of life, whole of community and early intervention, as I said, whether it is community-based, whether it is things in schools to more acute-based services for those who have more severe mental illness — and that includes older Victorians. In the reform strategy we outline a sort of model of care that we would like to see implemented, which is an early intervention model of care for those older Victorians with more severe mental illness. The budget contains funding to start that process or to build on some of the work that has already been done and to expand the number of older Victorians who can access that.

Ms PENNICUIK — What is funding for that?

Ms NEVILLE — It was in the mental health one. I think it is $4.9 million over the four years for that.

In relation to the broader issue about mental health and primary health and the commonwealth reforms, mental health did not form part of the hospital and health reform program or changes. The only thing at this point that has been agreed in relation to mental health is that those primary mental health services that they already provide, things like Headspace and some of the primary mental health things that they provide — —

Ms THORN — Counselling.

Ms NEVILLE — The counselling through the Medicare items remains the commonwealth's, and they have a few community mental health programs as well. They continue to maintain that. Then there is an agreement that we will work on what is meant by primary mental health. Our view is probably that what they already have is primary mental health and nothing more than that, because we are trying to build an integrated system. We do not want to have a system that becomes difficult in terms of a seamless level of care, whether you are at a GP

level or right through. That work will happen by the end of this year, as I understand, and then next year there will be further work on whether there is any split in responsibilities around mental health.

What we have said in the mental health reform strategy and what we have also said to the commonwealth is what will be important, regardless of where the services sit, is how they interact: how do we, for example, use Headspace services and how do we make that easier? We can build on the Headspace platform, have more specialised children, youth and mental health services working out of there and drug and alcohol, and GP services so that you build a really strong platform for young people. One bit might be funded by the commonwealth and the other by the state. That is a great partnership. That is the sort of thing that we should be building, and they are the sort of discussions we will have with the commonwealth as we move forward.

The CHAIR — Thank you, Minister. That concludes the consideration of the budget estimates for the portfolios of community services, mental health and senior Victorians. I thank the minister and departmental officers for their attendance today. Where questions were taken on notice the committee will follow up with you in writing at a later date. The committee requests that a written response to those matters be provided within 30 days. Thank you, Minister, officials, committee and Hansard.

Witnesses withdrew.