

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2012–13

Melbourne — 17 May 2012

Members

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Ms J. Hennessy

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Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

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Witnesses

Ms M. Wooldridge, Minister for Community Services;

Ms G. Callister, Secretary,

Mr J. Higgins, Acting Executive Director, Corporate Services,

Ms C. Asquini, Executive Director, Children, Youth and Families, and

Mr A. Rogers, Executive Director, Disability Services, Department of Human Services.

**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — I welcome from the Department of Human Services, Ms Chris Asquini, executive director, children, youth and families, and Mr Arthur Rogers, executive director, disability services.

I now call on the minister to give a brief presentation of no more than 10 minutes on the more complex financial and performance information relating to the budget estimates for the community services portfolio.

Overheads shown.

Ms WOOLDRIDGE — Obviously this year's budget was a very important one for the community services portfolio, with significant investment in our response to vulnerable children. As I have said, we are trying to take a strategic approach with all that we do in relation to our work. One of the very important documents that I released last year articulates our vision for human services in Victoria, and I have already talked a little about it in the previous sessions this afternoon. It is what we are calling 'services connect', where we have a joined-up service model supporting people out of disadvantage.

The objective is to achieve better life outcomes, and we really want a personalised service that reflects the needs of the individual and the family, a much more holistic service that delivers the full range of services that are needed. And it takes a family approach, not just the individual. It looks at the individual in the context of the family, which can often be so critical for children, particularly if adults are accessing things like adult mental health services or adult family violence services. This combined with our DHS organisational review, where we are reorganising the department to reflect this more joined-up, holistic-type approach is absolutely critical and in many ways is the overarching framework for all the work that we are doing in DHS.

To the next slide, the DHS budget is nearly \$3.5 billion and about 1.2 billion of that goes to community sector organisations. We have 139 different activities that are funded over 961 funded agencies and 5932 agreements. As you can see, there is a huge number, and that is one of the issues going to the community sector reform that we have been talking about in relation to the work that we do and making sure that it is sustainable in the future. There is new funding of \$450 million over five years with some output funding and some asset funding making up the combination of those two. As you can see for disability services and the many services that we deliver there is obviously significant funding in there, as for children, youth and family, youth justice, our concessions and so on.

To get to the child protection package, this is \$336 million over five years. In conjunction with the investment we also released what we are calling *Victoria's Vulnerable Children — Our Shared Responsibility*, a key directions paper, because once again we wanted to put the context of our investment alongside our broader reform agenda. There are many changes that will be made that also do not require funding in addition to those that require funding. There is a long list there. I do not intend to go through them but just put it in the context of the investments that we are making covering a whole significant range of areas.

In terms of youth justice there is a significant capital investment in this budget that will combine with the investments that have made, particularly at Parkville — the youth justice centre there — and we have recently opened the single entry point, which was in response to some reports we had had about what was going in Parkville. But the capital investment will enable us to open new beds to deal with some of the issues we have had about the mixing of clients on remand and those sentenced, and some of the issues that were identified in the Ombudsman's report about the real challenges in the system. It will also further enhance facilities at Parkville, and there will be security upgrades across both facilities as part of this new capital investment.

The investment in disability, nearly \$50 million, is a combination of largely individual support packages, which continue to see Victoria as a leader in relation to the delivery of individualised care and support, but it also addresses issues of the fabric nature of primarily the disability houses that we have — group homes, CRUs and other facilities.

There is also an investment in relation to the NDIS, because I have got to say the strategic context of the NDIS is absolutely critical as we think about how you invest and reform disability services for the future. We are working with the commonwealth and with other states and territories in relation to leading that process and really trying to be a positive contributor to the process of realising an NDIS for Australians with a disability.

The concessions budget is \$647 million this year. That is an increase in the number of households. There are increased investments in concessions to pensioners and concession card holders, and — I am sure something we

will go into in a bit more detail — there is also the recognition of the impact of the federal carbon tax and a threshold introduction in relation to that federal carbon tax of the concession, so that we are not compensating individuals twice for the same expenses that they are incurring as a result of the increase in prices as a result of the carbon tax.

I will put that in context. Concessions are obviously an area that we have focused on significantly, with our announcement last year of the year-round electricity concession at 17.5 per cent, so I think it is important to note that there has been an increase of over \$230 million in our concessions programs over the two-year period — an 18 per cent increase on something that we think is an important contributor to the cost of living challenges that concession card holders are facing.

There are investments in a range of other areas. Supporting vulnerable people in emergencies has been an area, and it is part of the response to the bushfires royal commission. There is family violence, as we have talked about before. There are language services in a range of areas and some autism services in relation to the travelling teacher service in the Mansfield area. There is a range of other investments that we have made, but the bulk of the investment for this budget has been in response to the very pressing needs in the child protection and family services areas.

The CHAIR — Thank you, Minister. The remaining time for this hearing until 4.30 p.m. is available for questions on the community services portfolio. Minister, given the key growth and efficiency initiatives announced in the budget, can you please outline for the committee the likely impact of the budget on enhancing service delivery, promoting productivity and achieving efficiency gains within your portfolio? In responding could you also indicate how you intend to monitor the portfolio's effectiveness in maximising improvements in these areas?

Ms WOOLDRIDGE — Thank you very much for that question. As I have mentioned, and I am sure we will come back to it over the course of this hearing, what we want to invest in and what we are investing in here is the expansion of innovative approaches that will improve outcomes particularly for children and families but also for a broad range of vulnerable families. Our reform agenda recognises that we cannot continue to do what we have always done; we have to do it better. We need that sort of transformational change that is associated with our reform agenda so that we know that we can continue to respond to vulnerable families into the future.

Our directions paper, *Victoria's Vulnerable Children — Our Shared Responsibility*, outlined that need for connected services that respond to that broad range of needs. This ties in with the paper that we released last year, which articulated the case for change to get to those connected services — a more comprehensive, a more consistent and therefore a more effective response to vulnerability and to disadvantage. The investments in this budget take us along the path to achieve that. As with any change agenda it takes time, but we think we are well on the path with so many investments in this budget that achieve a much more joined up response as we strive to break down those barriers to an effective response.

One of the things we are funding in this budget is a comprehensive evaluation of our Services Connect model, so the pilots are under way in Dandenong and in Barwon-south western to see how we can actually do these services differently. We will be evaluating that model both for its effectiveness for clients but also to have a look at the transaction and service costs that are embedded in the current system — which is the silo-based system that we have got — and how we can reduce the costs and the inefficiencies to have a better outcome for the families and individuals but also a better financial outcome so that we have got more money to invest in those front-line services to be most effective.

Another significant area that we think will lead to much better outcomes is our comprehensive response to children and families in this budget. We have identified it under five key themes in relation to our response. We are looking to build effective and connected services — and that goes to the Services Connect — but it also goes to the heart of our child protection workforce reforms, which are funded at over \$50 million in this budget, about how we have a workforce that is capable, motivated and skilled to do the child protection work that they do, which is so important.

The second theme is enhancing education and building capacity. We have some good investments in early childhood services, but a critical part of that is actually going to be an exercise where we look at all those services we fund — from antenatal through to four-year-old services — and work out how they can be most

effectively delivered, because at the moment they are delivered across multiple departments that are perhaps not communicating with the other departments that are doing similar things for a similar group. How can we make sure our investments are actually maximising the investment and maximising the outcome for families and are most effective in the work that they do?

We are also seeking to build a child-friendly legal system, and our investment in a new Children's Court at Broadmeadows is going to be critical in terms of delivering that and will be used as a model to really trial some of these more child-friendly practices that we have identified in our key directions paper. Out-of-home care is a critical area. Young people who we know have experienced abuse and neglect end up in out-of-home care, and we need to do that much better to help them have the opportunity to get their lives back on track. We have significant investments, particularly in therapeutic out-of-home care, in relation to it. Finally, there is the issue of increasing accountability and transparency with the introduction of the new commission for children and young people and the oversight that commission will have in relation to the strategy we are going to do.

Once again we have a themed, strategic approach with a lot of initiatives that fit within it to make sure that we are going to help particularly young people who are vulnerable to get their lives back on track, to deal with the issues of abuse and neglect and to have a much more joined-up, effective response so that people can deal with the challenges and complexities that they face and get their lives back on track.

The CHAIR — Thank you, Minister. In a sense you have partially answered it, but I might ask you to just embellish on the impact on community stakeholders in terms of the initiatives you have outlined in your presentation and in your response to my principal question.

Ms WOOLDRIDGE — One of the things we try and characterise our work by is engagement with the community sector in relation to services — how to think strategically about what is best to do. So we have been very pleased but perhaps not surprised because the community sector has been instrumental in developing what we need to do going forward. But they have been incredibly pleased about both the government's response and our continued support for their role to be active, engaged and an important participant in the delivery, particularly of children, youth and family services but also disability services and the other things that we do. I have to say one very active worker in the sector described our response in this budget as beyond her wildest dreams, which I thought was absolutely lovely. We know there is a huge amount of work to do in this area. The \$336 million investment makes significant inroads, but there is a lot of work to be done.

Mr PAKULA — Minister, just stop me if any of my assumptions or understandings are wrong. We talked in your previous portfolio hearing about the restructure in DHS and what you described as the smashing of the silos. My understanding is that as part of that the disability services division will cease to operate as a single, stand-alone division. Is that right, for starters? The basis of my question is in regard to the NDIS being on its way. What precautions or plans will you put in place in the event of the disability services division ceasing to function as a separate division to ensure that experienced disability professionals are retained within the system with the NDIS coming on?

Ms WOOLDRIDGE — The NDIS is obviously, as I have mentioned, a critical and very important development that we are working to do everything that we can to achieve, and that will be critical. In terms of the structure, what the structure reflects is that individuals often do not experience one challenge, illness or disability in their lives; it is often combined with many others. In the context of the NDIS, for example, one of the things that Victoria advocated very strongly for in the process to the Productivity Commission is that enduring mental illness should also be considered under the banner of severe and profound disability. That was adopted by the Productivity Commission, and I believe that we contributed the advocacy for that to be included in the definition of what is eligible for support under an NDIS.

The fact that there is not a line that says 'disability services' actually reflects that many need a broader response than just that disability support, which is exactly what we are seeking to achieve with the new structure and with the way we are approaching it. There will be very strong disability capacity and skills in each of our areas delivering the disability services and working collaboratively with the other services. So we are retaining those skills and, as I have said, we are actually beefing up and putting greater skill capacity into our local areas to work with our local clients as a result of the change and the restructure.

In addition, a significant proportion of our disability funding actually goes directly into the community sector, some of which are specialist disability organisations, some of which offer a broader range of services, and all of that funding will actually continue to be provided. So I think that we will continue to work with a community sector that hopefully is actually better placed to deliver an NDIS. We will have skilled front-line capacity, very specifically with disability expertise, in each of our 17 areas, and our policy capacity is actually seriously beefed up in terms of the new structure because we have everyone working together and we have the best minds in the department all together working on those policy issues rather than in a very distributed way, which is the current structure. I think our structure places us very well for where we believe the NDIS will go and where we believe we are going to be most effective in service delivery.

Mr PAKULA — Just to follow up, you talked about the regions. I am wondering, and it might be too early for this, if there has been any conversation yet with the commonwealth about potentially hosting the NDIS in one of those regional areas — Geelong, for example, given it has already got the TAC?

Ms WOOLDRIDGE — We have been very clear, and in fact even prior to the election we said we wanted to be one of the launch sites — host the launch site and be part of the drive, because we do believe Victoria is very well placed with TAC and also with WorkSafe. We seconded TAC and WorkSafe officers into DPC in terms of being able to make sure we made the best response to the Productivity Commission and also our ongoing work with both ourselves and the commonwealth.

In terms of the launch sites, the challenge has been a lack of information, frankly, from the commonwealth in relation to the detail to this. We have been seeking to get that information through the select council and also through COAG, and it was not until last week's federal budget that we actually got any information at all in relation to what those launch sites looked like. They obviously vary. We had been doing some planning on the basis of the Productivity Commission's recommendations. The launch site model that the commonwealth has put up varies from that in that they are half the size. The other thing that was totally new to us was the funding expectations, both what the commonwealth was going to put on the table and if there was an expectation from the states, because the Productivity Commission of course recommended that the federal government fully fund it.

There have been discussions both at ministerial level and at departmental level since the federal budget, trying to clarify further what exactly are the expectations and what the process will be for the commonwealth in relation to how the launch sites will be determined. We continue to be very interested. We think we are exceptionally well placed. We will have to understand exactly their criteria in relation to it, but we think we have lots of areas that are well placed to do it. The biggest challenge of course is that there is a significant financial expectation from the commonwealth in relation to the states' contribution that diverges from the Productivity Commission recommendation, that we had no advance information about and that has come a week after our own budget.

Mr MORRIS — Minister, I want to refer to the Protecting Victoria's Vulnerable Children initiative, which is certainly front and centre in budget paper 3, pages 3 to 10. If I may be permitted a bit of editorial, can I say as a government member I was very pleased that one of the first actions of the incoming government was to establish the inquiry under Justice Cummins. I think it is a great report. Can I ask you to indicate to the committee how the initiatives and the considerable funding that are identified in pages 3 to 10 of BP 3 will assist in keeping vulnerable Victorian children safe?

Ms WOOLDRIDGE — Thank you for the editorialising, because one of the first actions that the government took was to establish the Protecting Victoria's Vulnerable Children Inquiry. It had been a commitment that we would do it in the context of two Ombudsman's reports which had highlighted a whole range of issues and crises in the child protection system. I was very pleased that we had a topnotch panel of Philip Cummins, former Supreme Court judge; Emeritus Professor Dorothy Scott, who is a leader in this country in relation to child protection; and of course Bill Scales, a former head of the Productivity Commission, as a combination who came together to work through the process. They did an incredible process over the course of the year and consulted widely, talked widely, received many submissions and really I think gave us a very thoughtful response in terms of their report about the challenges. It was 900 pages nearly and 90 recommendations, quite an agenda in relation to that. We of course tabled that in Parliament in February.

What we did at that time was made an immediate commitment to address some of the very pressing issues. There has clearly been some demand issues in Child FIRST, our early intervention family services. Why we keep talking about 336 million over five years is that there is a couple of million dollars that actually went to this year's budget, not next year's budget, to address the demand issues in relation to Child FIRST so we could get straight on with it. In addition we made commitments about our multidisciplinary centres, the centres to focus on sexual assault, and also about our child protection workers — an additional 42 workers. What that then developed into in terms of the budget is the \$336 million commitment, which incorporates that immediate response and a whole range of broader initiatives, plus the publication of our key directions, the *Our Shared Responsibility* document.

I have talked about the five themes, but there are also some key areas, the policy principles that they entail, which I think shape the way we respond. This idea of shared responsibility — that we actually need to think right across government, across the community sector, even the private sector and the philanthropic sector, in relation to the roles we all play about protecting vulnerable children. That is why the title *Our Shared Responsibility* is so important and sends the message that government has a critical role but actually everyone has a role in protecting vulnerable children, and that has informed our policy responses.

You will not be surprised to hear me talk about connected services as our second key policy principle. We were very pleased that a very clear message out of the Cummins report was that need to connect, which was obviously the work we had been doing, but it was reaffirmed in that process.

The third area that was very strong in that report was the capacity and the need to work in local areas to reflect local needs. In the report, with the publication of a lot of data, it was really highlighted, for example, that Gippsland and Loddon Mallee are two areas that have concentrations in relation to child protection clients and needs in relation to this area and that we need to have responses that enable us to reflect the local needs and the local community as well as have statewide responses accessible to everyone. Once again many of our responses, such as the fact that we are putting our multidisciplinary centres — there will be two in regional Victoria, one in Loddon Mallee and one in Gippsland. We are targeting areas where we know there is disadvantage particularly, and that has particular impact on vulnerable children, with our investment.

The combination of those three approaches — that everyone needs to be involved, and that is the whole of government and the community; connected services; and a localised response — then guides what has been significant investments.

I might just touch on a couple of the investments, and I am sure I will talk about some more later, that are new approaches or things that are different. In terms of the shared responsibility, we are actually introducing new zero-fee TAFE places for children in out-of-home care, transitioning out. That is the education system and the skills system working together with children in out-of-home care to help them build their skills and capabilities to get jobs and be economic participants of course. The new Children's Court by its very nature — what happens in court is absolutely fundamental to what happens in the DHS child protection workforce, and that will provide the innovation we need in terms of some of those changes. Those are some examples of having some localised services, more connected services. The whole of government is taking ownership and responsibility in relation to these issues.

Mr SCOTT — Minister, during last year's estimates hearing you stated in reference to child protection workers that they want more assistance and 'more supervision, more support and more training — so they can do this difficult job'. I would like to concentrate on the support element of that area. It has been mentioned in this hearing that we had previously thought that 500 jobs would be lost from the department, but if I understand correctly your previous answer, it is 500 from the measures announced prior to this budget and then additional job cuts.

Ms WOOLDRIDGE — No, that is not right.

Mr SCOTT — Okay, so it is 500.

Ms WOOLDRIDGE — Yes.

Mr SCOTT — Let us stick with 500 then. Will you guarantee that the 500 jobs that will be lost will not include the various support staff who currently do data entry to update child protection records, make

appointments, court dates, accommodation bookings, filing and other services to support the child protection workforce?

Ms WOOLDRIDGE — Thank you for that question. I know I will be talking more in future in relation to some of the workforce reforms, so I will not go through in full detail, but our new child protection operating model actually puts in a lot of support in a whole range of areas to enable our front-line workers to do the important job that they do. I can reassure you, though, that the CPW1s — child protection 1s — who do not work directly with clients but are part of the child protection workforce and do all those things you talked about are considered front line, so they will not be part of any of the VPS considerations. The CPW1s are maintained as an integral part because they support the CPW2s and 3s who do that front-line work with the families and they do the work that you outlined.

Mr SCOTT — As a follow-up, I request that you provide to the committee the breakdown of the number of workers related to the community services outputs who would be ceasing employment, whether by voluntary redundancies, involuntary or termination of fixed-term employment, and their classifications, because you have noted that certain classifications are considered front line and others. Clearly that work has already been undertaken, so if you could give that information as well to the committee.

The CHAIR — In relation to that, my recollection of the previous evidence was that there is still a decision-making matrix to go through to determine that decision, but it is up to the minister to respond.

Mr SCOTT — But there clearly have been some decisions made on the information which is available at this point.

The CHAIR — So the question is in relation to the decisions that have been made at this point — if we can have that clarified.

Ms WOOLDRIDGE — So both myself and the Premier have outlined in the Parliament previously — and I am happy to here — the front-line workers. We will just get that exact page. The front-line groups will not be affected, as we have committed. What is then going to happen, as I am sure my colleagues have said, is that this is a two-year process. It is a voluntary process, so it is impossible to tell you exactly where and at what classification people will be leaving the department. It will be determined on the basis of people who put up their hands in relation to these voluntary redundancies, and that will be the process that all government departments are going through in relation to it. I think it is impossible to provide the detail because it is not yet finalised, and there has been a detailed presentation already in relation to what is front line or not.

The CHAIR — Minister, just for clarity for the committee's purposes, essentially what Mr Scott is seeking is a snapshot of where we are today, given that what happens in the future happens in the future. You have advised the committee in effect that given that the redundancies are voluntary you actually have no template, to confirm that that is what you are saying — there is no actual model of how this is going to flow through?

Ms WOOLDRIDGE — I cannot tell you from one job position or another, because it will depend on the voluntary redundancies. Ms Callister is happy to answer in a bit more detail.

Ms CALLISTER — There are a number of classifications of staff who provide what we call front-line services, so if we work with members of the community and clients — child protection workers, housing services officers and many direct disability workers. Those classifications of staff — staff who go into disability homes on a daily basis on a roster and care for people, child protection workers are clear, I think, housing officers out in our regions — are all classifications of staff who are called front-line staff, and they are all exempt both from the reductions in staff and from the redundancy process because obviously they are front-line staff that are required. For staff who are part of the Victorian public service classification — so the VPS classification — it is more of a case-by-case basis in relation to the roles they perform and the nature of that role at a point in time in terms of whether they are replaced as they leave. Those staff, as I understand it, the redundancies will be available to them, and it will be a case then of how many people opt for those redundancies as to how we respond following that.

Mr ANGUS — Minister, I refer to the investment in self-directed support for Victorians with a disability as referred to in budget paper 3, pages 151 and 152. I note that the national disability insurance scheme is being touted as the reform of a generation, and I think that is readily agreed. I also note that you have touched on that

in your presentation as well as in an earlier response to Mr Pakula. The Victorian government has certainly been committed to the leadership role in driving that scheme, and that is highly commendable. Minister, can you advise the committee how this investment and other funding throughout the budget will be tailored to ensure that Victoria is best placed for the introduction of the national disability insurance scheme?

Ms WOOLDRIDGE — It really follows on from Mr Pakula's question, so I will elaborate beyond that rather than what I have already covered. But as I have said, we believe that this is an absolutely critical reform because of the increasing demand that we see and the challenge with budgetary constraints to be able to meet that demand, that need, that is both growing and also currently unmet. As the Productivity Commission said, the federal government is best placed and has the revenue base in order to deal with that.

One of the things I am very pleased with is that there are 11 building blocks in relation to developing the national disability insurance scheme. So there is the ongoing debate about funding and governance, but there are actually building blocks about how we make this scheme a reality, and Victoria is either leading or co-leading on the majority of those building blocks — things like common assessment tools, quality frameworks, the workforce and all of those sorts of things that we are working through as the building blocks. So we are taking a very proactive role in contributing to the thinking about how this scheme gets structured and delivered. There is a lot more to work through on that, but the work is well under way.

We also put in place an NDIS Implementation Taskforce led by Bryan Woodford, who has been doing some great work both in terms of providing us advice and also consulting more broadly with the disability sector — with people with a disability, with families and carers — to help inform us about Victoria's role in that. We are funding National Disability Services Victoria, the peak group, to help develop a plan for the industry. There was some good funding in last week's commonwealth budget to help to fund the sector to transition; we have already begun that work with NDS and we are continuing that work to make sure that they are well placed. The sector has the capacity, all those community organisations, to deal with what will be very challenging, to work under an insurance model. There is no doubt it is a very complex and significant social reform.

In this budget, in addition, we have invested in more ISPs — individual support packages. Victoria is well placed because we have actually had an individualised approach for 15 years; this has increased in recent years. We are putting another 400 ISPs in place in this budget. That means that people already have their own package and have choice in relation to how they utilise those services. This is not the case in other states. So as we expand that work we continue to be well placed in Victoria for an NDIS.

Lastly, there is an investment of \$900 000 to help the region and our capacity to be effective for a launch, to participate in that launch process, so that the clients are ready, so that the community organisations are ready and so that we as a state are NDIS ready. We have put money in the budget to invest so that we are well prepared to be an integral part of the NDIS as it evolves.

Obviously there was more information recently; that is going to be a challenge, particularly the funding arrangements. But we hope to continue to work collaboratively with the commonwealth and the other states to help make the NDIS a reality in a way that is sustainable and affordable for all of us and most effectively delivers the services for Victorians with a disability.

Ms HENNESSY — Minister, in last year's budget there were lots of references to the response and recovery from the 2010 and 2011 floods, and you in fact covered a lot of that in your presentation to this committee last year. But given that recovery efforts are still ongoing for those floods and that on Christmas Day the storms in Melbourne's north and west were significant — in fact, the insurance council has reported that they displaced more than double the number of people that the floods did — I was wondering if you could show us where in the budget we would find the funding outputs that support things like emergency relief grants and disaster response spending.

Ms WOOLDRIDGE — I will give some general statements. You are obviously looking for a page number, are you?

Ms HENNESSY — Yes, obviously a page, but also some information about what amounts have been allocated for disaster recovery spending as well as emergency relief grants.

Ms WOOLDRIDGE — The way that the emergency relief grants work is that there is obviously an emergency situation. If it is classified between us and the commonwealth government to be of significance, that then attracts commonwealth funding and we trigger our process as well in relation to both immediate response grants and the longer-term response grants. There is general funding for emergency relief services, but we generally cannot anticipate what sort of emergencies we are going to have or what funding that is going to be needed. So in terms of the forward estimates we have, we fund them as they occur and as it becomes obvious what is needed.

One of the things I am very pleased that in the last 12 months we have done is we have fundamentally restructured the way that those emergency relief grants are delivered and managed. Because there used to be — and I am going to get this number quite wrong — something like 24 different scales in terms of who got what, depending on a sliding income scale. We have massively simplified it so that there is a grant up-front of a consistent amount that everyone gets, and then a simplified approach, a three-tiered approach — depending on income; it is means tested — in terms of additional support. We have also massively simplified the process to apply for those grants and then to get them.

Next year's budget will not be anticipating what emergencies we will have and putting funding aside, but of course the ongoing funding for our emergency relief core services will be reflected there, and the government responds as needed, as does the commonwealth, as the emergencies arise.

Ms HENNESSY — Would you outline for us at least what might have been available then for those that were the subject of displacement from the Christmas floods? In terms of the actual outcomes, I suppose I am interested in where might we find the funding that would support recovery. Or is it that that funding is only ever triggered or accessed if and when the commonwealth deem it to be an emergency? If not, you go to the general kind of emergency relief funding source.

Ms WOOLDRIDGE — To answer your second one first, yes. It is responsive to the need. Once again, you do not know the extent of it, you do not know how many. In terms of the Christmas Day storm event, obvious that was very significant for the areas of Sydenham, Keilor, Eltham, Montmorency and other areas around as well. There was emergency relief assistance of \$480 per adult and \$240 per child, to a maximum of \$1200 per household, to cover emergency shelter, food and clothing. Then on 28 December the Minister for Police and Emergency Services activated the emergency re-establishment assistance payments, which is a payment up to \$30 000 to eligible households.

As of 10 May — pretty up to date — there have been 522 assistance payments made to a value of \$1.16 million, and that is comprised of emergency relief of nearly 400 000 and emergency re-establishment of just over \$760 000. That is a process where if people are eligible and they are affected, they get that support to be able to deal with it.

Mr O'BRIEN — I would like to ask you a question about the child protection workforce reform which is set out in budget paper 3, page 6, which discusses the government's investment in the child protection workforce. I think we would all have to say that it is one of the most challenging areas to work in, and at the same time we would acknowledge that those working in it have the potential to do a lot of good but for that reason it can be difficult retaining the workforce at the front-line position. These issues have occurred for a number of years. I am wondering, Minister, if you could please explain what this program initiative outlined at page 6 of the budget papers is, particularly how it will have a focus on more front-line staff to be recruited and retained.

Ms WOOLDRIDGE — As I said earlier about our community sector workforce, the child protection workers are amazing in terms of the work they do every day. Just last week in Ballarat both the Premier and I sat down with a group of child protection workers to hear directly from them in relation to their experiences, their challenges, and also the feedback on this model that we have funded in this budget. We understand that this may be the first time a Premier, in maybe nearly 15 years, has actually sat down with the front-line child protection workforce. They were very frank, I have got to say, as you would expect, as they always are, but it was incredibly well received and really important feedback to receive.

The child protection operating model invests more than \$50 million. This has been significantly achieved throughout the public sector EBA process and agreed separately. We are very pleased that the model we went in with is the model we are delivering, and we believe it is going to make a significant difference. What it is going

to do is put more practitioners with more experience working with young people and families. That is what we need. We have had significant issues with turnover, significant issues with a young, inexperienced workforce, and this will help child protection workers to stay, because one of the other things it does is it significantly revises their career structure so that instead of having a career structure that forces them into management roles, they can actually progress in their careers maintaining that front-line role, which says, 'We value you even in your senior roles — in fact very importantly in your senior roles — with the work you do directly with families'. What that also means is that those senior workers are working with the new workers and they have that support to do the difficult work.

The second element is that there is more support and supervision of the workforce with these senior workers on the front line, which will lead to, of course, better outcomes for children and young people. We will have new principal practitioners in every region of the state, which is a significant enhancement of our senior leadership in the child protection sector. There is also a revised pay structure and career structure that is associated with it.

We are incredibly positive about the operating model. We will of course work through challenges. Any time you change the structure of the workforce there are difficulties to be worked through, but I think the message from last week was, 'We want to do this together, we want to do this with the workforce to make sure we are hearing their feedback in the process'. It is interesting in terms of some of the indicators we use to measure what sort of impact we are having: already we have seen our vacancy rate for child protection 2 and 3 — they are our front-line workers — halved over the last 18 months.

So our vacancy rates are going down, our separation rates are going significantly down from well in the 20s to low teens now, and we are also seeing that in recent days we have had more children allocated to a child protection worker than we have ever had before. So we are keeping the staff we need, we are supporting them in their roles, we are keeping them on the front line, and we think this is going to be a very significant investment for vulnerable children and, importantly, for the workforce which does an incredible job on a day-to-day basis in often very difficult circumstances. We want them to keep doing that important work.

Mr PAKULA — Minister, I want to ask you about youth justice. Page 38 of the budget outlines some — —

Ms WOOLDRIDGE — BP 3?

Mr PAKULA — BP 3 shows a TEI of \$54.5 million for increasing capacity in infrastructure at youth justice centres over three years, and it is clear from the notes that that is in regard to more beds at Malmsbury — —

Ms WOOLDRIDGE — In addition to some other beds, yes.

Mr PAKULA — But primarily.

Ms WOOLDRIDGE — Primarily.

Mr PAKULA — The *Youth Parole Board and Youth Residential Board Annual Report 2010–11* has a snapshot survey of 149 males and 6 females in custody — this is young offenders — and it showed that 34 per cent presented with mental health issues, 28 per cent had a history of self-harm or suicidal ideation, and 88 per cent of cases had alcohol or drug use which related to their offending. I suppose my question is whether there is, in addition to the funds for capital — for infrastructure — funding for additional support services to rehabilitate young offenders who are dealing with drug or alcohol or mental health issues as well as funds to ensure that there are those transitional services that those young offenders need to help facilitate their safe release back into the community.

Ms WOOLDRIDGE — Thank you, and that is a really important issue. In fact, I have used the statistics many times because I have to say, and I am sorry to keep repeating myself — I am going to sound like a broken record — that for me is a classic example of why we got to have a comprehensive response on the range of issues for young people who, by their nature, are really our most vulnerable and disadvantaged young people. There is an investment of \$7.6 million over four years to provide drug and alcohol and health rehabilitation services for young people in the youth justice program through some better coordinated case management. This actually continues investment that had been in previous funding that was lapsing. Earlier in mental health I referred to putting on a secure basis some of the funding that was lapsing, and this is part of that 39 million in

the AOD services that are reflected actually in the DHS budget for youth justice. There is a significant investment to make sure that we have good services going in.

I have also got put this into context with the work we are doing generally at Parkville and Malmsbury in relation to what it means to be incarcerated in those facilities, because there has been a fundamental shift in the experience of young people being in those facilities. We now have a very different approach. We have new leadership, which has brought new expertise, a new culture and a new approach. We now have a much more respectful environment, we have one that is focused on education and support. We have had a significant reduction in violent incidents, and if you have that environment that is conducive to those sorts of things, our ability to then engage with young people on their issues such as alcohol and drug abuse is so much further enhanced. We believe the investments we are making will be even more effective by the nature of the way we are now running our youth justice facilities to focus on developing effective relationships with the young people who are in there, utilising that time most effectively to ensure that their transition post incarceration enables them to get their lives back on track.

Mr PAKULA — Just a brief follow-up, Minister. It is not just those three that I mentioned; it is that whole overview about those characteristics of young offenders, whether it be previous child protection involvement — 55 per cent having been victims of abuse. The percentages give everybody pause for thought. To the extent that you can answer this, because I know it is not directly and solely in your portfolio area, and I know the government continues to consider the Sentencing Advisory Council report into statutory minimum sentences, does it remain the government's intention to apply the statutory minimum sentences to young offenders — to children, those under 18?

Ms WOOLDRIDGE — It is very clearly in the press release from the Attorney that the introduction of the statutory minimum sentences does not apply in terms of the legislation that has been introduced in relation to young offenders — to juvenile offenders under the age of 18. That has not been part of the response to where we have gone now and, recognising that they are a different cohort, they have different sets of challenges and needs and we respond differently to juvenile offenders versus adult offenders, the government's response to date has excluded young people. That is what I am able to comment on at this point.

The CHAIR — Thank you, Minister. Fortuitously I am interested in a similar but slightly different aspect of the matter which the deputy raised, and that is rather than the services, actually the facilities. Again, referring to the 54.5 million of asset initiatives in the area of increasing capacity and improving infrastructure, which specifically relate to Malmsbury and Parkville, I wonder, Minister, given the reports in 2010 by both the Ombudsman and Neil Comrie, which highlighted the deficiencies in youth justice custodial facilities, could you advise the committee exactly what the investment will entail?

Ms WOOLDRIDGE — Obviously there was a real focus in 2010 in relation to both the Ombudsman and the escape that then prompted the call for Neil Comrie to do a report of the facilities at Parkville, particularly the security arrangements but the whole environment. There were many recommendations, but I am very pleased that all 27 recommendations from the Ombudsman have now been completed, as of two weeks ago, with the opening of the new single entry point, all the key areas from Neil Comrie's report have also been implemented. Having met with Neil Comrie at the opening of the new entry point, I think he was very pleased to feel that a piece of work that he had done had actually resulted in the absolute delivery of his recommendations.

What our capital investment now does is take the next step further. Some of the issues that were identified, which have been challenging, are that with the number of beds we have had in the system it has not enabled us to keep separated young people who are on remand versus those who are sentenced. There have been issues in relation to younger offenders and older offenders mingling. There have been issues even in relation to young men and women and making sure we have a separate response to them in terms of their incarceration. So it was clear that additional beds were needed in order to be able to make sure we are managing our youth justice facilities in a way that is appropriate for young people. The response to this will be an additional 45 new beds at Malmsbury, where it is in a very open space and there is plenty of capacity in relation to that growth. There will be three new 15-bed units that will be built on that site. It will allow us to meet many of those challenges that I have highlighted as being of concern.

What we will also be able to do with the investment is, having opened the new single entry point at Parkville, the old administrative block will now be able to be used as a visitors centre. Parents were having to visit their

children in their accommodation facility, which was totally inappropriate. Many of those who are incarcerated have children themselves. You want to keep that important bond between children and parents if you possibly can, and there were not the facilities to do that. We will now be able to build effective facilities to maintain those familial relationships, to maintain those connections which are so important for young people.

We will also be developing security further at Parkville, and at Malmsbury we will be rolling at CCTV. The CCTV at Parkville has actually played a really big part in reducing the incidents right across the precinct and the number of violent assaults. We will be replicating this at Malmsbury because once again it is about creating the right environment for the young people who are there. This is in conjunction with investments we made last budget about diverting people from the custodial environment and also investments in the workforce that we have made. So it is a very significant investment that I think will continue to ensure that while it is a custodial environment, we maximise our chance to get young lives back on track.

The CHAIR — Thank you, Minister. Mr Scott?

Mr SCOTT — Thank you, Chair. Minister, I would really like to follow up on a question I asked you last year regarding 15 respite beds that were funded by Labor in the 2010–11 budget. For your benefit, the question was essentially asking you whether the beds would still be delivered in the localities they were intended for, being Whittlesea, Frankston and the Latrobe Valley, and if so, how much longer before they would be delivered and when people would have access to these previously funded additional facility-based respite beds in those local communities. You gave a very detailed answer in relation to Whittlesea and the beds there, and I understand they will be completed later this year. But I ask again: what is the situation for the respite beds for Frankston and the Latrobe Valley?

The CHAIR — Thank you Mr Scott. Minister?

Ms WOOLDRIDGE — That very much Mr Scott. As we said, we are very pleased that at Whittlesea the construction tenderer has been finalised, and we do expect construction to be completed at the end of this year, which will be of great benefit to the residents of Whittlesea. In relation to Frankston, the service provider has been confirmed as Marillac, and the construction document is in the documentation and design stage, and we anticipate that that will be completed in 2013. For Gippsland it will be located in Morwell, and we are finalising currently who the service provider is going to be in addition to doing the construction and design process. We also anticipate that that will be online in 2013. So we are obviously progressing with the delivery of those services, and that ties into some broader investments we have made in respite as well, about which I am happy to go into detail if you have a follow-up question.

The CHAIR — Thank you, Minister. Mr Scott?

Mr SCOTT — The follow-up, just to clarify, if I understood correctly, for both the Latrobe Valley and Frankston, you are stating to the committee that they will be up and running in 2013?

The CHAIR — Thank you, Mr Scott, and for the audible record could you just affirm that, Minister?

Ms WOOLDRIDGE — Yes. The shortest answer that anyone has given?

The CHAIR — It is the very best answer that I have heard in nine days. Minister, thank you very much.

Mr PAKULA — Are you reflecting on the minister's colleagues?

The CHAIR — Mr Morris?

Mr MORRIS — Thank you, Chair. I want to return to the services connect initiative that the minister identified earlier, and the formal title is identified on budget paper 3, page 8, as 'Reform and innovation to drive service connections and better outcomes'. I know there was a reference in the minister's opening remarks and some subsequent answers as well. We are very much, all of us around the table here — all of us who are members of Parliament anyway — are aware that it can sometimes be challenging for our constituents to access state-funded care and support, so can I ask you: how will this initiative result in better outcomes for vulnerable families?

Ms WOOLDRIDGE — Thank you very much, and I think if there is one thing you will be relieved about at the end it is to stop hearing about our joined-up services, but I have to say that part of the emphasis reflects also how enthusiastic we are and how important we think this is for the future of the delivery of human services for vulnerable clients. I will not go over the ground I have gone over before, but I do want to highlight, as I mentioned briefly, that we are undertaking two pilots — in Dandenong and in Barwon-South Western, and we are already seeing results from those pilots. I will give you an example to give you a feel for that. One example is that we have four adolescent boys with a range of complex needs, such as intellectual disability, child protection needs, sexualised behaviour, suicidal thoughts, risk-taking behaviours — the whole combination. They are very vulnerable young men, and they have all moved into a new group home together.

What normally would have happened is that the combination of those four young men would have meant nine case workers working with them individually on their range of different issues, despite the fact that they are all co-located and in the one house. Now, instead of that, they have one key worker for all four of them and a specialist child protection worker in a role to support them — and it is working really well for them. The barriers and challenges both between the young men and between the workers have now gone, because there is one worker reflecting their individual experiences but also the collective needs of the house. That is just one little example of how you can change when you think about groups of people and individuals in a different way that connects up the response to them.

In this budget we have invested \$1 million to really comprehensively evaluate this model to find out what difference it makes for the individuals and their families, and really give us the evidence base for how we take this forward — what works, what does not work and what else needs to be done — and also what it means in terms of the funding and the delivery of services. If you think about eight workers versus one worker plus a specialist support role, it has got to be more effective as well as efficient. We are excited about these things like them. The family violence regional coordinators we have funded in this budget then need to feed in, because they are working from the perspective of family violence. We also have the youth demonstration projects at the Alfred and at Ballarat, which is mental health door in, looking at a comprehensive range of services. Services connect, we believe — especially with this funding — to really evaluate it and make sure the work is the way we will need to work in the future and it will make a huge difference.

Ms HENNESSY — Minister, I refer you to budget paper 3, page 161, and budget paper 5, page 194. My question is about concessions and thresholds. The budget papers show us that the number of households eligible for electricity or gas concessions will increase but that the amount of money available for those programs is going to decrease. The Premier told us at his hearing — and I do not want to put words into your mouth, but my understanding is that you have said something similar in the course of your presentation — that this was because a threshold has been imposed on those concessions because of commonwealth government subsidies. I am interested in the detail of what the threshold actually is.

Ms WOOLDRIDGE — With concessions, as I have highlighted, obviously it is a very significant investment. With concessions it is a real challenge to estimate how much you are going to spend, because the budget changes. We get demand information at all time, and we get user information, and because it is an entitlement program anyone who is eligible can access it and any cost that they incur is then eligible for the 17.5, so we refine our information all the way through. Obviously we anticipated a set of costs in relation to next year's budget, anticipating both demand and price and the volume of customers. Then we made a decision through this process, when it became very clear that the commonwealth was going to compensate the community, particularly concession card holders through their mechanisms, for the anticipated increase of the cost to electricity and gas prices from the carbon tax, that they were going to be compensated. That compensation that has been announced from the commonwealth government is about \$3.30 per week, and that will be the amount and there are expectations on how much the concession increases.

What that means is that that represents a subsidy of about \$2.50 per month for electricity across the course of the year, and \$1.82 per month for gas across the six months of the year. Because we are not going to compensate households a second time for the compensation that they have already received from the commonwealth for the increase in the price, we are setting the threshold at that level in relation to before our concessions kick in. I do have an additional slide that graphically depicts this, if that would be helpful. If you have a look at this slide, currently with a \$1600 bill that household would receive about \$280 in concession, and they would pay the rest of the bill. The electricity price compensation is \$171.60 that is coming from the commonwealth to the household, which means that our 17.5 per cent then applies to the rest of the bill,

anticipating that the bill is going to go up about 10 per cent, which is what the commonwealth has used in terms of its numbers. On a \$1600 bill that would mean we would still be getting a concession of about the same amount — \$278 — and the household would be paying the difference.

The good thing is, if you pop to the next slide, let us say the bills go up more than the 10 per cent that the commonwealth program anticipated. The commonwealth compensation stays at 171, we still pay the concession, because it is an entitlement, on every dollar of the cost that is incurred to the household. If it goes up by 20 per cent, we are going to compensate for the additional cost over what the commonwealth has already compensated for, so we will potentially, if that is what occurs, be paying a concession on the cost of the increase of the carbon tax.

The CHAIR — So the state is carrying the risk for the commonwealth in effect?

Ms WOOLDRIDGE — That is because the commonwealth's compensation is a fixed amount, anticipating a 10 per cent increase in the electricity prices. What we were not prepared to do was differentiate our response. We have said very clearly that the commonwealth has articulated an amount for households, and that is equated to \$171. That is the only bit on which we will not pay, because it has already been paid by the commonwealth. Regardless of what the price is, we will pay the 17.5 per cent to the household on their concession. That is why I thought the graphical example was useful to give you that context. Effectively the state is taking — and the household too — the biggest risk on all of this. Householders are going to bear the risk, but the state may incur additional costs if the increase in electricity prices is over the \$171 that the federal government has anticipated.

The CHAIR — Thank you, Minister. Before we proceed, you have used two slides which we do not actually have. I wonder if you could make those available to the committee?

Ms WOOLDRIDGE — Yes, certainly.

The CHAIR — Thank you.

Mr ANGUS — Minister, I refer you to budget paper 3, pages 3 and 4, the output initiative in relation to the four-year funding of multidisciplinary centres that is detailed under the heading 'Improving the response to sexual assault'. I note that the initiative is also placed in the budget papers in the context of the government's response to the Protecting Victoria's Vulnerable Children Inquiry as well. Can you please take the committee through the logic behind co-locating services in this way, why you think it is important and how these centres will improve our response to sexual assault?

Ms WOOLDRIDGE — Thank you very much for that question. The multidisciplinary centres are a really important expansion and investment that we are making in this budget. There are currently services located in Frankston and Mildura and an additional one being built in Geelong. This will build three more of those services, as I have said, in Loddon Mallee in Bendigo, in the Latrobe Valley and one more to be determined in Melbourne city.

The thing that you find, having visited the centres and talked to the workforce, is the capacity to respond in a comprehensive way to especially a child, or a mother and child or a young family or whoever it might be, who comes in the door with a service response that says: regardless if they come in for sexual assault counselling, regardless of whether they come in for child protection needs or regardless of whether they want a police response, they can actually get a response from all three in that process. What I have been told is that people who come in for counselling, for example, and who would never leave there and attend a police station maybe 5 kilometres down the road, can be walked down the corridor and introduced to the friendly policeman who actually has a lot of training and expertise in this area. So they can actually get that support and they can be supported through what can often be very difficult processes.

We are very positive about the fact that co-locating services reduces the risk of not accessing services, despite referral. We also find that you can jointly train the staff so that they understand the roles better — police can understand the child protection roles, the sexual assault counsellors can work effectively with the police — and that is effective for a joined-up response. What we anticipate is that there are about 2400 what we call victim survivors — that is the language that is being used — who will access these three new centres. Those thousands of numbers are quite significant. In addition, there are about 1500 children who will be accessing this sort of support.

These are an important innovative response, often in purpose-built facilities or facilities that have been modified to create the most conducive environment for their clients coming in. We are very positive about the impact that this will have for women, for young people and for families. When sexual assault is present, they are the most complex and difficult cases. We really want to have an immediate and a comprehensive and a significant response to that, and this will help us to do that effectively.

Mr PAKULA — Minister, I am just trying to understand a couple of different bits of evidence we have heard today. In response to I think my first question about 500 job cuts — it might even have been in one of the early portfolios — and the budget savings on page 34 of budget paper 3, your evidence was that the two things were not connected: 500 jobs and those budget savings are not connected. Then, in response to a question where Mr Scott asserted that there were 500 jobs plus more in the budget, you said, ‘That’s not right’.

What that suggests to me, if I understand your evidence correctly, is that those \$187 million worth of savings outlined from 12–13 through the forward estimates period will all be made without any job reductions incorporated in them; is that right?

The CHAIR — Thank you, Deputy. Allow the minister to answer. You have asked the question; I know you want to give the answer yourself.

Mr PAKULA — No, I do not want to. I am genuinely trying to clear it up. I am just wondering where the savings come from.

Ms WOOLDRIDGE — Certainly in my portfolio that is right, and let me explain why. I know you went through in detail with Minister Lovell in relation to the savings of her portfolio, some of which contribute to them. As I said, the vast bulk of those savings for DHS for my portfolios relate to the concessions item that I just talked to Ms Hennessy about. We anticipate and estimate a certain cost of budgets going forward in relation to the concessions budget. Having decided not to compensate concession card holders twice in relation to the increase in the cost of electricity and gas, that effectively becomes a saving that was built into the budget that now we will no longer be paying in terms of the numbers that were built into the forward estimates of that amount. The vast bulk of the savings represented in those lines from my portfolio reflect the decision not to compensate twice for the federal government’s carbon tax. Then if you add the response you got from Minister Lovell yesterday, you have basically got the combination of the savings that are reflected in that line item.

Mr PAKULA — Just to follow up, am I to understand from what you have just said that in the previous budget there was a full pass-through of compensation assumed which is now not assumed, which is why the savings are as substantial as they are?

Ms WOOLDRIDGE — We estimate the amounts at all times, and that, as I said in the last answer, gets revised all the time, depending on — because it is an entitlement program — what we know about price, what we know about the volume of concession card holders, what we know about demand and what we know about whether it is a hot summer or a cold winter. We work through all of those processes, and those numbers are revised and adjusted based on that information anticipating that going forward. So yes, when those sorts of estimates are anticipated and when concession card holders are being compensated and we decide not to double compensate for that amount, that effectively becomes a saving.

The CHAIR — I regret to advise that we have come to the appointed hour, and I very much regret it because Mr O’Brien was busting himself to have another go.

Mr O’BRIEN — I would just like to thank the minister for her announcement today in relation to the 113 for the Stawell Intertwine respite service. I raised that matter with her in the house on 1 March, and it is very well received.

The CHAIR — This concludes the budget estimates for the portfolios of mental health, women’s affairs, and community services. I thank the minister and departmental officers for their attendance. There are a number of matters taken on notice, and we will write to the minister and anticipate a written response within 21 days.

Committee adjourned.