VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2012–13

Melbourne — 17 May 2012

Members

Mr N. Angus
Mr P. Davis
Ms J. Hennessy
Mr D. Morris
Mr D. O'Brien
Mr M. Pakula
Mr R. Scott

Chair: Mr P. Davis
Deputy Chair: Mr M. Pakula

Staff

Executive Officer: Ms V. Cheong

Witnesses

Ms M. Wooldridge, Minister for Mental Health,

Mr L. Wallace, Acting Secretary,

Dr K. Edwards, Executive Director, Mental Health, Drugs and Regions, and

Mr P. De Carlo, Director, Policy Planning and Strategy, Mental Health, Drugs and Regions Division, Department of Health.

Necessary corrections to be notified to executive officer of committee

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2012–13 budget estimates for the portfolios of mental health, women's affairs and community services.

On behalf of the committee I welcome the Honourable Mary Wooldridge, MP, Minister for Mental Health, Minister for Women's Affairs and Minister for Community Services, and from the Department of Health, Mr Lance Wallace, acting secretary; Dr Karleen Edwards, executive director, mental health, drugs and regions; and Mr Pier De Carlo, director, planning and strategy, mental health, drugs and regions division. Members of Parliament, departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings I remind members of the public gallery that they cannot participate in any way in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or her chief of staff, can approach the table during the hearing to provide information to the minister, by leave of myself as chairman. Written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council committee room and no more than two TV cameras are allowed at any one time in the allocated spaces. May I remind TV camera operators to remain focused only on the persons speaking and that panning of the public gallery, committee members and witnesses is strictly prohibited.

As previously advised to witnesses here today, I am pleased to announce that these hearings are being webcast live on the Parliament's website.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. This committee has determined that there is no need for evidence to be sworn; however, witnesses are reminded that all questions must be answered in full and with accuracy and truthfulness. Any persons found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days of this hearing. Unverified transcripts and PowerPoint presentations will be placed on the committee's website immediately following receipt, to be replaced by verified transcripts within five days of receipt.

Following a presentation by the minister, the committee members will ask questions relating to the inquiry. Generally the procedure followed will be that relating to questions in the Legislative Assembly.

I ask that all mobile telephones be turned off.

I now call on the minister to give a brief presentation of no more than 5 minutes on the more complex financial and performance information that relates to the budget estimates for the mental health portfolio.

Overheads shown.

Ms WOOLDRIDGE — It gives me great pleasure to be here today. Just to take my few minutes, I think one of the common themes for this afternoon in what I will be talking about is the significant investments we are making across my broad range of portfolios but often very much in a strategic context, and the two necessarily have to be linked together, and that will be communicated all the way through.

Just on a snapshot picture, the mental health budget has increased by 6.5 per cent this year on last year, representing over the two years of government a 13 per cent increase with approximately over $130 million worth of investment into mental health services. In alcohol and drugs we have also had good investment and it is nearly 8 per cent over the two years with a 2.2 per cent increase in the last financial year.

Just to give you some highlights, and I know we will go into more details, there are a few key things on the mental health front. Of course, the beds and the focus on both bringing online additional beds that are now built or close to built and also building new beds has been a significant focus of this budget, with 95 new beds funded to be built or operated, ranging from new adult beds in short-stay units — PAPU units, they are called — through to our new mother and baby units into regional Victoria which we think will make a significant difference. Bringing online the PAPU beds at Sunshine that we funded last year will go a long way to

addressing some of the issues out in the west that we see with mental health services; with beds at Dandenong covering a wide range of areas and also new community care beds out at the Austin Hospital.

Another key theme of our mental health budget is the investment in eating disorders. This is a significant area that has very significant impacts for particularly young people but also adults with eating disorders. We are funding what were pilots on an ongoing basis now at Kew and at Southern Health through the BETRS program and Southern Health's Wellness and Recovery Centre, but we are also investing in an innovative new model at the Royal Children's Hospital, which is the Maudsley model, which will make a very significant difference and add significant capacity to our eating disorders services that are available across Melbourne. This is done in the context of a strategy that we are putting in place at the moment through an eating disorders task force.

Community mental health is the third theme area; we made significant investments in the last budget and we have made some further investments in this budget. That also is in the context of a community mental health discussion paper, a reform paper, that we released just in the last few weeks which is seeking to ensure that community mental health can function effectively — engaging with people early, but also being a real pathway to recovery post discharge if it is from an inpatient unit or however people engage with community mental health. We are very pleased that it is a significant investment that will actually make a real difference to people being able to get community-based mental health services.

Just to mention alcohol and drug treatment, this is also in the context of a very significant whole-of-government alcohol and drug strategy that is being developed and, within that, in the area of my portfolio, targets particularly the reform of treatment services. The investments in this budget go to the early investments made to be able to deliver that reform of treatment services, which will make a big difference, particularly investments in emergency departments where presentations with alcohol and drugs have been massively increasing over the years, but also extending therapeutic treatment services further into regional and country Victoria — extending what were pilot programs in some of the therapeutic treatment services as well.

I think one of the fundamental things on the alcohol and drug side that is very important is that we are going from what has been pilot funded in terms of alcohol and drug treatment services to actually putting that on a secure and stable basis going forward with the recurrent funding of the $39 million under the alcohol and drug strategy — a very, I think, reaffirming and important stabilisation as well as seeding innovation and reform in the alcohol and drug treatment area.

The CHAIR — Thank you, Minister. We have a little under 40 minutes for questions on the mental health 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 — A lot of these investments go towards increasing the productivity and effectiveness of our services, but there are three key areas that I want to focus on in my response. The first is the new model of the PAPU units, which are the psychiatric assessment and planning units, where in this budget we are funding one that we committed capital to last budget but we are funding the recurrent in this budget to get that up and running at Sunshine Hospital. We are funding four further four-bed PAPU units, three in metropolitan Melbourne and one in regional Victoria. Why this makes a huge difference is that it is a short-stay unit for people who would otherwise remain in emergency departments. It effectively gets people with a mental illness out earlier from the emergency departments, which we know are very intense, dynamic and high-pressure environments, into a bed to be able to be assessed and to be able to get early treatment, and particularly for people with a mental illness that can be very effective in terms of addressing the issues early.

It will help to reduce the waiting time for people in emergency departments in terms of their assessment and short-term treatment. For others who are seeking to get support in emergency departments, not with a mental illness but for a range of other illnesses, it will improve the effectiveness of their treatment in the emergency departments because people with a mental illness are being addressed separately, and it will significantly expand inpatient capacity for clients who need this sort of high-end support. The investment in the PAPU units is a very important productivity investment for the way that our hospitals run and the way that people are delivered with treatment services.

The second area is community mental health. What we have identified over the years is that the relationship between community mental health, clinical community mental health and inpatient services often has gaps in the system and we find that for people who are unable to get care in the community their illness is escalating, which means that they end up with an inpatient admission. If we can help people to manage their mental illness, both to identify it and do treatment in the community, we know that is going to be an earlier intervention and we know that is going to be better for them, better in their family context and also of course better for the health system as a whole.

Investing in community mental health services and being flexible in the way that we can identify the needs of the individual and deliver the support for them will make a big difference for them and for the health service as a whole, and then making sure that we improve our relationships between the community-delivered services and the clinical services will also improve both patient treatment experience as well as how the system works. We will improve the way that we work with clients. We will streamline the service delivery operations between the different types of services we offer, and it will mean that we have a better quality system as a result. So these investments are very significant.

The third area that I want to touch on for productivity improvement is the way that we deal with our treatment services in AOD. What we have currently is often a highly duplicated and inequitable system, depending on where you live within the state. Some areas have multiple services, some have none at all and access to those services depends on where you live. We are seeking to streamline that much more significantly, particularly with centralising intake and assessment so that we reduce duplication that often happens as people move between services. That is going to mean that, regardless of where you live, you can get access to the treatment services you want because we will have a much better knowledge of what is happening right across the state.

We will also be implementing a bed vacancy register, which will help us once again get people into treatment and support in a much quicker way than they are currently experiencing. We think this will make a real difference once again to the patient experience but also to the way that the treatment system runs.

There is significant reform across the board that is going to make a big difference in terms of how our services operate and the productivity that is achieved out of them, maximising our investment in these services and also the patient experience.

There are a number of tools we use to monitor, to go to the other aspect of your question. We annually negotiate a statement of priorities with the hospitals, and what we are seeking to do is highlight further than we have in the past issues in relation to mental health and alcohol and drugs, recognising the priority that the government is placing on them. I think that will be very positive as we introduce and work with health services on how we measure that aspect of it, which in the hospital context is relatively small but it is very important obviously for this client group, and there are some very positive things there.

I think the other important thing about monitoring is that we are putting out more information than ever before in relation to how our services are performing, and there will be more information that we will be putting out. So the public accountability in relation to the monitoring of our mental health system is increasing all the time and our capacity to get feedback and improve on that as a result. The website that we have for releasing that information is a very obvious example of that information being published regularly and thoroughly.

The CHAIR — Thank you, Minister, for such an apposite and complete response. I do congratulate you for doing so. Can I just ask you, but very briefly, to inform the committee of what you consider to be the likely impact on community stakeholders in the portfolio of these initiatives?

Ms WOOLDRIDGE — Sure. I have touched on for you the impact for the clients, which of course is our key priority — putting the client at the centre. We believe their experience will be that they will be able to identify and address mental illness earlier. They will be able to get more support in the community as a result, but there will be joined-up services if their illness escalates over time.

The other key community stakeholders are our community sector agencies that deliver our community-based mental health services, called PDRSS. They are very excited, I have to say, in relation to the reform agenda. It is an area that has not had a focus for a long time, and it really is going to ensure the effectiveness and the sustainability of the community mental health system in the future.

Mr PAKULA — Minister, the outputs — the performance measures for mental health that are on page 129 of BP 3 — I want to go to your comment about getting people out of the emergency department more quickly. If you look at the timeliness performance measure, the expected outcome for 11–12 is 70 per cent as against the target of 80. When you look at the explanation at the bottom it talks about higher than expected demand, but, having said that, if you look at the performance measure at the top — the clinical inpatient separations — you are expecting to hit that target and the target remains unchanged for 12–13. If there is indeed higher than expected demand for mental health beds, and as you say, you are funding some ability to meet that demand, should not the target for the number of clinical inpatient separations be going up to meet that demand?

Ms WOOLDRIDGE — Thank you for that question. I think there are two elements to that footnote — two things I would say to start off with in this context. To the clinical inpatient separations, one thing we find is of course these are not final numbers; we have some expectations and those numbers will be refined, and obviously next year's final numbers that we are able to publish will reflect some of that increased demand. We have seen some increase in numbers and we do expect it to, but the second element of that footnote is also the acuity. We are seeing that people are presenting with a higher acuity of their mental illness, and obviously there is a demand on resources in that process as well; so there are two elements in relation to those numbers.

To your question and comments in relation to the presentations — 'Emergency patients admitted to a mental health bed within eight hours' — this is also a question that you asked me last year; it is an ongoing issue, and something we dealt with obviously with you in government as well. This is an ongoing challenge in relation to mental health services and how emergency departments deal with them. These numbers have been at about 68, 69 and 70 per cent in terms of their outputs over the last four years, so the initiatives that we are putting in place with the PAPU units — which go to the heart of how long people stay in emergency departments before they can get a bed — exactly goes to addressing this target. When you look at the data in relation to individual hospitals on the 8-hour measure, Sunshine Hospital actually has the lowest percentage of any hospital in terms of getting a patient to an inpatient bed in time. Now that Sunshine PAPU unit is where we invested first, and that is going to come online this year; so we have very clear initiatives to go to the heart of how we improve our ED to a bed time performance figure in the next year. As those additional PAPU units come online, they too will be located where we have intense pressure on our emergency departments because of mental health presentations; and we have a solution that we are working on now to make sure we can improve that performance.

Mr PAKULA — So that I am clear on that solution for the PAPU units, your expectation for 12–13, in terms of the admission to the mental health bed within 8 hours, is that you will hit 80 per cent; is the evidence to the committee that it is your expectation that those PAPU units will allow you to do that in 12–13?

Ms WOOLDRIDGE — We are investing in Sunshine. There are two things. The PAPU units are a core response to that, and the one that will come online this year is Sunshine, which at the moment is the lowest performing hospital ED in relation to it. We are of course trying to improve our practice at all times to lift those numbers. This is a longstanding target of 80 per cent and a longstanding performance measure of 70 per cent. We will continue to try and increase those numbers, and our objective is to reach the 80 per cent target, but it might take some more time as more PAPU units come on over time.

Mr PAKULA — We will see you again about this.

Mr MORRIS — Minister, under the department's output initiatives, budget paper 3, page 22, one of the initiatives there is intended to assist — I think under the sustaining hospital performance, the mental health aspect of that — is to assist health services in dealing with the growing number of mental health and drug and alcohol presentations. There is some 13.7 million in there this year. I am certainly familiar with the challenges faced at Frankston Hospital. It has been an issue for them for quite a long time. Given that alcohol and drug abuse is a major contributor to increased emergency department admissions, can you indicate to the committee what action the government is taking to respond to the issue?

Ms WOOLDRIDGE — Thank you very much for that question, Mr Morris. A lot of our work in terms of the AOD strategy has been informed by a very important Auditor-General's report — *Managing Drug and Alcohol Prevention and Treatment Services*. The Auditor-General found that 77 000 Victorians are hospitalised for alcohol and drug-related conditions every year. It is a huge number, and what we have also found when we have looked at the data over the last decade is that presentations to emergency departments for alcohol and

drug-related admissions have increased by 47 per cent. We have a huge amount of pressure in our EDs, and that flows through to the broader hospital system.

That is why we have initiated this new idea — this new approach that we are going to be taking — and we are investing $12.5 million over four years to improve hospital emergency departments' responses to people with alcohol and drug issues by developing a more step-up, step-down hospital treatment type system. We do that in the mental health system, and this is a new approach for alcohol and drugs in emergency departments; so we are going to be encouraging greater expertise in our emergency departments in relation to dealing with people who are presenting with alcohol and drug issues. That is going to mean we can intervene earlier. It is going to mean we can provide a more specialist response in terms of our alcohol and drug needs and also provide a mechanism to manage what are often risky behaviours in emergency departments, which you will be aware of with the other work that you have done. It will help divert people in the first place to either get a specialist response or divert them to specialist treatment services, once again through the ED rather than what often is a longer process, and that might include withdrawal services or those sorts of things. So I am very pleased that this is going to be an important intervention and investment across emergency departments to deal with these important issues.

It is particularly important also for older Victorians because what we find is older Victorians are less likely to self-refer from a community-based perspective into alcohol and drug treatment services, so they end up with emergency department presentations, and they are a very prominent group. So that, I think, is going to be an important investment to try and change what has been a real pressure point in our EDs and in our hospitals.

Mr SCOTT — Minister, in your presentation on page 5 and in budget paper 3, page 130 there is reference to psychiatric disability rehabilitation and support services. The issue I would like to explore with you relates to the rate of indexation applied to this sector. My understanding is that there is an indexation of 2.5 per cent, but there is not an indexation of non-wage costs, so there are no increases in dollar terms. Therefore the indexation in actual terms is 2 per cent. Is that correct? I understand that is less than the indexation under Labor of 3.14 per cent.

Ms WOOLDRIDGE — Thanks, Mr Scott. For the first time the indexation policy in relation to this government relates to our indexation for all community sector organisations, and that has been something that had been asked for for a long time, so mental health PDRSS and AOD treatment are getting the same indexation as the community sector, disability, child and family services, as well as those community agencies in justice and education. They are three-year cycles; essentially they are three-year agreements that are made in relation to the indexation so that services can plan for the years ahead.

What we have been able to fund is absolutely consistent with the government wages policy. This is the same as the indexation we are applying to our own department in relation to 2.5 per cent for wage indexation and a zero per cent increase on the non-wage components. That is estimated at 80 per cent wages and 20 per cent non-wages, which is how you get to the 2 per cent amount.

On top of that, there are two things that you need to take into account in terms of what is happening on the indexation. We have obviously got the SACS agreement for community sector workers, many of whom are covered under these indexation arrangements, and this government has made some commitments to fully fund the SACS percentage increase, the SACS wages increase for direct Victorian government costs, up to the value of the 200 million that we made in our election commitment which gets us through the first two-plus years. That was really important because we needed to give the sector confidence in relation to what was going to happen with the increased costs with the SACS decision coming online as of 1 December. So in addition to the 2 per cent, there will also be the SACS indexation, which we believe will be around 1.4 per cent in the first year and about 3.6 per cent in the second year, which is obviously significant on top of the indexation they will be receiving.

The third aspect of it is a $3 million investment that we will be making with the community sector as a whole to look at how we have a sustainable and effective community sector for the future. This is a very important issue. The community sector as a whole is going through a very challenging time, as we all are, and we need to work together to work out how the sector can be most effective going forward. We have a $3 million investment to work with the sector to invest in the capacity and the support it needs to be able to be effective in the future.

Mr SCOTT — Minister, I note your confirmation of the zero per cent indexation for non-wage costs. Can you guarantee there will be no cuts in staff or programs as a result of these policies around indexation to community-based PDR support services?

Ms WOOLDRIDGE — The nature of our funding agreements is that we set a set of objectives in terms of what the community sector needs to deliver and we provide it with the funding in relation to delivering that. It is then the CEOs and the boards of the organisation that have the decision making about how they deliver those services, what is their mix of staff, what is the capability of staff, and how those services are delivered. So it is entirely a decision for the organisations in relation to how they deliver those services. What they can have confidence in is, one, that we have informed them and they know what their indexation is so they can develop their budgets. They know for at least the next two-plus years that they have funding for the outcomes of the SACS case, even though it is not yet finalised, and that we are working with them to make sure that they are as effective as possible so that they maximise their capacity to deliver the important services they do.

Mr ANGUS — Minister, I refer you to budget paper 3, page 22 under the heading 'Output initiatives — Health' and in particular under the mental health output initiative to enhance and redevelop community-based mental health infrastructure. I note in passing that you touched on this in your presentation. Minister, can you outline to the committee some more detail around what the government is doing to support Victorians with a mental illness to live and participate in the community?

Ms WOOLDRIDGE — Thank you very much for that question, Mr Angus. As I have mentioned a couple of times, so I will not dwell on it too long, but the community mental health service provided by the PDRSS sector is a very important part of the suite of services we have for mental health services. One of the pieces of feedback that we had very early on is that there had not been a significant focus on that end of the sector and in fact there had not been any change in investment in the sector. There was really almost no growth during the previous six or seven years.

Recognising the importance of those mental health community-based services, we have invested in them through the last budget and through this budget, but we are also working strategically with the sector in relation to the reform. We recently released a consultation paper entitled the *Psychiatric Disability Rehabilitation and Support Services Reform Framework* — it is quite a mouthful, as Mr Scott was just trying to say. But what this says is with an investment of $60 million in community mental health, which is very significant, how do we make sure it is strategic? It is not just putting more money into the sector, but how do we maximise that investment? There is both capital funding as well as recurrent funding available in those services.

What we see is that we need to work on the capacity of the organisations so that they are stronger and more sustainable in and of themselves. Secondly, we will be remodelling the programs themselves so that they are more flexible and that they encourage innovation and actually put the individual and their family at the centre, so it is a more person-centred response. We also want to lift quality and we want to make sure that they are effective. So we will be combining those three approaches with our reform of the sector, with our investment, to make sure that we can have topnotch community mental health services. That is going to make such a difference to patients who can get that help early and also have that recovery-oriented framework as they deal with their mental illness going forward.

An important other element that I want to mention is that we are also not just looking at mental health alone, we are looking at it in the context of a range of challenges that a person with mental illness might face — it might be coexisting alcohol and drug services, it might be intellectual disability, there might be violence in the home that is associated with the illness — and linking up and making sure our response deals with the whole range of issues that a person faces, not just their mental illness, because often that is part of a broader set of challenges.

Ms HENNESSY — Minister, in budget paper 1, at page 14, the Treasurer states:

> The government's spending priorities are focused on improving front-line service delivery and protecting the state's most vulnerable citizens.

In 2010 the previous government announced and committed 36.6 million in funding for the implementation of the new Mental Health Act. I am trying to work out what has happened to that money. I cannot see it identified in the budget papers.

Ms WOOLDRIDGE — The Mental Health Act and the reform of the Mental Health Act is fundamental to where we want to go in relation to mental health services. When we came to government actually where the act was up to was that an exposure draft of the bill was currently out and being consulted on. What we decided to do on the basis of feedback was firstly to extend that consultation, which we did, and we actually got double the number of submissions on the bill. As a result of that feedback, we recognised that a significant rewrite of the bill was needed from the exposure draft to where we needed it to be. I think the original time frame was for it to start late 2012. We expect now that will probably extend into 2013, so there is a delay in relation to the implementation of the bill, given the extra consultation and given the rewrite of the bill that was needed. It is a very weighty document and quite complex of course because we are talking about involuntary treatment of people with a mental illness.

In relation to the funding, the funding covered a range of different areas. Some of that funding has been able to go ahead because it has actually been about reforming the way the system works to be ready for the new Mental Health Act. Some of that investment has gone ahead. The full funding was not actually to kick in until 13–14 anyway. A small portion of the funding will be carried forward to coincide with when the new Mental Health Act is ready to be implemented. It is a combination of the two in relation to the services, but in relation to the full implementation of that 36 million, it was significantly back-ended, and we are still on track in relation to utilising the vast majority of that in that time frame.

Ms HENNESSY — Is it true to say that that 36.6 million will be spent on the implementation of the new Mental Health Act at some point?

Ms WOOLDRIDGE — Yes, it is.

Ms HENNESSY — So it is preserved and protected?

Ms WOOLDRIDGE — We are obviously working through exactly what format it takes. Some of the money was to go to initiatives that will now be delivered in a slightly different way, but that money will absolutely be needed and utilised in the delivery of the new Mental Health Act. It just might be that some of the models that were proposed will take a different form and it will be utilised for that form.

Mr O'BRIEN — My question relates to budget paper 3, page 28, relating to the new capital funding for the mental health beds. You touched on this in your presentation, but I ask you, Minister: could you please provide more detail about the new mental health beds that will be funded and what this will mean for people with a mental illness?

Ms WOOLDRIDGE — As recently as on Friday I was actually up in Ballarat announcing that in this budget we had commitments for two five-bed mother and baby units for regional Victoria. This was in addition to the one that we announced last budget in Bendigo. I was in Ballarat on Friday announcing that one of those five-bed mother and baby units would be going to Ballarat Health Services.

Mr O'BRIEN — I would have loved to have been there with you, but we were here.

Ms HENNESSY — I would have loved to have been there with you.

Ms WOOLDRIDGE — Can I tell you: they are ecstatic. The investment in beds, and let me start with the mother and baby units, is very significant because what it is doing is taking specialised beds, which have previously only been available in metropolitan Melbourne, out to country Victoria. When you look at something like mother and baby units for postnatal depression, at exactly the time when mothers need that family support both from their partners and their broader family and support networks and also to be connected with their baby, despite their mental illness, this was often the time they were either having to come to Melbourne and leave the baby behind or be admitted to an adult inpatient mental health unit, which once again the baby was not able to accompany them to.

So a very significant investment, I think, is taking these mother and baby units out to regional Victoria, and that is invested in this budget. In addition, and I have touched on it already, the investment in the 16 new PAPU units in terms of the bill and 4 beds coming online at Sunshine, as I have outlined previously, are going to take a lot of pressure off the EDs and be a significant improvement in the experience of people with a mental illness.

There are significant investments in inpatient beds, which are now under development and about to come online. The 43 additional beds at Dandenong, which are secure extended care beds and adult inpatient and some aged beds — and often age does not get a lot of focus — are going to make a big difference for that hub in relation to Dandenong and the broader region that it supports, and that goes for the new 22 beds at the Austin Hospital as well, on the old repat site. That is going to be a significant capacity expansion.

In relation to community care, which is a step-down, longer stay unit for people coming out of inpatient services who need a lower level of acuity but still a clinical environment in which they can deal with their recovery on a three or six-month basis, that combines with the beds we committed last budget — which were significant — at the Royal Children's, at Footscray and the step-down units in Dandenong. We actually think this is a significant investment in beds, but you have to look at it in the broad context of enhancing community at the same time so you are enhancing both aspects of the system. We think this is going to make a big difference for people trying to access those services, whether it be in EDs, in the inpatient units or in the more step-down or specialised services, like a mother and baby unit.

Mr PAKULA — Minister, I just refer to your own comments about productivity in response to the Chair's first question. The Treasurer, in the budget speech, made it clear that a key to increasing productivity and generating jobs is a skilled workforce. Back in the 2009–10 state budget the previous government provided recurrent funding for the establishment of the Victorian institute of workforce development and innovation, the primary purpose of that being to support the agenda for change articulated in the Victorian mental health reform strategy through workforce development and reform. I am just wondering if you can tell the committee how the funding that was provided through that allocation was utilised in 11–12 and how it will be in 12–13?

Ms WOOLDRIDGE — We do not do anything without our workforce in mental health; in fact for the entire area in my portfolio the workforce is absolutely fundamental. The first things that we did on coming to government was an assessment of where the workforce thinking, the workforce plans and the workforce investments were up to. What we determined out of that is that the mental health workforce needed a new framework and implementation plan in relation to the approach, because the feedback that we got from the community sector is that the investments identified were not necessarily what they prioritised as needing investment going forward.

We are completely committed to investing in the mental health workforce. We are actually in the midst of an EBA currently, as you will know, and going through those discussions, which include quite a lot of reforms in relation to the workforce and some discussions in relation to them. The feedback about the institute we got was that that was not a priority for investment on workforce reform. As a result we made a decision not to continue with the institute, but the money from the institute will go into our reform framework. It has been extensively consulted on. It is currently in its finalising development stages, and the action plan associated with that will utilise the investments that have been previously in place for workforce reform to be able to implement what we believe will be a framework that reflects the priorities of the mental health sector about how to best invest to ensure we have got the workforce for the future.

Mr PAKULA — Minister, I actually genuinely thank you for your frank answer. I thought I was going to have to use my follow-up to clarify that you were not proceeding with the institute and that you had applied the money elsewhere, but clearly you have made that point yourself. Because I am just wondering if I missed it, had the government announced the fact that it was not proceeding with the institute, or is this effectively news to the general public?

Ms WOOLDRIDGE — Some months ago there was a tender process that the previous government put in place. We made a decision not to proceed with those tenders, so the relevant parties and the broader sector were informed in relation to not proceeding with that. That was probably 12 months ago or so, so that has been knowledge in the public for some time.

The CHAIR — We have a little time for a further question. I refer to BP 3, page 119, which relates to the output for mental health services. As one quarter of Victorians live in rural and regional areas, we know that the capacity of mental health services in these areas is under pressure to meet current and future demand. I ask the minister: would you be able to explain to the committee what the government is doing to ease pressures on services in country Victoria?

Ms WOOLDRIDGE — Thank you very much, Chairman. Given the couple of minutes left, I will confine it to that time frame. I have mentioned already the mother and baby units, which I will not go into again, but I have got to say for Bendigo and Ballarat, which are two of the three that we have announced, they will be very significant. The budget makes a range of investments. For Barwon-South West, for example, we have announced that we will be expanding the CCCC program, which is therapeutic counselling for alcohol and drug treatment. This is an area that had not been invested in for a long time, and they have been crying out for additional support. So they will have a new therapeutic, CCCC. In addition there will be new funding for intensive home-based outreach that will go to the Glenelg shire for Barwon-South West.

In Gippsland we have been very pleased to be investing and making further investment in this budget in relation to an innovative new program we are taking with the Mental Illness Fellowship about people with a mental illness accessing private rental accommodation but getting support to maintain that tenancy. This is a very exciting initiative because we know that housing for people with a mental illness is an area of real need, and we are working and will be investing in this in the Gippsland area. In addition, Mind will have an expansion of its intensive home-based outreach packages; in the Grampians, as I have said, a mother and baby unit and Centacare will have more intensive home-based outreach as well, so this is where we can invest in community mental health to make sure people are getting the support they need; in the Hume area, once again the Goulburn South area, intensive home-based outreach through the Mental Illness Fellowship; and in Loddon Mallee, a five-bed mother and baby unit.

There is also funding in this budget for the youth park. It is a new approach using the step-up, step-down model but targeting young people. We believe, given the limited youth mental health services in the Loddon Mallee region, that the youth park will be a very valued addition to their services.

So we are investing across the board in different ways in different regions, reflecting on the different needs across both the mental health services and the alcohol and drug services, to make sure that regional Victoria and people who live in regional communities and rural communities have a greater access to services in their homes and in their communities.

The CHAIR — Thank you very much, Minister. It was a very brief interlude, but I thank Mr Wallace, Dr Edwards and Mr De Carlo for their attendance at this session on mental health.

Witnesses withdrew.