

VERIFIED VERSION ONLY

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2012–13

Melbourne — 8 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

Mr D. Davis, Minister for Ageing,

Mr L. Wallace, Acting Secretary,

Professor C. Brook, Executive Director, Wellbeing, Integrated Care and Ageing,

Mr P. Fitzgerald, Executive Director, Strategy and Policy, and

Ms J. Herington, Director, Ageing and Aged Care, Department of Health.

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

The CHAIR — I will reopen the hearing and welcome from the Department of Health Ms Jane Herington, director, ageing and aged care. 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 relating to the budget estimates for the ageing portfolio.

Mr D. DAVIS — Chair, thank you and welcome back to everyone for a long session. I want to start off with the presentation and with the list of key initiatives.

Victorian seniors participation in the community is a key focus for the department. Vision 2020 is an important initiative, out of ageing but very relevant to seniors. Palliative care is also out of ageing but very relevant to seniors; and home and community care, is an ongoing matter of support for our state and something that was argued at the commonwealth level in terms of health changes. There are also some announcements about CALD service and information improvements and cost of living concessions.

This is a brief overview of the ageing portfolio — the spread across outputs: ageing, aged care, home care and small rural services. I note — and it is important to put on the record at the moment — that the commonwealth has, through its recent processes, made some significant announcements, and if I could just, with the committee's indulgence, make some modest comment about that. Obviously the Productivity Commission came down with a significant report and Minister Butler has responded to that. I have been quite clear on behalf of the government that there are some positive aspects in that package. To the best of my disentanglement of the package, it looks like about \$500 million odd of new money, some of which goes into dementia support, and there does appear to be a broader commitment to provide more at-home support for people, which is something the Victorian system is familiar with and supports.

I have also flagged some concerns. We are particularly cautious about user charges applied on both at-home care and care in residential aged-care settings. There is some risk with those user charges, and I have begun a process of consultation with relevant sector and community groups, but I am very aware of the risks there. I flag those for the committee's awareness and will be taking up those matters with some formal consultations but later some communication with the commonwealth.

On the Victorian Seniors Festival — and this is a very important point and clearly a bipartisan point — it is 30 years of the Victorian Seniors Festival this year. We will have the Victorian Senior of the Year, travel on the metro and selected regional bus and V/Line services, local councils supported with grants for activities, and a large number of participants. I can also say that there is new functionality for Seniors Online to be launched this year. The Seniors Card program has a large number of participants — about 900 000 — and includes the reciprocity arrangements across Australia and last year's achievement of reciprocity with New Zealand. There is U3A growth strategy funding.

We come to Vision 2020. I have already referred to that in the health portfolio, but it is something of great significance for older and senior Victorians.

Palliative care funding: the government has, pursuant to its election commitment, put significant funding into palliative care. That lifts year by year over the four years, and that is very relevant.

On the home and community care budget, this is again an important program, supported by the commonwealth and state and delivered in Victoria through the involvement largely of local government. We welcome that local government involvement and that ongoing delivery through local government's involvement. The growth in funding is there. It is in the circumstances good growth.

There is also funding for CALD seniors: \$4 million over four years to assist culturally and linguistically diverse seniors to access language services in health and home-care services; \$1.6 million over four years for participation for CALD seniors through grants programs and the online Health Translations Directory; and \$11.2 million for continuing service to assist people with dementia and their carers.

The cost of living concessions, whilst not strictly part of my portfolio, have a significant impact. The government has the role of supporting seniors, and the election commitments on energy concessions, land tax exemptions and so forth have been delivered. There is also the travel advantages for seniors and, importantly, the Active Ageing programs that we deliver, all of which are important to the participation of senior Victorians

through their community activity. Whether it be through clubs or groups like U3As or sports groups or other associations, they are all important steps in supporting our seniors.

The CHAIR — Thank you, Minister. The remaining time will be allocated to questions. I will lead off by asking: in regard to the key growth and efficiency initiatives announced in the budget, can you outline for the committee the likely impact of the budget on enhancing service delivery, promoting productivity and achieving efficiency gains within your portfolio? In your response could you indicate how you intend to monitor the portfolio's effectiveness in maximising improvements in these areas?

Mr D. DAVIS — I will be brief in this and perhaps draw on one or two key services that I think have delivered in this budget. I think the language services are particularly important to ensure that CALD senior Victorians can participate and have the support that is required. We will monitor that in the normal way through budget processes and through the normal checking of outcomes of the particular programs. I am particularly focused on the fact that CALD seniors have not always had the level of support they deserve, and the participation of CALD seniors should be enhanced where we can achieve that.

The CHAIR — I am particularly interested in changes that will come about as a result of budget initiatives this year in terms of the likely impact on community stakeholders within the portfolio — so some of the changes that have been initiatives in this budget in the ageing portfolio. Would you like to flesh out what impacts those initiatives will have on your community sector stakeholders?

Mr D. DAVIS — The outcomes in terms of stakeholders are very significant. All of those participation groups, whether they be U3As or seniors groups or other participation groups, including a number of the CALD groups, are ones that we have close contact with and support. There is good evidence that activity groups actually have a very positive outcome in terms of people's ability to look after themselves, their ability to care for themselves more broadly and their ability to remain in their home and remain contributing to the community, so there is a key focus there.

It was remiss of me not to mention before the reference that has been given to the Family and Community Development Committee to look at participation of seniors more generally. I think this is an area where the committee is doing good — indeed bipartisan — work, looking at ways to lift the participation of seniors and looking at the economic significance of what seniors do too. Seniors contribute not just to their family but to the broader community. They do that through some people continuing to work or undertake some employment, and we need to be looking at ways — and that committee will do that — to extend the participation options for people in the workplace. Where they are not working, the participation options in terms of voluntary activity I think are extremely important. We need to look at ways of diminishing barriers to participation and supporting that broader participation by all of those groups as a way of bringing seniors into community activity.

Mr PAKULA — Minister, you would be aware that Alzheimer's Australia recently put out the Deloitte Access Economics prevalence data that shows that the number of people with dementia in Victoria in 2050 is likely to be more than 245 000. You indicated in your opening remarks that the federal government, through the package released by Minister Butler — who, let me say, is an outstanding minister —

Members interjecting.

Mr PAKULA — He is an outstanding minister, Mr O'Brien. They announced funding for dementia in their package. Alzheimer's Australia, in their release on 23 April, called on the state government to do the same. Can you just take us to where and whether in the budget there is any specific state-based funding for dementia services over the forward estimates?

Mr D. DAVIS — It is a good point, and I have made positive commentary about the federal announcements around dementia. I was fortunate enough to be with Alzheimer's Australia the other day to launch a short video, or DVD, that outlines some of the challenges that people face shortly after a diagnosis of dementia. Here is very straightforward, practical support being provided by Alzheimer's Australia in Victoria.

The government also has support that is provided through HACC funding — through aged care support. There is \$11.2 million that is provided. We have residential aged care that also picks up dementia-specific services, and perhaps Victoria, to be fair, over a longer period has more in the way of dementia-specific services. That, in a sense, is at the further end of dementia support but still very important in terms of dementia support.

Other support is also provided. Of the \$11.2 million, there is 6.78 for cognitive dementia and memory services clinics. The clinics in the sub-acute and ambulatory care services provide a multidisciplinary approach to diagnosis of cognitive impairment, with a target of 19 500 occasions of service for people with dementia and their families/carers seeing a cognitive/dementia memory service. There is \$1.52 million for support of carers of people with dementia, including younger people with dementia. I should say dementia is not just Alzheimer's people — perhaps we are not aware of that always. This provides a range of respite and support services and care up to a maximum of \$2000 per carer for a person with dementia. It provides a minimum of 760 carers for people with dementia with service and support, 1.4 million to Alzheimer's Australia Victoria for information, support, counselling, education and training for close to 8200 people with dementia and their carers each year, and 1.4 million to AAV for education, training and relevant workforces such as the HACC and medical nurse students.

There is also \$125 000 for dementia-friendly projects in public sector residential aged care. I think an important point here again is that Victoria does have residential aged care in our system, and dementia support in those services is often a very significant component.

We support sensible steps by the commonwealth. We will work with them. I too concur with your view that Minister Butler is an approachable minister who we are able to have a very good dialogue with. I was very happy about 12 months ago to spend time with him at Caulfield talking about our ACAS services and the need to preserve the unique model that Victoria has for those services.

Mr PAKULA — Just to follow up, Maree McCabe, who as you know is the CEO of Alzheimer's Australia Victoria, described the federal package as a comprehensive response to the priorities of Alzheimer's Australia. The various different measures across different outputs are, I am sure, all valuable in their own right, but a week before the state budget what Alzheimer's Australia was calling for from the state government was a funding plan for dementia. Are you saying that Alzheimer's Australia ought to consider the initiatives that you have just outlined as being a funding plan for dementia?

Mr D. DAVIS — There is a national dementia plan which we are a party to and we are working on with the commonwealth and other jurisdictions. As I say, Victoria has a slightly different approach to some other states, and in a bipartisan way I think that is a good thing. It has persisted through a number of governments with our assessment mechanisms being different from those of other states. The involvement in residential aged care, which is a part of addressing some of those issues, includes the dementia-specific services and our unique delivery of home and community care, which is done with council involvement.

So we have a different approach to other states, and that is sometimes hard for commonwealth bureaucrats to understand. I think Minister Butler has understood that, and I pay tribute to that, and we are very prepared to work with the commonwealth on those matters. Many of these matters are primarily commonwealth responsibilities, and as you would gather, the national plan perhaps impacts a little differently in Victoria because of our different shape of services, including the fact that we have a number of residential aged-care services.

Mr MORRIS — Minister, can I refer to budget paper 4, the state capital program, and in particular page 30, which of course identifies new projects for your department. I particularly want to focus on the Swan Hill aged-care redevelopment, which is listed on that page. I am wondering whether you can provide the committee with further detail on the redevelopment project.

Mr D. DAVIS — I am very pleased to announce the Swan Hill support in this budget, the \$18 million. It is a significant addition to capacity, and picking up Mr Pakula's point on some of the distinctions that we have in Victoria, this is an example of where the state is building a 45-bed new residential aged-care service in Swan Hill. Again, other states tend not to have residential aged care, but we think it is an important component. The current Swan Hill nursing home was built in the late 1970s and provided high-care services for older people who generally have had few options in the local area. The only other provider is a not-for-profit organisation in the area. Perhaps in another state you would see several private providers or maybe one large private provider.

The facility has experienced ongoing problems associated with poor fabric quality and falling demand, both of which contributed to significant falls in occupancy. While the facility has continued to meet the required accreditation, fire and safety standards, it is not functional in terms of layout. Of the 52 places at the site, 6 are

now operating as transition care places. The new facility will be constructed on the former St Luke's building and surrounding land, which Swan Hill District Health acquired in 2011. That is adjacent to the hospital, and for those who know Swan Hill, on the corner of McCallum and Splatt streets.

The design work for the new facility will commence immediately. That will include en suite bathrooms and ensure that all residents live on a ground floor, unlike in the existing facility. The redevelopment will ensure that Swan Hill's older residents who need this level of care can live in comfort and dignity. The works are expected to be completed next year; I think the target is 2013. I stand to be corrected on that. There is, I think, a broader issue where we would take the challenge of getting support for residential aged care. Whilst the health and hospital funds guidelines do not specifically exclude residential aged care, it appears a strong preference is there not to support that. Again this is not a party-political comment; the commonwealth has over a longer period not been so good in supporting aged-care facilities that are supported or run by the public sector in Victoria. I think there is a longer term issue for us to deal with the preference of the commonwealth to fund health services where, in some cases, the integration of services might be better. In this case, we have supported the aged-care facilities at Swan Hill, and we would hope that the commonwealth may well come forward with support for the matching health facility.

Mr SCOTT — In part my question almost follows on from some of this earlier discussion. I refer you, Minister, to budget paper 4, pages 29 and 30, where, as far as I can tell, although there is the redevelopment at Swan Hill, I cannot find an allocation towards land bank acquisitions for the purpose of future residential aged-care needs. I just seek clarification on: do you intend to acquire any other sites in the coming year?

Mr D. DAVIS — Just to be clear, there is land in the budget in a number of places. There is Geelong land, there are also the land bank arrangements that were in place in Albert Park and also in Williamstown. I think there is one further one, isn't there?

Ms HERINGTON — Coburg, Preston and Templestowe — existing.

Mr SCOTT — Are they new land bank purchases?

Mr D. DAVIS — They are longer term processes. The Geelong land is new.

Mr SCOTT — Can we have any of the detail of those on notice, please?

Mr D. DAVIS — Sure.

The CHAIR — The minister will take that on notice.

Mr ANGUS — Minister, I refer you to budget paper 3, pages 134 and 135. Can you explain how the government is supporting older Victorians to remain at home through the home and community care funding?

Mr D. DAVIS — As I have indicated, home and community care is a very important program in Victoria. It provides funding for services for those frail older people, younger people with disabilities and indeed their carers. These services provide basic support and maintenance for people living at home whose capacity for independent living is at risk or who are at risk of premature or inappropriate admission to long-term residential care.

The program is jointly funded by the commonwealth and Victorian governments under the HACC review agreement of 2007. Local councils in Victoria play a very important role. The HACC program has two output groups — primary health community care and support and small rural services — so HACC is often provided from a small rural service, often with a residential aged-care component, as outlined a few moments ago. There is growth funding. The HACC triennial plan sets out the priorities for the allocation of growth that is aligned with other planning frameworks. The triennial plan has been transmitted to the commonwealth. The triennial plan proposes three priorities: building a person and family-centred care, aligning resources with population profiles and continued development of workforce.

The resource allocation across the system is a complex formula done by a needs assessment measure, and that is driven by census data. It is true, I think, that there is strong demand for HACC services and there can always be more HACC services provided. The need for steady growth is there. Melbourne's population is growing, and the population is ageing. I think also in the triennial plan there is the identification and addressing of barriers to

service access, experienced again particularly by CALD communities, improving access and strengthening service provision for Aboriginal communities, and improving service responses for people, to pick up Mr Pakula's point, with dementia, their families and carers.

These things are recognised in the program. There is, I think, a need for regions and agencies to demonstrate an understanding of their particular catchment, identify unmet service needs, of which there are many, prioritise, and develop a particular plan that is achievable and can be measured. There are some challenges, but it is an area that Victoria has had significant strength in over a number of years over a number of governments. We have maintained our strong performance there.

Ms HENNESSY — Minister, I want to ask a question about supported residential services, and I refer you to budget paper 3, page 134. You will see there that the number of pension-level beds available in assisted supported residential services facilities remains the same as last year, despite the fact that we have an ageing population. It is still sitting at 1876. I was just wondering if you could point me to where in the budget papers you have allocated — —

Do you want me to give you a moment?

Mr D. DAVIS — Sorry, say that last bit again.

Ms HENNESSY — Would you like a moment? Would you like me to finish my question?

Mr D. DAVIS — No. I was just trying to get the numbers right. Go on.

Ms HENNESSY — Could you point me to where in the budget papers you have allocated either additional bed capacity or additional funding towards improving the viability of SRSs in Victoria to meet the support needs of their pension-level residents?

The CHAIR — Minister, if you need a moment, take it.

Mr D. DAVIS — As you correctly identified, the number of pension-level beds is listed there in the budget — and that is not all older Victorians, I might add. The SRSs provide service to others as well. But there is additional SAVVI funding estimated in 12–13 — payments of 11.7 million in the budget breakdown.

Ms HENNESSY — Could you just reference that for us?

Mr D. DAVIS — It is in the aged support services output area.

Ms HENNESSY — Which is what budget paper and page?

The CHAIR — Are you on BP 3?

Mr D. DAVIS — Yes, 133.

Ms HENNESSY — And SAVVI?

Mr D. DAVIS — It is incorporated in that output group.

Ms HENNESSY — The figure was 11.7 million additional, so is that the growth funding?

Mr D. DAVIS — That is the total budget for the SAVVI funding. Bed numbers are stable, but that is the SAVVI funding's 11.7.

Ms HENNESSY — So there will still be 1876 beds?

Mr D. DAVIS — That is correct.

Ms HENNESSY — No growth in the number of beds?

Mr D. DAVIS — That is correct.

Ms HENNESSY — Can I just quickly ask: what does SAVVI stand for, out of interest?

Mr D. DAVIS — Supported Accommodation for Vulnerable Victorians Initiative.

The CHAIR — You knew that!

Ms HENNESSY — The acronym dictionary, I think, really should start to be a topic of conversation!

Mr D. DAVIS — And you can see why people use the acronym.

The CHAIR — Thank you, Ms Hennessy; thank you, Minister. That brings us to the conclusion of this session on the ageing portfolio. There were a number of matters that you agreed to take on notice. The committee will write to you in due course, and if you could respond to the committee within 21 days, we would be grateful. I would like to thank the minister and all of the officers of the department for their attendance today. That concludes the hearing.

Witnesses withdrew.