

# VERIFIED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into Budget Estimates 2015–16

Melbourne — 19 May 2015

#### Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Dr Rachel Carling-Jenkins

Mr Tim Smith

Mr Steve Dimopoulos

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#### Witnesses

Mr Martin Foley, Minister for Housing, Disability and Ageing,

Dr Pradeep Philip, Secretary,

Mr Arthur Rogers, Deputy Secretary, Social Housing and NDIS Reform,

Mr Lance Wallace, Deputy Secretary, Corporate Services, and

Ms Katy Haire, Deputy Secretary, Service Design and Operations, Department of Health and Human Services.

**The CHAIR** — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2015–16 budget estimates. All mobile telephones should now be turned to silent.

I welcome to the hearing the minister for housing, the Honourable Martin Foley, MP; Dr Pradeep Philip, Secretary of the Department of Health and Human Services; Mr Arthur Rogers, Deputy Secretary, Social Housing and NDIS Reform; Mr Lance Wallace, Deputy Secretary, Corporate Services; and Ms Katy Haire, Deputy Secretary, Service Design and Operations. There are also potential witnesses in the gallery. They are: Ms Kathleen Forrester, Acting Deputy Secretary, Strategy and Analytics; Mr Paul Smith, Deputy Secretary, Mental Health, Wellbeing, Social Capital and Ageing; Mr Greg Stenton, Acting Chief Financial Officer; Mr Peter Neilson, Director, Financial Services; Ms Jane Herington, Director, Ageing and Aged Care; Mr James MacIsaac, Director, NDIS Reform; Mr Scott Widmer, Executive Director, Human Services Design and Development; and Ms Dannii De Kretser, Assistant Director, Human Services Design.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege. The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses 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 by Hansard. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Departmental officers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way.

Members of the media are to observe the following guidelines: cameras must remain focused only on the persons speaking; operators must not pan the public gallery, the committee or witnesses; and filming and recording must cease immediately at the completion of the hearing.

I am conscious that we have a number of portfolios to cover today and we are not due to conclude with Minister Foley until 12.45 p.m. today, so I will propose that we have a 10-minute break at 10.30 a.m.

I invite the witness to make a very brief opening statement of no more than 10 minutes. This will be followed by questions from the committee.

**Mr FOLEY** — Thank you, Chair. I just might pick you up on your introduction of me as the minister for housing. This portfolio is housing, disability and ageing, for a very particular reason: that it seeks to bring together what have historically been different ministerial responsibilities into the one so as to ensure that people with disadvantage and vulnerability in those areas are seen as their whole selves, with their needs and their families accordingly, because essentially if you have a disadvantage or vulnerability in one of these areas, in reality you are disproportionately likely to have a vulnerability in more, if not all.

**The CHAIR** — My apologies, Minister.

**Mr FOLEY** — That is in fact an essential reason why the government has created this particular portfolio and indeed created, as part of the machinery-of-government changes, the new Department of Health and Human Services to deal with the whole person, the whole family context, in the way disadvantage and vulnerability is dealt with.

### **Visual presentation.**

**Mr FOLEY** — We perhaps might kick along to the second slide, based on that introduction. The budget and the funded initiatives in the housing, disability and ageing portfolio are really built around the notion of, as we say here, putting families first by investing in the services that they depend on and making them accessible in the areas and at the times that they are needed and by seeking to address the demand for core services particularly in community settings. It is the responsibility of this particular portfolio continuing where those

programs historically have been successful, and delivering them, and obviously reviewing and seeking to improve those that have not been, but particularly also in making sure that we deliver on our election commitments.

The budget seeks to and does in fact deliver enhancements in the services for vulnerable Victorians whilst seeking to address the very rapidly growing demand for core services and ensuring that funding for successful programs continues.

Our government was elected on the notion that we need to put people first and trying to appoint that into the role that this portfolio has. That really means seeking to deliver services to those Victorians who need our help, and indeed our hope, the most. Our first step, as I indicated, was to bring together the former health and human services departments into the one department to seek to better direct those efforts. The ministerial portfolios in this department combined, of which I am but one, seek to lead Victoria's important policies and programs around the frames that so many Victorians have to deal with as they struggle with different levels of disadvantage. We brought together in my portfolios not just housing, as I indicated, but disability. Whilst it is a different portfolio for the purposes of today's hearings, in reality of the services it is not, in how we go about delivering whether it be mental health, alcohol, drug or indeed ageing programs — they all come together in trying to respond to those disadvantage frames.

We did this because we see the links that need to be made across the spectrum of issues as to how we improve people's lives and the chances that they have that are outlined here. We tried to diagrammatically bring together a focus on strengthening not just those services that people deal with but the systems that they operate in. Strengthening that engagement of vulnerable people through the access to universal services, such as health and education, is a critical part of that. To promote better outcomes, particularly for disadvantaged people and disadvantaged communities, is a particular focus that my portfolios seek to bring.

We recognise that this invariably means dealing with people and communities and families that have multiple, and indeed overlapping, challenges and that the service responses that we have historically had in this area, despite commitments to reform, still have some way to go in dealing with the reality that they need to be more effective. Putting people and families at the centre of what we do really does require that integrated approach, greater coordination and greater cooperation across government and across community services. They really are the essential parts of a considered response to vulnerable Victorians. So making sure that our responses cut across some of the traditional portfolio silos is an important part of what we are doing, or seeking to do.

The next slide seeks to reflect the additional output funding of the portfolio, which is some 663 million over the coming years for vulnerable Victorians. That, given a range of issues, has a very strong focus on support for people with disabilities. That should come as no surprise as the state, as part of the national intergovernmental agreement on the national disability insurance scheme, gets ready for that. That also has output funding implications for housing and homelessness services, which we have sought to deliver, with a particular focus on responding to the crisis in family violence.

There is funding for home and community care increases, which also follow some implications for the NDIS, and there is importantly substantial funding of almost a billion dollars for delivering the pay equity decision, the equal remuneration order, of the Australian Fair Work Commission for those largely female workers in the community sector, for pay equity issues with the equivalent of their state sector colleagues, which is some of the most challenging work in the state, dealing with some of the most vulnerable Victorians.

The funding reflected here in each of these outputs has significantly increased. Chair, I particularly refer to the figures at budget paper 3, page 222, as the output summary demonstrating the growth in percentage terms of that increase. Funding for housing assistance has increased 5.5 per cent over the previous year, funding for disability services has increased by 6.1 per cent and funding for ageing, aged and home care has increased by 7.1 per cent. These are significant funding increases, and they seek to support the real outcomes, improve real outcomes, for vulnerable Victorians and equally to reflect the growth in demand.

I particularly move on to the next slide dealing with disability services and some of the budget highlights. There is a commitment for \$35 million in 15–16 as part of 151.1 million over four years and \$42.6 million in addition to that provided by the government so Victorians with a disability can seek access to the rights and services that they are appropriately entitled to. As a key part of that the state will fund an additional 830 individual support

packages to deal with the mounting demand in that area. Those will be targeted to individuals and families with urgent needs, particularly those associated with the rollout of the NDIS.

The targeted areas will be for young people leaving school; for people exiting what has been a relatively successful program, the Futures for Young Adults program; and a range of other high-needs groups who are reflected in the waiting list for ISP. This is a very large increase in ISPs — in fact one of the largest increases in a single year — and it is a necessary stepping stone as we move to the full rollout of the NDIS, which as per the intergovernmental agreement is due to start in July 2016.

I move to the next slide, which deals with housing assistance. I was very pleased to see that the housing and innovation action programs were funded and extended in a period in which there has been some question over the level of support from other levels of government. In allocating \$40 million over four years this budget really aims to ensure the continuation of the successful homeless innovation action programs, which seek to deal with some of the most vulnerable people in the housing area in innovative and creative ways rather than the simple notion that of course one has to provide a secure place for someone to live., But that has to be supported around the particular needs of at-risk groups, whether they be Aboriginal people, women fleeing family violence, the particular needs of young people, the aged and particularly women as they enter the senior years, or groups of the homeless or those at risk of homelessness who are in particularly delicate areas of the service delivery question; the innovation action projects seek to address those.

I am also pleased to see that there was \$7 million allocated in the budget to ensure that the five work and learning centres, largely driven by the Brotherhood of St Laurence but focusing in partnership with the office of housing on at-risk communities right across the state, will continue to operate. Those five centres operate in Carlton, Shepparton, Geelong, Moe and Ballarat, and they are particularly targeted at building connections to assist our social and community housing residents to target those most vulnerable and disadvantaged groups of those communities into support services so as to get them the best level of support possible in our community — that is, a job.

As it turns out, there were specific election commitments honoured in this budget regarding some of the rooming house programs that the government went to the election on. There was a particular commitment for \$600 000 over the four years to improve accommodation for people living in the Gatwick in St Kilda as a particularly vulnerable group that needed assistance. This funding will improve the shared facilities at the Gatwick and will be providing better, safer accommodation for the up to 100 rooming house tenants in what is a very stark reflection of some of the wider issues of homelessness, health and wellbeing, and indeed the crossover to drug and alcohol abuse — —

**The CHAIR** — The minister to conclude his presentation.

**Mr FOLEY** — Thank you. In lieu of that I might just leave the presentation as it exists for members. But perhaps I will wrap up by saying that the funding for the family violence approach that the whole of government is taking has particular resonance in this portfolio. I was pleased to announce, basically in response to the increase in demand that we have seen since the government's — —

Not as a result of the government, but an increase in demand associated with more assertion of the rights of women and families fleeing family violence. We have seen an unprecedented increase in demand from women seeking assistance from crisis housing and support services. That is, in terms of the drivers of homelessness services, now over a third of Victorians seeking the assistance of homelessness services are women and families fleeing family violence. As recently as yesterday we signed off on further assistance of a \$2 million package to provide that assistance. I might leave my presentation there, Chair.

**The CHAIR** — Thank you, Minister. I will lead off. My first question is: how does this budget acquit *Labor's Financial Statement*?

**Mr FOLEY** — Thank you, Chair. I am pleased to say that this budget delivers on Labor's election commitments and financial statement around a number of goals over the coming four years. As I have indicated, there are commitments to tackle family violence, which continues to be not just the no. 1 law and order issue in our state but one of the critical drivers of homelessness and other disadvantages that Victorian women and families have to endure. We recognised this through the establishment of the royal commission.

Whilst that is obviously the headline issue that focuses much of the community's attention, what it has also brought into sharp relief is the need to do more to assist women in escaping family violence right now. In that regard through this portfolio there is an immediate boost to support Domestic Violence Victoria as a peak group in this area. Sadly many of the peaks in this sector had their funding cut, if not totally stopped, in recent federal changes, but we see that there is a need for peaks in this sector to give voice not just to access workers but the sector-wide bodies, many of which are too busy dealing with the day-to-day increase in demand. We are quite proud to be supporting Domestic Violence Victoria in their important work.

We want to make sure that women have, as a result of this budget, increasing confidence in the services should they take the brave step to flee family violence, so that they are supported in that. We know that, while there is much work to do, the royal commission's findings need to be in a position to respond to that.

Whilst this portfolio deals with some areas of the family violence scourge that is taking the life of one woman across our country every week at the moment, other ministers obviously share this responsibility in their portfolios. In regard to some of the areas of housing that the portfolio and LFS commitments deal with, there is the commitment to rooming houses. Whilst it is not just about rebuilding particular rooming houses, there is the wider policy commitment about reflecting that social disadvantage is not dealt with just by providing a roof over someone's head; it is about making sure that there are services that deal with the other arrangements that make people's lives sometimes less enjoyable and certainly prevent them from participating in the ways that we would want them to. In that regard the commitment to the Gatwick reflects that. Whilst the Gatwick has sometimes an unenviable reputation, it is in many instances as a result of the lack of services and support not just for the people there but for many of the communities that are attracted to it, unfortunately.

In regard to other areas of the portfolio, the commitments around *Labor's Financial Statement* to ensure that we support the commitments around the NDIS, which reflect the 2013 intergovernmental agreement, are probably the most immediate and significant challenges that are set out in the forward projections. They will drive many of the other focuses around responding to the needs of individuals so that not just the changes associated with the NDIS but the changes associated with the wider Victorian community care system that come together in the Department of Health and Human Services will be a key part of the commitments in this budget.

**Mr D. O'BRIEN** — My question relates to budget paper 3, page 261, and the total number of social housing dwellings, which has an expected 14–15 figure of 85 279 but a 2015–16 target of 85 195. I refer to the Labor policy document, which states that Labor will 'expand Victoria's social housing assets', and your previous comments about what happened under the previous government. There was actually an increase of 88 last year if you look at the expected outcome in terms of social housing dwellings, so my question is: why is there in fact a reduction of 84 homes under this target?

**Mr FOLEY** — Thank you for that question. Arrangements whereby social and community housing units are funded through the budget are a critical part of dealing with how we go about responding to need. The truth of the matter is that we are coming off a particularly grim set of funding circumstances that have historically driven how community, social and public housing has been dealt with in this state.

In regard to the last four years, figures from the Australian Productivity Commission indicate that \$470 million was removed from the social and community housing sector in this state over that period of time. The figures in terms of how support for what has been the traditional postwar settlement in how public and community housing has been funded through the commonwealth-state housing agreement — and the evaporation of that line of support — have been particularly challenging in this area. That has been further complicated by the fact that the federal government has indicated in its federation white paper, released before Christmas, how it sees housing operating in the federation post its white paper in this area. That has been even more challenging.

In regard to how we will seek to acquit our policy commitment to expand social and community housing, it is coming off a basis whereby not only have we had \$470 million taken out of the system, but we will by all accounts have even less assistance from the commonwealth as the traditional key partner in that area heading forward. In this regard there are a number of programs that I would be confident will over the forward projections give us the opportunity to review the projections that are set out in these budget papers and to expand those. There are, for instance, a number of programs I am currently working with, through my department in partnership, on how we will bring to the table the assets we have as a state in this area to expand and give us the opportunity to review the figures you have highlighted.

Those include work that is underway with the Metropolitan Planning Authority around revitalising and renewing precincts around the cities of Darebin and Latrobe and programs we have identified as possibilities in Broadmeadows, Dandenong and Frankston. There are particular programs where some preparatory work was done by the former government but not taken to the point of being funded in the areas of Ashburton and Preston, for which I am currently well advanced in discussions as to how we might deal with those. It would be my expectation that this work will result in up to 371 additional new acquisitions planned for 2015–16. Should those discussions land where we would expect them to be, that would give us the opportunity to review the figures that you have correctly highlighted.

This would be in addition to acquisitions that are currently well underway in terms of development projects that are at different levels but certainly need reinvigoration — I suspect that is the best way to put it — across the state in Norlane, Heidelberg and Westmeadows, as a number of new projects seek to renew and increase the density of housing stock on existing office of housing land. So at a time in which we see 85 279 social housing dwellings as of 30 June 2015, we look towards substantially expanding that up from what it was at June last year. Whilst you are correct in identifying the targets that are set out in the budget papers, I would hope that as we build for the future those figures will be the subject of continued reassessment by my department and the government to give effect to the government’s wider plans in this area, given that the substantial constraints in terms of how traditional methods of delivering the necessary capital, particularly from other levels of government, not only evaporate but are actively withdrawn.

**Mr D. O’BRIEN** — My supplementary goes to exactly that point, Minister. It is fine to talk about what happened over the past four years, and you have acknowledged the numbers that I read out, but the figure under those figures in the table on page 261 is the total social housing dwellings acquired during the year. That is actually scheduled to fall from 500 in the budget and the expected outcome to 371.

**Mr MORRIS** — It was 930 the year before.

**Mr D. O’BRIEN** — Yes, it was 930 the year before. Thank you, Deputy Chair. If your plan is to expand social housing, why is there in fact going to be less purchased during the year?

**Mr FOLEY** — As I explained in my earlier answer, you can see in the footnote there that the lower 2015–16 target reflects a commitment to asset optimisation, with a focus on additional maintenance and upgrades to existing stock so as to ensure that the opportunities for how government responds to increasing demands but decreasing arrangements — —

### **Members interjecting.**

**Mr FOLEY** — I am simply referring to what is in the budget papers. In terms of funding for those plans for partnering from the asset base that we have, given the reductions in the traditional lines of capital, we require a new approach whereby we seek to bring, as the honourable member has pointed out, a greater commitment to asset optimisation so as to ensure that we are in a position, having secured the base of social housing, to make arrangements to then seek to invest in a program of partnering, using those assets as opportunities for growth.

**Dr CARLING-JENKINS** — Thank you, Minister, particularly for your presentation around the multiple disadvantage model that you are adopting. I certainly think that is going to be a good thing for this sector.

I would like to ask you a little bit more about that, in particular in relation to people with disabilities who have an age-related condition. As you would know, many people with disabilities are now able to live into middle or older age, which is fantastic — great kudos to our medical and our social care — and we are seeing our first generation of people with Down syndrome, for example, who are living into older age. People with Down syndrome have a predisposition to age-related conditions, such as Alzheimer’s disease. I have found that the disability sector has in the past really struggled to cope with the additional demands of this ageing group, and because of our siloed approach many people with disabilities have struggled to find adequate care between disability, housing and ageing.

I wonder if you could you explain a little bit more for the committee about your awareness of the strain put on the disability, housing and health system of these new challenges, and how this budget contributes to assisting people with disabilities who have age-related conditions.

**Mr FOLEY** — Thank you very much. I acknowledge your familiarity and indeed your expertise in this sector, and the important fact you have identified that if we are going to deal with not just disability but the whole frames of other vulnerabilities that people bring as they increasingly age in the community, it is going to be by focusing not just on the disability condition that someone might have but as they develop further into the community and if they live longer, the need for support to reflect that.

I might make some general comments, and I might seek the assistance of particularly Mr Rogers, who has a wealth of experience at the detail level, particularly when it comes to particular conditions. The key component of how the government is going to resource and respond to the issues generally of disability is reflected obviously in the national disability insurance scheme commitments, which, as honourable members will be aware, was a 2013 intergovernmental agreement which is currently over halfway through its trial period and in Victoria at least has the substantial commitment of the Barwon region as the key trial area. As background for honourable members, that is seeing to move the whole disability framework system from a system whereby essentially the unofficial apartheid system that we placed on Australians who have disability and their carers, from a block funding system that has been in place for the best part of a generation, to a system whereby, based on an actuarial model, based on the work done by the Productivity Commission, it will be built around the notion of choice and control of the individual, sometimes necessarily with assistance to make that an effective choice and control model.

Through that model we will seek to empower those individuals to make choices in a market designed for constructing those choices. From the trial we have learnt some valuable lessons and some lessons that are still to be accommodated in how the wider rollout of the NDIS will occur across the state. One of those learnings has been about how, as the model evolves to that choice and control model, people with multiple complexities for particular conditions arising from disability are dealt with. The first critical issue is to establish whether everybody in that frame is in scope of the NDIS. There have been substantial issues worked through, some successfully — some are still a work in progress — so as to make sure that people in that category that you have identified in fact are within the NDIS's purview. There have been other categories where they have not been, and that poses challenges for how the government and governments around Australia at a state level deal with people who clearly have disability and their families and carers but might not actually be in scope for the NDIS.

In that regard the substantial contribution, whether it is through the ISPs, the home and community care support changes or indeed through seeking to continue the negotiations through the national Disability Reform Council to get access to the Medicare levy support for appropriate housing and appropriate service delivery for people who deal with disabilities and the complexities as they age, of those learnings are all being reflected — as they should be — in the trial period that is well underway.

On some of the issues that you referred to in terms of specifics, when it comes to Down syndrome and the complexities around Alzheimer's, for instance, I might ask Mr Rogers, who has substantially more background in the finer level of detail of that, as to how particular conditions and ageing for people with disabilities are dealt with, to respond. I am happy to supplement that, should we need to.

**Mr ROGERS** — Just in general, the context around disability and ageing is that for those people who enter the state disability system prior to the age of 65, they can elect to stay in disability support, and they do, particularly those people who are living at home with a package and who are in shared supported accommodation. That continuity of care arrangement is currently being negotiated with the commonwealth regarding the rollout of the NDIS.

In relation to those people particularly in our support system, in shared supported accommodation, the issue you raise regarding early onset dementia, particularly for those with Down syndrome, it is clearly an increasing issue that we have been facing, and in the last few number of years we have actually been providing more information and support to our direct care workforce to respond to that — to actually recognise early onset dementia, particularly for those people with Down syndrome — and to seek some support from appropriate geriatric services and other services to assist that. That is in our own supported accommodation area, and also for those people in our supported accommodation area who have a day program, that funding was individualised in the last four or five years as well, and so those people or their families or representatives can actually look at changing their day type of support, which is more appropriate with their age, if they wish to.

In relation to the broader program outside disability, and outside the shared supported accommodation direct service program, we do fund programs such as aids and equipment and home renovation services. People who are older can take advantage of that program to get home modifications and changes so they can stay in their own homes, and some of those people who have been receiving an individual support package from the disability system can elect to change the nature of that package to meet the changes related to their ageing and their aged-care needs.

**Dr CARLING-JENKINS** — One very quick comment: in my experience, many people in shared supported accommodation are increasingly being actually placed in nursing homes here in Victoria, which is quite a concern. I understand that you are grappling with that work in progress around the NDIS, because there has been a lot of concern obviously — and you share this — about the integration of ageing there. I wonder if you could comment on the efforts made under this integrated model to develop an integrated approach to the diagnostic services in relation to people with disabilities, and dementia in particular.

**Mr FOLEY** — Thank you, and again I might make some general comments in terms of the specific diagnostic issues and seek the support of Mr Rogers.

The issue of young people in nursing homes is really a major challenge for how the NDIS rollout will occur. Largely for people with not just acquired brain injury but particularly acquired brain injury, in many cases the only opportunity they have under the current block funding system is to seek access to a bed in a facility that is largely designed for other purposes for an ageing community.

In regard to how NDIS seeks to resolve that, I have consulted on a number of occasions with both providers in the Barwon region and perhaps more importantly participants in the scheme and their families, and indeed I have made myself familiar with a number of cases of precisely some circumstances that reflect that very sad set of circumstances where young people with acquired brain injury are inappropriately dealt with by being housed and cared for in aged-care facilities.

The good news in this is that the NDIS recognises that this is a particular area of challenge and, through the relevant peak group, is seeking to roll that out as a reform nationally. Up until very recent weeks the less than good news was that for the NDIS to be successful in those high-needs areas, such as young people in nursing homes, they would be a part of the group of 100 000 Victorians envisioned to be part of the NDIS that the Productivity Commission identified as particularly high need. Given that the Productivity Commission report was all based around an actuarial model of a lifetime's worth of managing need, younger people were a particular focus of that actuarial model, and for the high-needs categories the Productivity Commission identified that a percentage — somewhere between 9 to 12 per cent, I think, from recollection — of a person's lifetime care provision through the NDIS should go in those circumstances to appropriate housing in particular as the key part of providing alternative locations.

Up until literally last month all the jurisdictions, and indeed the former governments in Victoria, had been pressing the commonwealth to release that part of the NDIS funding referred to in the very unfriendly terms of 'the user cost of capital' whereby someone's individual package could be essentially decoupled over their lifetime's worth of need so as to be able to be partnered with others to provide the necessary capital to provide the sort of accommodation that people in those circumstances particularly need.

The Productivity Commission identified some \$700 million in the projections that should be available nationally, and if you took Victoria's contribution as being roughly a quarter of that, that is many hundreds of millions of dollars available in theory for the delivery of suitable disability accommodation to meet a range of needs, but particularly that one.

Unfortunately, until very recent times, the commonwealth had been reluctant in delivering on that particular commitment, but we were pleased, really with a unity ticket led by Victoria and New South Wales at the most recent disability reform council meeting, that the commonwealth had at last committed that it would, through the national disability insurance authority, partner with states and partner with other levels of government and private and philanthropic supporters to provide the necessary support for what is deemed to be innovative approaches to that very solution.

The trouble with this is that it takes a long time to get a suitable housing need out into the community. The reality is that participants in the scheme who are currently in those circumstances want smaller scale homes — they do not want to live in a home like everybody else.

**The CHAIR** — The minister to complete his answer.

**Mr FOLEY** — What we are keen to make sure is that the user cost of capital component is rolled out sooner rather than later, but in terms of the diagnostic issues I am afraid I might have to pass to Mr Rogers for a more detailed understanding of this issue.

**The CHAIR** — If it could be very brief.

**Mr ROGERS** — Just generally, in terms of the practice, we do try to encourage people to age in place and stay in a group home where it is in their best interest. Sometimes their aged-care needs replace their disability support needs. In relation to diagnostic issues, we do encourage people to have regular health checks to give staff awareness about ageing issues so that those issues are raised through their health checks. We have support plans that are provided for people in shared supported accommodation, with periodic reviews of those. In relation to that issue with the NDIS, we are currently in negotiations around the role of the NDIA in diagnostic assessment of the disability condition and how that relates to the mainstream health system, which might be covered through the commonwealth schedule of Medicare.

**The CHAIR** — I appreciate that the question from Dr Carling-Jenkins was a very detailed and involved one, but, Minister, if you could look at answering your substantive question within 4 minutes, that would be appreciated.

**Mr FOLEY** — I will do my best.

**Ms WARD** — Minister, like Dr Carling-Jenkins, I am quite passionate around the area of disability. I have a nephew, a six-year-old, who has a disability, and he has his own challenges that he faces, and I have a mother-in-law with motor neurone disease. So I am aware of the challenges that families can face. My sister-in-law does an amazing job, and so does my brother, looking after my nephew, but her idea of the kind of life she was going to have is quite different now that he is growing and she has extra demands on her life and challenges that she has to face on her own. If I could ask you to have a look at budget paper 3, page 69, you have a line item in there that talks about more support for people with disabilities and their families. Can you explain in detail, but not take too long — —

**Mr FOLEY** — Four minutes!

**Ms WARD** — what impact this funding is going to have for people with disability and particularly their families?

**Mr FOLEY** — Thank you, and I will heed the Chair's guidance in this matter. What you have outlined is the fact that I suspect everyone in this room will have a relationship with one of the 100 000 Victorians who plan to be within the scope of the NDIS through their disability, or indeed when you multiply that through the carers and supporters and the many more hundreds of thousands of Victorians. So this is really a national opportunity, which I think does transcend the normal divide of politics to make sure that we do build a better life for the people of your family and indeed the tens of thousands of other families across the state.

In that regard you have highlighted the fact that this budget seeks to make a down payment of a further \$151 million of new contributions to individual support packages, as essentially the kind of model that will be transformed into an NDIS system once the full rollout is achieved under the current arrangements by 2019. That new contribution of the 830 individual support packages is tied to individuals' particular needs, but with the support that they need to exercise them it is really going to be targeting the most vulnerable young people who are currently on the waiting list for disability support in this area. That comes in addition to the budgeted forecasted arrangements that are required under the national partnership of \$2.54 billion in contribution that the state will make to the NDIA, which comes in addition to the commonwealth commitment of \$2.6 billion under an arrangement that has an opportunity to transform those areas.

In terms of that particular aspect, I can inform the committee that of that commitment that has been made in this budget, \$40.27 million will be targeted over the next four years for additional individual support programs for school leavers, and a further \$52.4 million for the Futures for Young Adults program, which seeks to target vulnerable young people with disabilities exiting support programs so as to make sure that having finished education support, that support in terms of the ISP and housing and the range of services that go with that do not end.

That is in addition to the other education, mental health and indeed justice support programs that some of those young people's needs reflect. Mindful of the Chair's earlier direction, whilst I could expand, I might leave at least my initial response there.

**Mr MORRIS** — Minister, I refer you to budget paper 3, page 238, and in particular the issue of home and community care, and in particular the issue of home and community care service delivery hours. As we can see there, the 2014–15 expected outcome is 11.7 million hours, which is entirely consistent with the estimate for that year, but the budget for 2015–16 is reduced by 1 million hours to 10.7 million hours. The explanation under the costs indicates that there is increased commonwealth funding or an increased contribution as a factor, and also of course there is a reference to an increase in the commonwealth unit price. Can I ask: if there is an overall increased commonwealth contribution to HACC services, what is causing the reduction in the number of HACC delivery hours?

**Mr FOLEY** — Thank you for your question, Deputy Chair. Home and community care is caught up in the intergovernmental agreement for 2013, which sets the context for which the rollout of a peculiar Victorian contribution to home and community care will be reflected in the NDIS. That intergovernmental agreement set the course whereby the particularly leading support that Victorian local government makes to home and community care was in a sense quarantined from the rest of the nation's approach, and that had the support of the MAV and indeed was signed off as a particular attachment to the NDIS.

The wider NDIS framework provides for a series of changes to how home and community care is dealt with nationally. The 2013 agreement provided initially for home and community care to transition from 30 June this year, but it was clear upon coming to government that that was not going to transition in the time frame that had been agreed to in 2013. Indeed we responded to the suggestions from the commonwealth that that was impractical in the circumstances, and that transition has now been rescheduled to 2016. As of that time, the turn-off date at 30 June 2016 will see changes in how home and community care is allocated, with the commonwealth taking over responsibility for those over 65, and — I stand to be corrected here, but I am pretty sure — those under 65 will fall under the NDIA's and Victorian care system's rollout. That complicates our projections going forward, which will be dealt with as the rollout of the NDIA increases via different areas across the state, as the rollout commences in 2016, in addition to the Barwon region.

When you put all of those various factors together, in 2015–16 the focus will be on ensuring that delayed rollout of the home and community care component is got right for the, I think, over 300 different providers across the state needing to get ready for the changes that the NDIA system will start to implement. Many of them are local government, but many of them are not-for-profit community-based organisations as well. Ensuring the smooth and effective transition of those who are in the over-65 program to the commonwealth is the major driver for the 15–16, if you like, stagnant arrangements, as the system rolls out beyond 15–16 for the projected changes that will occur in Victoria's contribution to that area.

**Mr MORRIS** — Given the complexity of those changes, Minister, can you guarantee that there will be no lessening of services to individuals and families who are receiving that support?

**Mr FOLEY** — That there will be?

**Mr MORRIS** — No lessening of services.

**Mr FOLEY** — The whole commitment that the commonwealth and the Victorian government signed up to in 2013 is for a series of better services. We have seen in recent times some, I suspect, weakening of parts of the local government area support for that. I was pleased to see that confronted with this issue one of the largest councils in rural and regional Victoria, the City of Greater Bendigo, having contemplated for over 12 months exiting the service, made in my judgement the correct decision to not exit the service of home and community care. This was an issue of some controversy in that community, and it went to precisely the issue that you

identified, Deputy Chair, that the community held that they were at risk of a lesser service unless local government continued as a key partner for that.

In terms of the specific goal that in 2013 the state signed up to — it is to improve the level of service for home and community care participants — and the reason why Victoria has a separate addendum to the intergovernmental agreement reflects precisely that. That was the policy in 2013. It was a policy that we supported in opposition, and it is a policy position that we continue to support in government. It is our goal to partner with the commonwealth, local government, not-for-profit providers and whoever is in the field post the NDIS to make sure that services are at least as good, if not better, than they are now.

**Ms PENNICUIK** — Minister, if I can go back to housing and budget paper 3, page 261, and raise some issues regarding maintenance of public housing. On that page there is a deliverable of percentage of social housing tenants satisfied with completed urgent, major maintenance works. The minister will be aware that there is ongoing reporting of significant maintenance issues in public housing and claims it is poorly managed by the former DHS. Just with regard to this target I have got two questions. How does the department measure this level of satisfaction of 85 per cent? It mentions here urgent maintenance works, but in relation to general maintenance works as well, how does the department measure this? Is there a reporting obligation from the department to you?

**Mr FOLEY** — Thank you for that question. I might make some general comments and seek the assistance of the earning-his-keep-today Mr Rogers on some of the detail. I think it is well appreciated, particularly amongst public tenants and social housing tenants, that the stock of housing that is their home leaves a bit to be desired, particularly where it is that stock from the 50s, 60s and indeed 70s, which reflects the needs of another era and is regularly not fit for purpose for the needs of those public and social tenants in it.

In terms of how maintenance is delivered, what we have seen in this budget other than these measures, which I will ask Mr Rogers to expand on in terms of the specifics of the mechanisms that are used to measure that, is that we are coming off a budget of last year of \$138.2 million in maintenance, and it is projected that this 15–16 budget will have \$156.5 million — a substantial increase in the maintenance. That is specifically because we took the view, in light of the earlier discussion I was having with Mr O'Brien, that there is in fact a need to stabilise the system for the needs of those public tenants who are currently in it.

Maintenance is dealt with from the tenants' perspective through a call centre in the Latrobe Valley. I am not sure if it is in Mr O'Brien's electorate, but it is nearby. It is certainly in Ms Shing's electorate. That operates as a call centre whereby the services are logged, and there are, in a relatively well appreciated process, arrangements put in place. There were plans to privatise that system when we came to office. Those plans will not be carried out now. We will seek to make the system, provided this is extra funding, work in the interests of public tenants more directly. That is not without its challenges. Everywhere from the call centre through to the timeliness through to the provision of contracted services for maintenance in ageing stock reflects many of the pointy ends of service delivery for public tenants.

In terms of the specifics of how public tenants have that measure that you identified in BP3, page 261, and how that is reported back to me, I might throw to Mr Rogers in terms of how it is measured. In terms of how it is reported back to me, there are a number of regular briefings that come through the department largely from public housing but increasingly, as social and community housing options expand through housing associations and others, the wider state-supported community housing, which tends to be in newer stock. So it is not an issue to the same extent how that is responded to. It comes back to me in a series of regular reports. I might ask Mr Rogers to explain in terms of how that particular measure of satisfaction, particularly for urgent maintenance works, is dealt with.

**Mr ROGERS** — In relation to maintenance of public housing properties, the department conducts a periodic tender to appoint private companies to do maintenance, generally on a geographic basis, so there will be a number of providers across the state, and that contract will stipulate the rates to be paid for certain amounts of work and other performance measures for those providers.

The process of obtaining maintenance for a tenant is generally that they will ring the housing call centre and log that call, and that is generally a responsive maintenance request. There may be something that is not quite correct in their property or there are repairs needed. The call centre would log that call, and it would be allocated

to a maintenance provider. A method of checking that that work is done — and I guess you would need to appreciate that there are some 60 000-odd public housing properties across the state, and quite geographically spread in a number of ways across the state, although there are concentrations in certain areas, as you would appreciate — is that the call centre follows up a sample of those maintenance completed notifications to the department. We determine the satisfaction rating from that survey, which is undertaken by a call centre, which is a statewide call centre, and we log that request from there. We bear in mind the relevant satisfaction surveys for different maintenance providers when we are looking at contracting for works.

In addition to the telephone surveys with tenants, there is also a national social housing survey that gives us their information around our comparative results compared to other states and territory housing providers.

**Ms PENNICUIK** — Thank you, Minister, and thank you, Mr Rogers. I hear what you are saying about the urgent maintenance works. Thank you, Minister, for the figure that you are putting in place for maintenance this year. Is a similar figure envisaged to go out across the estimates? I suppose there are the repairs, but there is also the issue of proactive maintenance, as in: does the department audit properties and say, ‘This lot haven’t been painted for 25 years and they need some paint’, or whatever?

**Mr FOLEY** — Indeed. In terms of how the Office of Housing and the department go about what is I think more accurately referred to as upgrades — not just internal upgrades but, as you say, everything from painting upwards — the budget that we inherited had 1720 upgrades planned and scheduled for 14–15 at \$131.3 million. Again with that focus on stabilising and upgrading the stock that we have, that is planned to rise to 2003 in 15–16 at a cost of \$149.6 million. In regard to that wider what you have called ‘proactive’ maintenance and upgrades, we are conscious of the fact that the stock we have is ageing and is subject to the issues that I have already addressed, so it will be a particular focus not just of the coming year but of the forward projections. The reason for that is that the wider policy frame will then allow us, we think, the opportunity to build a wider conversation, particularly with social partners, for the opportunities for expanding the number of stock if our own stock is in a better condition.

**Ms PENNICUIK** — Thank you. Chair, can I just ask the minister to repeat the numbers?

**Mr FOLEY** — The numbers in 14–15 in terms of the number of upgraded units was 1720 at a projected cost of 131.3 million, and for the coming budget, 15–16, the number of upgrades planned is 2003 at a cost of 149.6 million.

**Mr DIMOPOULOS** — Good morning, Minister. I just want to ask you about the housing innovation action projects, specifically in BP3, page 64, the funding over the four years. I am probably not alone in this, but a few MPs got approached by funded agencies that were concerned about the future commitment for housing innovation action projects. You touched on this earlier in your presentation and your answer, but there is a whole range of factors that contribute to homelessness. I just want to get a sense from you about this initiative and how it would address keeping people in stable housing.

**Mr FOLEY** — Thank you for the question. This is one of the many items of good news in this portfolio’s budget where, as you have identified, the Andrews Labor government will be investing some 40.32 million over the forward projections in seven particular innovative and successful projects, which, having now been given the opportunity, I will just briskly run through. The first of those is the Sustaining Tenancies at Risk, or STAR, Housing program, which will be conducted in the north-east of the state. I had the pleasure of meeting with that group in Shepparton recently and was particularly impressed by their program. What they do is seek to keep people in secure private-sector rental housing by acting as a rental advocacy broker for those particularly at risk of homelessness or at risk of losing their tenancy in the private sector. That ranges across newly arrived and, increasingly, Koori and traditional owner communities and a range of other young people who are at risk of youth homelessness. Their focus is that combination of people and bringing together services through the Rural Housing Network.

The second one is the Detour program. They support particularly young people at risk, and they are administered by the Melbourne City Mission, together with Kids Under Cover, UnitingCare and a couple of other groups. They operate in Sunshine, Shepparton and Frankston. They, as I said, particularly seek to target school-age young people to keep them not just in secure housing but in the education system, and the measures

that they have taken, both through their own internal reviews and through the departments, have made them a particular success story.

The HomeConnect hub program, delivered by a range of community services led by VincentCare and Anglicare, has been important in delivering to the Glenroy community an integrated approach around wrapping up services for particularly vulnerable families in that area. Home at Last, which was delivered and continues to be delivered by the Housing for the Aged Action Group, has been particularly successful in providing a one-stop shop for people who become at risk of homelessness in their more senior years. They are disproportionately women, as family breakdown, the lack of long-term financial security from superannuation and the increasing cost of private sector rental puts them at risk, and as we see in particular patches of areas of Melbourne and Victoria, economic distress coming through, that disproportionately impacts on those more senior groups.

The Next Steps program targets high-needs and complex young people, and that is delivered in Melbourne's inner-north in partnership with the Jesuits' Brosnan support services and the WISE Employment service. That seeks to bring together employment support and training, and housing so as to make sure people have opportunities there. Families@Home, as it would suggest, is a program that targets particularly women and children to stay at home in circumstances of family violence and to relocate others who might be the cause of violence, and surely that is a better outcome than having women and children flee those circumstances. Kildonan and the Salvos and HomeGround have partnered in a consortium to deliver that.

There has also been a range of other programs, but mindful of the dictates of the Chair, I am happy to perhaps share those with the committee offline.

**Mr T. SMITH** — Minister, I refer you to budget paper 3, page 250, and the hours of community-based respite. The budget figures show that although 1.138 million hours is the expected outcome in the 2014–15 financial year, only 1 million hours has been budgeted for in the 2015–16 financial year. Given this is an area of growing need, can you explain why you are budgeting for a reduction of 138 000 hours, and will this result in a reduction in services for those families and individuals who require this support?

**Mr FOLEY** — There is a footnote that I draw the honourable member's attention to. It talks about some level of the 14–15 expected outcome being higher than the target due to an increased focus on reporting and clarification of the accounting rules that have been implemented in the past 12 months. But again, without sounding like a broken record, the whole focus of the forward projections when it comes to disability services is all around making sure that we prepare for the rollout of the NDIS. As the last year has shown, with the changes from last year's budget papers to the actual outcomes, the prediction of requirements in this area grows in all sorts of unexpected ways. That is essentially why the NDIS rollout is predicated on the notion of not block funding but delivering service requirements.

In terms of this particular measure, the hours of community respite — that is the one we are talking about — respite services are particularly important. There is a contribution there in our carers program that my colleague the member for Dandenong, as my parliamentary secretary, is leading of engaging with carer organisations to make sure that precisely the sorts of variabilities in these arrangements are not dealt with in a way that results in the diminution of services. In terms of the 14–15 expected outcomes being higher than what was targeted, that was really about those demands being met through a reallocation of resources. It will continue to be the position of this government that respite is a fundamental and important part of the services that carers and families need. Certainly not just the policy commitment but the outcome that we will deliver is to make sure that there is no diminution in the level of support or services around respite. Indeed, on the capital side of things there are a number of programs underway so as to improve the opportunities for respite facilities to be expanded across the state.

**Mr T. SMITH** — Minister, my supplementary also relates to respite service delivery, and I refer you to budget paper 3, page 251. The number of respite days has an expected outcome for 2014–15 of 105 000 days, yet only 101 475 days have been budgeted for in 2015–16. Given respite is an area of increasing need, a fact Labor recognised in opposition, why are you budgeting for 3525 fewer hours of respite, and will this mean more families will be sharing fewer hours of important respite care?

**Mr FOLEY** — Similarly to your initial question, the government has a commitment to ensuring that carers and families who provide these important services that allow Victorians coping with disability in order for them to thrive the opportunities for respite need to be a key component of that. You will note that in the footnotes there, particularly the first one, that the expected outcome is higher than the 14–15 target due to an increased focus on reporting and a clarification of accounting rules. I refer you in similar ways to my initial comments on the line item at page 250 and reassure you and, through the committee, those many Victorians and their families and their carers who look to the respite system that there will be no diminution in the opportunities for caring and respite in this area.

I can assure them, again through the committee, that these figures are around bed days. There is no reduction in funding, and the variation is increasingly due to the intensity and the meeting of individual needs, which is only appropriate. But what it does reflect is that the demands on the system grow every year and that the need for ensuring that respite and support as part of the NDIS rollout, and indeed what is not picked up in the NDIS through a Victorian ongoing community care system, meets the needs of Victorians with disabilities, their families and their carers. I can assure the honourable member and Victorian families and carers that there will be no diminution in the provision of this important respite service and nor will there be a reduction in funding.

**Ms SHING** — Good morning, Minister. Good morning, departmental officials. Minister, I would like to take you to budget paper 3, page 64, in relation to the output initiatives. You have covered this in your initial presentation, and it has also come up in a number of other portfolio areas, but I would like to ask you to explain a little more and share with the committee the details of the social and community services equal remuneration order following a Fair Work Commission decision and specifically how this funding will provide greater equity in line with the test case decision to social and community services sector workers.

**Mr FOLEY** — Thank you, Ms Shing. I note in your former life you were a key part of the successful outcome of that ERO —

**Ms SHING** — Indeed, just to declare that and make sure it is not a conflict of interest, in the interests of good governance.

**Mr FOLEY** — and the important role that you and the Australian Services Union played in making sure that that groundbreaking ERO for community sector workers was delivered. The budget includes an almost additional \$1 billion — that is, \$935 million — for workers covered by, in Victoria, the social community — SACS, social community care — —

**Ms SHING** — Social and community services sector.

**Mr FOLEY** — Social and community services award. That covers a wide variety of NGO and private sector providers who deliver the services that the Victorian government, and indeed the federal government, contracts them to do on our behalf and which we fund them to do. Making sure that that largely feminised workforce is treated fairly and the work value that they undertake is respected, we are honouring the Fair Work Australia orders in terms of the ramping up of the ERO's contribution over the next four years. They are the four years that are, frankly, in terms of how the ERO has rolled out, the most expensive and that is only appropriate and fair for them to do. In this portfolio of DHHS, \$889 million will go to the workforce employed across the community sector, and that covers all the sectors: disability, homelessness and a range of other areas.

Since this order was handed down in 2012, we have been mindful of the fact that this largely feminised workforce has now been established as being underpaid compared to the government sector areas, and this funding will make sure that those important NGO partners are not placed in a position of having to carry an unfair burden themselves of meeting the Fair Work Australia order. Fair Work, as you well know, have clearly established that there exists a gender gap that had opened up between the pay rates of equivalent work in private sector NGO areas and the government sector, work based on comparable work assessment. This is not just a pay increase for workers dealing with vulnerable Victorians, it is a pay increase for women workers in particular. That reflects the fact that new money will seek to undo the historical inequities and that low-paid, undervalued workers — mostly women — in this sector need the delivery of some just outcomes.

In regard to the broader notion as to how this will impact on service delivery, we take the view that it will improve service delivery, because if you can treat particularly the workforce of this sector fairly, recognise the fact that historical inequities are being dealt with, it should give you the opportunity, through a range of other

human resource and programmatic changes, to treat the workforce better, look to its wider and longer term engagement. If you have got better paid, better dealt with workers, then we would hope that that would be the launching pad for better service delivery and therefore better outcomes for the Victorians that those workers deal with.

**Mr D. O'BRIEN** — Minister, you referred earlier, in the context of home and community care services, to the importance of local government, so I ask: are you concerned about the impact of the rate-capping policy on the ability of local government to deliver these services?

**Mr FOLEY** — I thank you for that question. In short, I am not worried by the impact of the rate-capping position of the government on the delivery of home and community services. Just to be clear, those areas of local government that had exited home and community care — I think it is the City of Wodonga — had done so well and truly in the life of the former government. Whilst there has been speculation among some local government areas as to how they would get ready for the NDIS, in the discussions that I have personally been involved with with the MAV and a range of local government providers in the home and community care area, the issue of rate capping has never been raised with me. It has always been an issue of how local government believes in a post-NDIS world it is best able to deliver and make sure that its clients are funded appropriately. That is one of the many challenges as you change from a block-funded system to an individualised package system.

This is a highly complex area when it comes to home and community care because some of those local government areas, particularly in regional and rural areas, deal with really isolated, vulnerable people. They get a range of services. Some are quite extensive, depending on their needs, and some are quite limited — the obvious one being Meals on Wheels. If you individualise some of the circumstances, just to take as an example the City of Greater Bendigo and discussions that we had with them around keeping them in the system, they identified that in the transition to NDIS you could be looking at as little as \$2000 being someone's individual package under a post-NDIS world. How does someone in the backblocks of a small town on the outskirts of Bendigo make a conscious choice about how they allocate over a 12-month period as small an amount as \$2000? That creates real challenges for local government as to how they deliver what they want to in Victoria, a key part of HACC services.

Working with local government as to how that kind of challenge gets dealt with properly and not just at the behest of a let-it-rip market is a critical issue that we continue to work with, through the department, with the MAV. I would like to think that the example of Bendigo shows that both local government, state and federal governments, and more importantly the participants in the HACC system and the workforce that local government employs in this, are able to sit down and resolve the needs to make sure that those critical services are dealt with and positioned for a post-NDIS world. It is a long way about saying that there are many issues shaping how local government participate in home and community services in a post-NDIS world, but rate capping is not one of them.

**Mr D. O'BRIEN** — Minister, I know and appreciate councils have not raised it with you, but certainly they are raising concerns about service levels generally. Further to your answer, are you proposing to provide any assistance to local government to deliver HACC services in a post-NDIS world and also in light of the rate-capping issue?

**Mr FOLEY** — That will again come down to what is the scope of the NDIS in terms of how we apply the system there. Victoria will be and is a key funder of the NDIS partnership, so we will be funding a post-NDIS world, either directly or indirectly, through our partnership with the NDIA or through support with local government. We are already the substantial funder of the home and community care system, as has been the case for a generation under all governments. We will continue to be that funder either directly in partnership with local government or through the NDIA, depending on where one falls in the over-65/under-65 arrangement and whether you are in scope to the NDIA or out of scope. This is one of the many serious challenges that the NDIS rollout will pose for Victorians wherever they are, particularly vulnerable Victorians in the home and community care system.

**Ms WARD** — Mr Dimopoulos has commented a few times throughout the last week and a half that one of the many great things about being on PAEC is that we get to learn about initiatives that we had no idea about. Despite a fair bit of work I have done in the public housing sector, I was not aware of these housing work and

learning centres, which I find really interesting. I understand there are five of them: Carlton, North Geelong, Moe — Ms Shing's area — Ballarat and Shepparton. Minister, what I would like you to do is to let me know a little bit more about these. Can you please have a look at budget paper 3, page 64? You have outlined four years funding for these work and learning centres. Can you give us an idea of what they will actually do?

**Mr FOLEY** — Certainly. These centres are not just bricks and mortar but the wraparound services that I was discussing with Dr Carling-Jenkins at the start of the hearing. The reason this portfolio exists is to deal with the appropriate wraparound services for people who have a whole range of different vulnerabilities and disadvantages. Sadly, too many of those disadvantages are reflected in our public and community housing tenant community, who are fine people; and there is a disproportionate role, sadly, being reflected in different lenses of disadvantage, particularly when it comes to employment.

The focus of the centres that you have identified is that, through a partnership led by the Brotherhood of St Laurence, the best way of dealing with disadvantage is through employment — through education, training and employment as the mechanisms to get there. Whilst the program does not cater to every person that comes in the door, it does in fact deal with some of the most high-need Victorians in those public housing and related communities.

It is about making sure that not only are those services based around the public housing tenants but that they are based around where they feel comfortable and able to access those services. The sad truth is that many of our public and social housing tenants live particularly isolated lives, and that further entrenches the disadvantage that they seek to cope with. You can then add disability or mental health conditions, a variety of diverse ethnic and cultural backgrounds, and for many of them intergenerational disadvantage that has seen generations of the one family never being in employment.

So bringing those together as lenses of disadvantage, these programs bring together accredited training, developments in developing work disciplines and ethics, and an approach to assist people in learning and work pathways, as the Brotherhood have identified, relevant to the needs of that local community and local employers to get people essentially job ready and job familiar in many cases and into a working culture as the best way in which to deal with that.

If you are going to reduce reliance on welfare and increase involvement in the workforce, particularly as our community ages, it will be by working with people rather than by punitive measures and by making sure that people such as those that the work and learning centres seek to work with build on those arrangements. Whilst it is a significant contribution, we look to it being potentially the model for broadening out into other areas in which similar approaches can deal with aspects that I know the Minister for Industry and other members of the government are also seeking to replicate, certainly in areas such as TAFE, the TAFE Rescue Fund and a range of other different approaches to this area.

**Ms WARD** — Just quickly — sorry, Chair, with your indulgence — I mentioned the five areas where they are located. Are they only for people that live within those areas, or can anyone in public housing avail themselves of those services?

**Mr FOLEY** — No, they are specifically targeted to high-level wraparound individualised packages for people from — each of them on — substantial public housing communities, and even within the public housing groups across the state, those are particularly high area need, so they are targeted to public tenants in those areas. But of course if there were to be a good reason as to why you could make yourself accessible to the place-based nature of them, I am sure the operations would discuss that with people, but you have got to actually get there, and public tenants also are disproportionately represented in being transport poor as well.

**Mr MORRIS** — Minister, if we could go back to public housing, so BP3, page 261, and the reference there is the total number of social housing dwellings, I was certainly pleased to hear your endorsement of the coalition's initiatives with regard to the innovation projects and that they have your ongoing support, so that was good news for us. But with regard to the projected disposal numbers, can you advise the committee of the number of disposals that will occur (a) by way of sales, (b) by way of demolitions and (c) by way of lease hand-backs?

**Mr FOLEY** — They are very good questions, Deputy Chair, and with the greatest respect I may have to take them on notice because I am not in a position to readily respond as I sit here today.

**The CHAIR** — Does the deputy have a supplementary?

**Mr MORRIS** — I do. It will need to be somewhat imprecise if we do not have the numbers, but it follows from that information. Certainly, Minister, we noted earlier in the hearings that the number of acquisitions will fall to 371 this year from 500 and a much higher number the year before. Is it a fact that a high number of disposals — in other words, the decision to flog off several hundred public housing sites — is the real cause of the drop in the number of public housing properties in this first year of your watch?

**Mr FOLEY** — I refer to the earlier discussions we had, and no, I do not believe it is. The wider context in which the availability of capital for expanding housing and the nature of the stock and the emphasis on the maintenance of the stock continues to be the linchpin from which we hope to then recast some of these figures. Whilst that might be your view, it is certainly not a position that I or the government share.

**Dr CARLING-JENKINS** — Minister, I promise to ask a very simple question this time, not so complicated. I would like to talk about institutions in Victoria, and I refer to budget page 3, pages 69 and 250. We know there are two remaining large-scale institutions in Victoria, Colanda and Sandhurst, and I note that on page 250 there are plans to transition to people from Sandhurst. That was started under the previous government and will be completed under your watch, and I applaud both governments for this initiative. Does this government have a time line for the closure of Colanda? While I understand the complicating factor of it being in the NDIS trial area, what steps is this government taking towards this much-needed transition?

**Mr FOLEY** — Thank you. The notion of congregate care, as it is politely called, or institutional care has been a suitable location for dealing with people with disabilities. It is clearly one that has had its day, and you are correct in identifying the last two substantial facilities in this regard. In terms of Sandhurst, this year I have met twice with the families, the participants, in Sandhurst, which I think is down to about 29 at the moment, and more importantly, the workforce at risk there, together with the Office of the Public Advocate and a whole range of local community service providers, as to how the transitioning there will occur. The former government had made a commitment, I would say in a rushed, pre-election shortening of the normal rigorous processes the department brings to this issue, to put that service out to contract.

We undertook to review that process, in consultation with the families, participants and workers, and I am pleased to let the committee know that we have committed to five community-based facilities to be built in Bendigo that will be based on giving those participants and their families and carers a choice as to whether they will be in a house provided by a not-for-profit organisation or, indeed, if they wish to have the continuative care that they have established over many, many years, with the Department of Health and Human Services providers. The scheduled close of that facility continues to be 30 June 2016. Now that might slip or come forward, depending on making sure that those community-based facilities are in place.

In regard to Colanda, which is in Colac, we have a different kettle of fish. You are quite right. Its complexity is overlain by the fact that it falls within the Barwon trial region of the national disability insurance scheme. That currently houses a range of people, I think 83, and it is quite a sad place. The transitioning there is that an identified number of 25 people who wish to transition from Colanda to community living is planned and scheduled, and they will be relocated into community-based facilities in Colac, Warrnambool and Geelong. There are four community houses being constructed for 20 of those residents currently, with a further 5 residents scheduled for Warrnambool, to bring us up to that 25 figure. Once these 25 clients are relocated, the existing Colanda site will need to be reconfigured, and the opportunities associated with the NDIS rollout and to how — —

I think all sides of government, indeed the workforce itself and the NGO participants looked at how we would then deal with some of the most difficult cases of the institutional arrangements of disabilities. Many people are essentially abandoned — no contact with families, no contact with anyone. How their particular needs get accommodated in a choice, controlled system, the NDIS, whether it is through the support of the OPA or other representatives, will be a factor where in subsequent budgets we will seek to really bring to an end a generation of efforts by successive Victorian governments to close what are some pretty sad places, despite the fact that there are committed workers and committed families in those areas delivering services that are just not compatible with the facilities concerned.

It would be my hope that during this term of government we would bring to an end what has been a generation of really important social reform to deal with people with disabilities, their families and their carers with the respect that those kinds of facilities just cannot allow them to have, the same as any other Victorian would expect their community to support them in.

**The CHAIR** — Ms Carling-Jenkins, on a supplementary question.

**Dr CARLING-JENKINS** — Given the time, Chair, I am happy with that answer. Thank you very much, Minister, I appreciate it.

**The CHAIR** — I would like to thank the witnesses for their attendance: Mr Rogers and Ms Haire as well as Ms Forrester, Mr Smith, Mr Stenton, Mr Neilson, Ms Herington, Mr MacIsaac, Mr Widmer and Ms De Kretser. There was one question on notice, and that was a question from the Deputy Chair in relation to the number of public housing dwellings which had been sold, demolished or leased back. If an answer can be provided to the committee within 21 working days, that would be desirable. We will now move on to the mental health portfolio.

**Witnesses withdrew.**