

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2024–25 Budget Estimates

Melbourne – Wednesday 22 May 2024

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Aiv Puglielli

Meng Heang Tak

WITNESSES

Ingrid Stitt MLC, Minister for Ageing; and

Professor Euan Wallace, Secretary, and

Jodie Geissler, Deputy Secretary, Hospitals and Health Services, Department of Health; and

Peta McCammon, Secretary, and

Louise Perry, Deputy Secretary, Fairer Victoria and Engagement, Department of Families, Fairness and Housing.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee, and I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2024–25 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee today is protected by parliamentary privilege. However, comments repeated outside of these hearings may not be protected by this privilege.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the live stream this afternoon and other committee members.

Witnesses will be provided with a proof version of the transcript to check, and verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Ageing the Honourable Ingrid Stitt as well as officials from the Department of Health and DFFH. Minister, I am going to invite you to make an opening statement of no more than 5 minutes, after which time committee members will ask questions. Your time starts now.

Ingrid STITT: Thank you, Chair. I would like to begin by acknowledging the traditional owners of the land on which we meet, the Wurundjeri people of the Kulin nation, and pay my respects to elders past and present.

Visual presentation.

Ingrid STITT: The Allan Labor government is continuing our strong commitment to supporting our public sector residential aged care services. We are committed to enabling older Victorians to live the best life they can and age in place by delivering high-quality and safe services across the state. While the Commonwealth government is the primary funder of aged care services, Victoria has the largest public sector aged care footprint of any state or territory. In this budget we are providing an additional \$31.2 million to support our public services to meet nurse-to-resident ratios and deliver high-quality care. We are also providing \$23.1 million to provide supports for individuals outside of the national disability insurance scheme.

Our PSRACS play an important role in our broader health system, including supporting the timely discharge of older Victorians from acute hospital settings. Indeed the most recent *Report on Government Services* showed that Victoria sees a fraction of the number of bed days used by older Victorians who are clinically ready for discharge compared to Queensland and New South Wales. Our PSRACS are supporting individuals to leave hospital in a timely way, which means better health outcomes and beds that can be available to others in need. The sector manages over 5400 operational beds across 171 services, with most being in regional and rural communities. In more than 50 rural communities the PSRACS is the sole provider and a major employer in the town. PSRACS are consistently above the national average for all the star rating areas. Notably in staffing, PSRACS have a current rating of 4.4 against a national average rating of 2.74.

We know there is a direct correlation between the quality of facilities and the quality of life. That is why we have invested over \$700 million to upgrade and build new facilities across the state. Over recent years we have delivered a brand new 90-bed facility in Kew and a 120-bed facility in Wantirna, and new facilities are in

various stages of planning and delivery in Kingston, Cohuna, Maffra and Numurkah. These new developments are essential to ensuring older Victorians can age in place. I note for the committee's benefit that the responsibility for the delivery of these projects rests with the Minister for Health Infrastructure.

We are also undertaking groundbreaking international research on germicidal ultraviolet lights in residential aged care to assess opportunities to reduce the burden of COVID and other respiratory diseases on staff and residents. This clinical trial is investigating the real-world effectiveness of GUV and is supported through a government investment of \$16.8 million. We continue to implement initiatives supported by the previous budget investment of \$6 million. This includes funding Senior Rights Victoria, which provides the statewide elder abuse helpline, and funding to eight elder abuse prevention networks to raise awareness of and prevent elder abuse through place-based approaches.

Earlier this morning I was also pleased to announce the establishment of the new senior Victorians advisory committee. The new advisory committee will draw together a diverse group of seniors with a broad range of lived experience, backgrounds and expertise with key sector representatives to provide advice directly to government and me as minister on the needs and experiences of older Victorians.

We remain committed to celebrating older Victorians and supporting them to participate and engage in their local communities through initiatives including the Seniors Card program, seniors festival and Victorian Senior of the Year Awards. There are over 1.3 million Seniors Card holders and over 80,000 Seniors Business Discount Card holders who benefit from a range of discounts across the state. The 2023 festival included over 3000 free or low-cost events delivered to over 120,000 older Victorians across the state. The seniors festival is also a time to recognise the valuable contribution of older Victorians through awarding the Victorian Senior of the Year Awards. Thank you very much, Chair. I look forward to taking questions from the committee.

The CHAIR: Thank you, Minister. The first 8 minutes is going to go to Mr O'Brien.

Danny O'BRIEN: Minister, budget paper 3, page 131, indicates for the 'Aged and home care' line item a cut of over \$36 million. Can you detail what specific areas the cuts are being made in?

Ingrid STITT: Thank you, Mr O'Brien. Obviously, the HACC PYP program is a very important program, and it will be funded to the tune of \$154.8 million to deliver a range of community-based services.

Danny O'BRIEN: Sorry, what was that program, Minister?

Ingrid STITT: Were you asking me about the HACC PYP program?

Danny O'BRIEN: Nope. I was asking about 'Aged and Home Care' on page 131 of BP3 – a \$36 million reduction in funding.

Mathew HILAKARI: I think your reference is wrong. I think that might be the issue.

Danny O'BRIEN: Page 132, sorry. That is the line item for the portfolio. There is a \$36 million reduction in this year's budget funding. What specific areas will cuts be made to?

Ingrid STITT: Okay. Sorry for the misunderstanding there, Mr O'Brien. Obviously, the Commonwealth is in the process of rolling out the royal commission's recommendations, and I think there is a footnote in the budget which gives an explanation.

Danny O'BRIEN: It just says 'reflects pending Commonwealth commitments'. I do not know what that means.

Ingrid STITT: What it means is that we are still in those bilateral negotiations with the Commonwealth about what the funding envelope will be and what that agreement will be to deliver those assessment services, which is why it is not included in the budget at this point in time. But there will certainly be no –

Danny O'BRIEN: I would actually read it the other way. It says, 'The 2024–25 target reflects pending Commonwealth commitments.' That usually means 'is included'.

Ingrid STITT: What I am indicating is that we have not finalised the final bilateral agreement with the Commonwealth yet, so we are not in a position to reflect accurately what that funding will be, which is why that footnote is in the budget to highlight the fact that once we reach agreement with the Commonwealth there will be more funding coming to the Victorian government.

Danny O'BRIEN: So when is that going to be? Because in the interim, obviously, there is less money for ageing.

Ingrid STITT: There are a series of recommendations that the federal government are pursuing associated with the royal commission into aged care, and the new assessment services arrangements will commence on 1 July 2024.

Danny O'BRIEN: Based on what is there, though, I assume that is still a \$36 million reduction on last year's funding from the Victorian government. So what services are being reduced?

Ingrid STITT: None. That is not right. What I am attempting to explain to you is that once we reach agreement with the Commonwealth on that bilateral agreement, because of the fact that there are arrangements in place where the Victorian hospital assessments will be the subject of a bilateral agreement and then there will be a proportion of community assessment services, which will be an open tender process that the federal government is operating, there will be additional funding agreed between the state and the Commonwealth.

Danny O'BRIEN: When will that flow, though?

Ingrid STITT: Well, Mr O'Brien, we will be ensuring that we have arrangements in place in order to continue to provide those important assessment services. As you would know, they can often be incredibly important for –

Danny O'BRIEN: I do not need to know about the services.

Ingrid STITT: not just home care packages, but –

Danny O'BRIEN: I do not need to know about the services. I just want to know about the funding.

Ingrid STITT: unblocking beds.

Danny O'BRIEN: I might move on perhaps, Minister. The commissioner for senior Victorians Gerard Mansour finished his term literally a year ago this week. Has he been replaced?

Ingrid STITT: Mr Mansour was in the role for about 10 years, Mr O'Brien.

Danny O'BRIEN: Correct.

Ingrid STITT: He made an incredible contribution. He was instrumental in –

Danny O'BRIEN: I am sure he did. That is not my question.

Ingrid STITT: assisting the government in developing our ageing well action plan. In light of his retirement, because he had served 10 years in the position, what the government has determined to do is what I have announced this morning and that is the establishment of an advisory committee with a much broader and more diverse representation on that committee to provide that advice to government and to me as minister about what the priorities are across government. I really hope that Mr Mansour continues his important advocacy in this space, because he has made a significant contribution.

Danny O'BRIEN: Yes. With respect, Minister, an advisory committee to the government is different to a commissioner who had a fairly significant role in educating the community on seniors issues, including the prevention of elder abuse. Are you saying now that that role is not being filled and therefore that job is not being done?

Ingrid STITT: Well, what I am saying to you, Mr O'Brien, is that it was important to me when I came into this portfolio to fill what I thought was a gap in the advice coming to government and the ability for us to get a

broader and more diverse perspective from older Victorians from all walks of life, including people who live in regional Victoria, rural Victoria, metropolitan Victoria, people from diverse backgrounds –

Danny O'BRIEN: But Mr Mansour used to chair a ministerially appointed advisory council. We already had that. We have just removed him.

Ingrid STITT: Mr O'Brien, Mr Mansour made an incredible contribution to this policy area in Victoria, and I am very grateful for all of the work that he has done. I know my predecessors feel the same way. But he has retired. He spent 10 years in the role –

Danny O'BRIEN: The point is he used to chair an advisory council. You now have not replaced him and you are saying that you are replacing him with a new ministerial advisory council, which is the same thing.

Ingrid STITT: The committee's work will be incredibly valuable for the future policy directions of the government when it comes to supporting our older Victorians to age well.

Danny O'BRIEN: Just to be clear, have you appointed those members of the new committee that you have announced today?

Ingrid STITT: No. I have opened expressions of interest today, Mr O'Brien, and I am really looking forward to hopefully getting a very diverse group of expressions of interest in.

Danny O'BRIEN: You will appoint them ultimately?

Ingrid STITT: Yes. They will be appointed through the normal processes.

Danny O'BRIEN: By you?

Ingrid STITT: Well, yes. They will be appointed but the department will advise me on the number of different expressions of interest that we receive.

Danny O'BRIEN: Yes. Okay.

Ingrid STITT: You know, I think it is important that we have a good cross-section of people who are ultimately appointed to that committee. It is very important for me to get those different perspectives.

Danny O'BRIEN: Can I quickly ask: in terms of elder abuse, last year the government ended the integrated model of care program. What has it been replaced with? I am going to run out of time so if you would like to take it on notice.

Ingrid STITT: I do not think that is quite right, Mr O'Brien.

The CHAIR: Apologies, Minister. I am going to stop you there. I am going to Mr Tak.

Meng Heang TAK: Thank you, Chair. Thank you, Minister and officials. Minister, if I can take you back to your presentation, which details investment of \$31.2 million to strengthen public aged care, can you outline what this funding is for and why we invest in public sector aged care?

Ingrid STITT: Thank you, Mr Tak, for that question. The government has got a long, proud history of delivering public sector aged care beds. Unlike most other state governments, Victoria has got a large footprint, and we are a major provider across the state of residential aged care through our 171 public sector residential aged care services. In fact we are the largest provider of public beds in the country. Our public sector aged care facilities provide Victorians with the opportunity to access high-quality care close to home. While the Commonwealth is still the primary funder and regulator of aged care services, including residential aged care, our government has provided \$546.1 million in this year's output budget to fund aged care programs within health services, which includes supplements for our PSRACs.

In the 2024–25 budget, as you have mentioned, we have provided an additional \$31.2 million through the strengthening public sector residential aged care initiative to support services to meet their nurse-to-resident ratios and deliver that high-quality care in our residential aged care facilities. That is incredibly important. It has been shown time and time again the importance of having that nurse-to-resident ratio when it comes to high

care needs in particular. We just have to look at the COVID-19 experience to show that there were very few outbreaks in our public sector RACs compared to other providers, and I think that is in no small part due to the very strong support for our nurses in the public sector aged care system to provide the ratios that they do. But they are also a really important social safety net as a provider of last resort. They are supported by the Department of Health through evidence-based resources information to deliver that high-quality care and services that go beyond the minimum aged care accreditation requirements.

Public services are overwhelmingly located in rural and regional Victoria, as I mentioned in my presentation: 90 per cent of our PSRACs are in rural and regional Victoria. They are often the only service, and they are often a pretty significant employer in the town. More than 50 of our PSRACs are in locations where the public sector is the sole provider of residential aged care, including towns like Port Fairy, Heywood, Trafalgar and San Remo. These PSRACs meet the service provision gaps that non-government aged care providers cannot or simply choose not to fill, so that is really a situation where they can often be the provider of last resort in those thin markets. Generally, private operators prefer to operate in those more highly populated areas rather than in the small country towns where the size of the facility is often a lot smaller. Obviously, this is an important investment as our population ages and people stay in their homes longer. What that means is that residents are entering into our aged care facilities with much more complex needs. They are requiring complex care, they have multiple or severe comorbidities and their social circumstances are such that they have difficulty in finding private sector services willing or capable to provide the requisite level of care that they need. It is the view of our government that residents with complex clinical and support needs who are experiencing socio-economic disadvantage should not be prevented from accessing a high quality of care, and our PSRACs care for some of the most vulnerable older people in our community. They also provide complex end-of-life care as well as specialist clinical care, including older people requiring enteral feeding, complex wound care, diabetes-related issues in care, bariatric care, chronic kidney failure, dialysis care and also conditions such as multiple sclerosis and motor neurone disease. So very high levels of care are being provided in our PSRACs.

No matter where people live they are going to be able to access a high-quality PSRACS. They are largely located within our existing health services, meaning that Victorian hospitals can also access PSRACS beds within their own health service or an alternative public health service, and this integration really does help us in Victoria with patient flow out of our acute care settings into our public sector residential aged care facilities. And of course we know that as a result of this model Victoria has a very low profile of older patients with complex needs and extended stays in acute care compared to other jurisdictions. If you talk to other jurisdictions, one of their biggest issues in their public hospitals is freeing up beds being taken up by elderly patients who would be much better in an aged care facility such as our PSRACS.

The integration really remains particularly important in those rural and regional areas where non-government aged care providers do not deliver services, and it helps to ensure that more Victorians can access aged care close to their home. In fact I think that is one of the key benefits of having such a big footprint of public sector residential aged care beds across the state. We are really proud of the fact that that means that older Victorians can age in place and that they can keep the connections with their community, with their family and friends, and not have to move far away from their homes to get the care that they need. I have had the absolute pleasure of visiting a number of our PSRACS in those little country towns where everybody knows everybody, and some of them have actually told me that they had gone to school together and they have known each other for 80-plus years, which was absolutely amazing. You could tell that that was really helping those aged care residents to continue to feel fulfilled and engaged in what essentially is their home, their residential aged care service.

So amazing care is being provided by our nurses and all of our staff across our PSRACS. That is what we mean when we talk about the importance of ageing in place. It is about our government investments giving people the opportunity and the option to continue to live in their community alongside their friends and family. We are really proud of the work that our PSRACS do in making sure that Victorians right across the state can age with dignity and get the care that they need.

Meng Heang TAK: Thank you, Minister. If I can just pick up something that you just mentioned before, the nurse-to-residents ratio, which is a very important part of your presentation, can you please elaborate on what those ratios are and why they are important for delivery of high-quality care to aged care residents?

Ingrid STITT: Thank you. And in the short time that I have left to answer your question, Mr Tak, I will do my very best. There is quite a bit of detail, but of course we were the first state in Australia to have nurse-to-resident ratios in our public sector residential aged care, and the *Safe Patient Care (Nurse to Patient and Midwife to Patient Ratios) Act 2015* sets out the minimum nursing and midwifery staffing requirements for certain publicly funded health services, including our high-care PSRACS. This is in recognition of the fact that nursing workloads can impact on the quality of care delivered to residents, and minimum staffing ratios assist us in maintaining not only resident safety but contribute to better resident outcomes and create safer workplaces for nurses as well. Nurse and midwife to patient ratios were first introduced in Victoria in 2000 through the enterprise agreement, and the Act was established in 2015 following a commitment from our government to protect in law the minimum number of nurses and midwives that are offering care. These reforms provide a really important safeguard for both residents and staff and they ensure that older Victorians are receiving the best possible care, and in 2021 the royal commission into aged care reaffirmed what our government has acknowledged in law.

Meng Heang TAK: Thank you, Minister.

The CHAIR: Thank you very much, Minister. We will go to Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good afternoon, everyone. In 2017 the Legislative Council's Legal and Social Issues Committee inquired into the operation and regulation of the retirement housing sector. The report made a number of recommendations, including a review of the *Retirement Villages Act 1986* to ensure that the Act provides adequate legal, financial and social wellbeing protections to support the aim of ageing in place. The government accepted this recommendation in 2017, but there has been, to my knowledge, no review or substantive amendments to the *Retirement Villages Act 1986*. Minister, following discussion with your colleagues, will you review the Act, and if so, when?

Ingrid STITT: Thank you, Mr Puglielli, for that question. The responsibility for retirement villages and associated legislation actually sits with the Minister for Consumer Affairs. I am not sure if the Honourable Gabrielle Williams has already appeared – I think she may have.

Aiv PUGLIELLI: I might rephrase in that case, if that is okay. Have you, in your capacity as Minister for Ageing, advocated to the Minister for Consumer Affairs to review the Act?

Ingrid STITT: Well, what I will say is that I will continue to work with both Minister Williams and other ministers whenever there are issues that intersect between the ageing portfolio and other portfolios. Another good example of that is the policy work and responses in relation to elder abuse. Obviously that issue cuts across a number of different portfolios, including consumer affairs when it comes to financial abuse.

Aiv PUGLIELLI: Okay.

Ingrid STITT: Also, the Minister for Prevention of Family Violence has some interest in this space.

Aiv PUGLIELLI: Of course – intersecting issue across several portfolios.

Ingrid STITT: Absolutely, and I think we can say that kind of more generally about many of our portfolios: where there are issues that intersect, it is very important that we are working together. But in relation to the specifics around the *Retirement Villages Act* review, they are matters that are better directed towards the Minister for Consumer Affairs.

Aiv PUGLIELLI: Thank you for the clarification. We have just been hearing about the 'Strengthening public sector residential aged care' line item. I understand that funding is in place for one year. Why is that the case rather than recurrent?

Ingrid STITT: Well, I would point you to our track record in funding residential aged care facilities that are in the public sector. We have a long track record of investing where those services are and continuing to support those services –

Aiv PUGLIELLI: I do not want to challenge –

The CHAIR: Apologies, Mr Puglielli.

Aiv PUGLIELLI: Oh, sorry. That was very short.

The CHAIR: The time is up. Minister and officials, thank you very much for taking the time to appear before the committee today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is now going to take a short break before beginning its consideration of the multicultural affairs portfolio at 4:05 pm.

I declare this hearing adjourned.

Witnesses withdrew.