

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2024–25 Budget Estimates

Melbourne – Friday 24 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

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

WITNESSES

Lizzie Blandthorn MLC, Minister for Disability; and

Peta McCammon, Secretary, and

Argiri Alisandratos, Deputy Secretary, Disability, Complex Needs and Emergency Management,

Drew Warne-Smith, Acting Deputy Secretary, System Reform and Workforce,

Carley Northcott, Acting Executive Director, Disability, Complex Needs and Emergency Management,

Paul Scarmozzino, Director, Supported Accommodation Reform and Homelessness System Improvement, Homelessness and Housing Support Branch, Homes Victoria, and

Allison Will, Executive Director, Regulation and Reform, Department of Families, Fairness and Housing.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee.

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 is protected by parliamentary privilege. However, any comments repeated outside of this hearing may not be protected by this privilege.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream tonight 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 Disability Business the Honourable Lizzie Blandthorn as well as officials from DFFH. Minister, I invite you to make an opening statement or presentation of no more than 5 minutes, after which time committee members will ask you questions. Your time starts now.

Lizzie BLANDTHORN: Thank you very much, Chair, and thank you to the committee for the opportunity to present on the disability portfolio, including our government's investments in 2024–25.

Can I begin by acknowledging the traditional owners of the land we are meeting on today and pay my respects to elders past and present.

Visual presentation.

Lizzie BLANDTHORN: In partnership with people with disability, we are proud to lead the nation with an ambitious agenda to drive inclusion and participation and strengthen safeguards for people with disability through the work of the disability portfolio, which is why we established a focused disability portfolio for the more than 1 million Victorians who live with disability, because in Victoria we have an unwavering commitment to improve outcomes for every person with a disability.

We are at a historic moment in time in relation to disability reform. The disability royal commission handed down its final report in September 2023. In December the independent review into the NDIS recommended creating a unified ecosystem of disability supports through greater investment outside of the NDIS in a foundational support system. That same month national cabinet agreed a major program of work to support the sustainability of the NDIS scheme. These decisions together with our consideration of the recommendation of the final reports present a unique opportunity for all governments to work together to implement these

landmark reforms. In 2024–25 Victoria will contribute \$3.2 billion towards the NDIS, which includes a \$2.965 billion cash payment and in-kind services delivered by the Department of Education. Victoria remains committed to the NDIS and to maximising the outcomes for Victorians in the scheme. We continue to engage closely with the Commonwealth to drive better outcomes and deliver a sustainable NDIS.

In addition, we are providing \$24 million to continue supports for people with disability outside of the NDIS just through the disability portfolio alone, including \$4.5 million in 2024–25 to continue supporting people with disability ineligible for the NDIS who are non-permanent residents and are aged seven years and over. This includes asylum seekers and other at-risk and vulnerable groups. \$1.2 million in 2024–25 for the coordination of mainstream supports for people with complex disability needs – this is critical to getting the best outcomes for people with complex needs. We will continue to build on the commitments of inclusion and accessibility being realised through the ongoing implementation of *Inclusive Victoria: State Disability Plan 2022–26*. We will also work to capitalise on the opportunities presented by the NDIS review and the disability royal commission to deliver long-lasting transformational change for people with disability.

The Victorian government is committed to making all parts of the community inclusive and accessible for everyone. *Inclusive Victoria: State Disability Plan 2022–2026* sets actions to achieve better outcomes for Victorians with disability. Actions to improve the lives of people with disability include the Change Your Reactions campaign – the campaign delivered simple messages on how small adjustments can make a big difference for autistic people, including in workplaces; disability liaison officers working in health services; continuing to build contemporary, modern accommodation to replace ageing group homes; and Victorian government investment for construction of 83 Changing Places facilities. Forty-one are operational and 42 are currently under construction, and of the 269 Changing Places operating nationally, 125 of them are in Victoria.

The funding in the 2024–25 state budget builds on state disability plan initiatives, including \$2.2 million in 2024–25 for publicly funded autism assessments for people who would otherwise be unable to afford an assessment; \$14.1 million in 2024–25 to support children with disability and their families, including family services specialist disability practitioners, supporting over 1000 families to access and participate in NDIS and other services; the parenting children with complex disability needs program, which provides 160 families with additional support to sustain care of the child in the family home; the continuation of the trial of Steps to Confident Parenting in the Barwon and western Melbourne areas, providing early help and parenting support to parents with an intellectual disability to prevent family and placement breakdown; and supporting children with complex disability and their families by providing specialist advice and support to mainstream services to better support children and families with disability and to identify and provide early intervention.

People with lived experience of disability should be at the centre of all decisions that impact them. Advocacy and self-advocacy play a critical role in supporting greater access.

The CHAIR: Thank you very much, Minister. We will go straight to Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Good evening again, Minister. Budget paper 3, page 116, highlights a \$12.4 million reduction in the spending for the disability services line. Given this funding covers the Victorian disability advocacy program, supporting Victorians with a disability ineligible for the NDIS, autism assessment grants, parenting children with complex disability program and supporting children with complex disability and their families to access mainstream supports, can you advise which of the above programs will be cut – which areas will be cut? Or will there be a reduced amount of people able to access these services as a result of the funding reduction?

Lizzie BLANDTHORN: Just to clarify the output variances in relation to the disability services output, you are right, the disability portfolio includes the outputs of disability services. The Office for Disability also includes concessions for pensioners and beneficiaries. The disability services output target of \$440.7 million is 0.8 per cent lower, or \$3.4 million, than the target in 2023–24. The lower 2024–25 target primarily reflects the successful completion of government commitments, and it includes components of the fixed-term investment in the transfer of government accommodation and respite services to the non-government sector that progressively end between now and the start of 2026, which impacts the overall output. That was a policy change that was agreed to in 2018, began implementation in 2019 and concludes progressively across 2023 to 2026. Deputy Secretary Argiri Alisandratos might also want to add to that.

Argiri ALISANDRATOS: Certainly. Mr O'Brien, as part of the state's transition to the national disability insurance scheme, state government run disability accommodation and respite services were transferred to non-government providers. That decision, as the minister said, was made in 2018. The transfer occurred in 2019. The transfer was designed to help deliver a successful NDIS environment, particularly for people with a disability in Victoria. To achieve this goal, the disability sector needed to expand with more organisations providing disability accommodation services. The government engaged with a whole range of people with a disability and the workforce, those providers that were delivering those services, and a whole co-design process was undertaken in relation to that.

Danny O'BRIEN: Sorry, I am missing the point here – it is late on a Friday. That is explaining part of the reduction in funding?

Argiri ALISANDRATOS: So that goes to the investment the government made to support the transfer of those services to five providers. The five providers were Aruma, Scope, Life Without Barriers, Melba Support Services and Possability. They assumed the responsibility for approximately 550 group homes and 2500 residents and 5500 employees. That transfer occurred over a nine-month period.

Danny O'BRIEN: Who is that funded by now – NDIS?

Argiri ALISANDRATOS: That is right, but supported living accommodation and short-term accommodation assistance was delivered by the transferred providers and funded by the NDIS, and providers are regulated by the NDIS Quality and Safeguards Commission.

Danny O'BRIEN: Okay. Minister, then, can I get assurance from you that all those programs I listed have not been cut or that no services will be reduced?

Lizzie BLANDTHORN: As the Deputy Secretary said, that variance in the output is attributed to the NDIS transfer, and it is also why, to go to your other issue about those other services, the budget provides \$24 million in this budget to continue to deliver the Victorian disability advocacy program, supporting Victorians with disability who are ineligible for the NDIS; those autism assessment grants, which I spoke to in my presentation; the family services specialist disability practitioner program, the Steps to Confident Parenting program; and the parenting children with complex disability program, supporting children with complex disability and their families to access mainstream supports.

Danny O'BRIEN: They are all unaffected.

Lizzie BLANDTHORN: They are all included. They are in that \$24 million in the budget.

Danny O'BRIEN: And is there a reduction in funding for any of them?

Lizzie BLANDTHORN: I do not believe so, no.

Danny O'BRIEN: No. Okay. Minister, you may have touched on this in your presentation – you have got the Disability and Social Services Regulation Amendment Bill before the Parliament, which abolishes the disability services commissioner, but the budget has funding on page 39 for the commissioner. Is the commissioner staying on not?

Lizzie BLANDTHORN: Well, two things – firstly, the Bill does not seek to abolish the commissioner. What is envisaged in the long term is that the role of the disability services commissioner and the worker registration would all move into the new social services regulator, as it starts on 1 July, taking with it that funding and associated workforce. To the extent the Bill obviously has not yet been debated let alone passed through the house, that money is there and it remains there. At the point in time at which it pleases the Parliament to consider that legislation, if the legislation passes, it would also then be transferred into the social services regulator for the same purpose. It is important to note that the Bill that is before the house does not in any way envisage any diminution of the role of the disability services commissioner; rather, it is a –

Danny O'BRIEN: But that title is abolished, is that right?

Lizzie BLANDTHORN: The title would be. The role itself would merge into the social services regulator but with a view to enhancing both the regulation and also the complaints mechanisms for people with

disabilities. People with disabilities do not present in isolation with just an issue relating to just their disability. Their needs and issues are complex, and the legislation envisages that by transferring that function into the function of the social services regulator – the complexity of problems and issues and complaints that somebody with a disability might want to make, whether it is somebody with a disability who also has a complaint relative to housing or mental health or whatever it might be – regulation and those complaints can be looked at in their totality by a social services regulator.

Danny O'BRIEN: Right. To be very clear, because I understand the removal of the disability commissioner as a standalone entity has received strong opposition from the sector, it is still the intention to merge that into the social services regulator.

Lizzie BLANDTHORN: The Bill is obviously before the house and on the program. I think what has happened is that at the same time the NDIS review report, the disability royal commission and our vision, if you like, for a more holistic approach to the regulation and complaints mechanisms in relation to social services have all coalesced. One of the recommendations of the disability royal commission also goes to that independent oversight function. So –

Danny O'BRIEN: So it is still –

Lizzie BLANDTHORN: I am answering your question, Mr O'Brien.

Danny O'BRIEN: My time is running out.

Lizzie BLANDTHORN: Sorry. What we would like to do is let the disability royal commission report and NDIS review be responded to and then look at where our Bill fits in relation to that to ensure that we are getting the balance right between regulation complaints mechanisms and oversight.

Danny O'BRIEN: Okay. Thank you.

The CHAIR: Thank you. Ms Kathage.

Lauren KATHAGE: Thank you, Chair, Minister, Secretary and officials. The same page that Mr O'Brien was referring to, page 39, has information on continuing support for Victorians with disability, and there is a list of services there. Would these be considered foundational supports?

Lizzie BLANDTHORN: 'Foundational supports' is a term of much conjecture at the current point in time. It certainly is a focus of the foundational supports which remain undefined by the NDIS review. The NDIS review recommended the establishment of a system of foundational supports, which as I said remains yet undefined. What are foundational supports and what are not is something that we will continue to work through with the Commonwealth. The NDIS review did recommend a five-year transition to a new system of foundational supports, and designing the system will take some time to get right. Work is underway with the Commonwealth and other states and territories about what that looks like – what are foundational supports, what is the strategy for delivering them – and it will be considered by national cabinet at some stage later this year.

The Victorian government, though, does currently fund a range of supports for people with disability outside of the NDIS that can be built upon in the future to form the basis of a foundational support system in Victoria. In 2024–25 the Victorian government is investing, as I said in response to Mr O'Brien earlier, \$24 million to continue support for Victorians with disability. That includes \$4.489 million in 2024–25 to continue supporting people with disability who are ineligible for the NDIS who are not permanent residents and are aged 7 years and over. This investment will support the continuation of the Victorians ineligible for NDIS program, including supports for key groups who are considered temporary residents due to their residency status. It includes \$1.228 million in 2024–25 to continue lapsing funding to build capacity for government to coordinate mainstream supports for people with complex disability needs – this investment will continue the intensive support team on mainstream capability building, with the aim of maximising access to and navigation of the NDIS; \$1.907 million in the 2024–25 year to continue lapsing funding for disability advocacy, and this investment will continue to support a fit-for-purpose disability advocacy support program that amplifies the voices of people with disability and positions Victoria to address relevant recommendations of both the NDIS review and the disability royal commission; \$2.237 million in 2024–25 to continue lapsing funding for publicly

funded autism assessments, as I detailed in my presentation; and \$14.115 million in 2024–25 for supporting children with disability and their families to get critical support from mainstream services and the NDIS. This funding continues programs such as family services specialist disability practitioners, Steps to Confident Parenting, parenting children with a complex disability and supporting children with complex disability and their families to access mainstream supports.

As we said when we were talking earlier both about early education and about maternal and child health, there are also a range of services across government that also would be considered, in our view, foundational supports, but we are working towards agreeing with the Commonwealth what a definition of ‘foundational supports’ is and also agreeing on the key aspects that will inform service design, access, eligibility and who has responsibility for delivering what and where the funding comes from. The foundational support strategy has to be, in our view, underpinned by reliable data as well, and evidence needs to inform the design of additional foundational supports outside of the NDIS. To inform this, a foundational supports data working group has been established between the Commonwealth and the state and territory governments, and that group is doing a lot of work on what that might look like. It is anticipated that additional foundational supports would benefit all Victorians with a disability, regardless of whether they are in the NDIS or outside of the NDIS, so there is still a fair degree of work to do both in relation to defining it and what we have that is already considered, once we have that definition – what we do already do that fits within it and then also what we need to do to add to that. It should be said as well that in many respects Victoria is well ahead of the game in relation to the delivery of what we think will ultimately be considered foundational supports, but with that also comes the challenge of ensuring that Victoria gets its fair share of support from the Commonwealth to keep delivering for people with disabilities in Victoria.

Lauren KATHAGE: Thank you. It will be interesting to see how transport sits in there, considering some experience of people with disability.

Lizzie BLANDTHORN: Exactly. That is another really good example. And it is also a good example of where we already, as business as usual – that is not to say we cannot do better, but as business as usual – we factor things like accessibility into things like our transport projects. Our new level crossing projects are a good example of that.

Lauren KATHAGE: Another thing in here which I think is really great is the advocacy program and the self-advocacy of people with disabilities or indeed for their families. We know that people with disabilities often have to become experts in advocacy – they have to. There are a few good programs or features listed here. Can you go to some of the detail of the benefits of those or any examples you have?

Lizzie BLANDTHORN: Yes. As you said, advocacy is an important part of both being someone with a disability and loving someone or being friends with someone with a disability, and it is also an important part of our social and community services sector as well. In 2024–25 the Victorian government is investing the \$24 million to continue to support Victorians with a disability, and that includes advocacy in that, which plays a vital role in helping people secure safe and independent living arrangements and to gain access to education, employment, the NDIS and other mainstream services as well. And this funding will enable the sector to support up to 800 additional clients per year on top of the base target of 1700 clients per year. The provider is funded through the disability advocacy program work to address discrimination, address harm and advance Victoria’s disability inclusion agenda through improvements to policies, practices and community attitudes, and it is complemented and guided by our state disability plan as well. Advocacy also provides a key support to enable Victorians with disability to provide input into both state and national reform and also to participate in co-design, which has been critical to the conversation around both the disability royal commission and the NDIS review. It is important that this money will continue to support Victorians who are also ineligible for the NDIS for their advocacy needs. The NDIS also, for example, recommended a number of navigator-type roles to strengthen the interface between the NDIS and mainstream service delivery teams, so that will be an important part of it as well.

Lauren KATHAGE: Thank you. And you spoke about that support to people that are not eligible for NDIS. You gave the example of people without permanent residency. Do you have a dollar figure for what the Victorian government is funding for supports for such people?

Lizzie BLANDTHORN: Yes. There are 1.1 million people with disability in Victoria, which is huge, and of those, there are 173,758 NDIS participants. So given this, the Victorian government currently funds a range of supports for people with disability outside of the NDIS that can be built upon in the future when we do design that ecosystem or put our bit into the ecosystem of foundational supports across the Commonwealth. In 2024–25 the Victorian government has invested in the \$24 million, which I have outlined a number of times, and that investment provides continuity for a range of programs. Many of them we have already spoken about, but some for example, that are not necessarily even within my portfolio responsibility are supports such as the disability inclusion program in education and the home and community care program. They sit outside the NDIS, but they obviously support Victorians with disability as well. As of 31 March 2024, there were 173,758 Victorians who were active participants in the scheme, and Victoria’s additional investment into disability services through the NDIS has meant that 105,410 participants were able to receive specialist disability supports for the first time. Victoria’s contribution to the NDIS for all of that is also obviously critical as well.

Lauren KATHAGE: Thank you. It sounds like for continued confident service planning, having that agreed definition with the Commonwealth about what foundational supports are is going to be quite crucial. So how is the progress on getting to that point with the Commonwealth so we sort of know what Victoria’s role is in supporting people with disability?

Lizzie BLANDTHORN: I mean, it has been difficult so far. Work is underway with the Commonwealth and other states and territories to come to an agreement about the definition. There is work at an officer level happening that is looking at that as well. Ultimately, national cabinet will consider it later in 2024, so certainly from a Victorian government perspective we are committed to working with the Commonwealth and the other jurisdictions to try and agree to that, but it does make some of these other questions around existing supports and what else we can do difficult to answer at this current point in time because we do not have that agreed definition. And yet the indication of the Commonwealth is that they expect foundational supports to be able to be stood up potentially next year, so it really is critical that we work well together and get that agreed definition so that we can do the work that needs to happen to both maximise what already happens here in Victoria but also to work out where the gaps are and what else we need to do.

Lauren KATHAGE: Thank you. People with disabilities and people who love them are the experts in what they need. My brother in supported accommodation is the one to tell you what is best for his dinner, trust me, because if I try to tell him, it does not work. So can you explain how the government is making sure it is listening to the voices of people with disability and their families?

Lizzie BLANDTHORN: Yes, sure.

The CHAIR: Apologies, Ms Kathage. We are out of time. We are going to go to Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Lightning round for the end. Just turning to budget paper 3, page 36, the ‘Disability and Social Services Regulation’ line item, I understand that that is a funding stream that is going to fund the social services regulator, the respective Bill for which is still before the Parliament. Totalling those four years, being \$39.3 million, I understand, though, that that is also going to be used to fund the disability services commissioner and the Victorian Disability Worker Commission, so could I just get a breakdown of that total over the four years: how much is going to be going to the social services regulator, how much to the disability services commissioner and how much to the disability worker commission?

Lizzie BLANDTHORN: There are two things. There is the social services regulator, which officially starts on 1 July, so there is the funding for that. As Mr O’Brien’s question went to, there is the separate funding currently for the disability services commissioner. The Bill that is currently in the Parliament that has not yet been debated is the Bill that would potentially merge the disability services commissioner into the social services regulator that is stood up on 1 July. That has already been appointed; that is Mr Jonathan Kaplan. At the point at which the Parliament saw fit to pass the legislation that merges the disability services commissioner, that funding would transfer with the disability services commissioner role into the social services regulator.

Aiv PUGLIELLI: Okay, and then for the disability worker commission, is that still a separate allocation?

Lizzie BLANDTHORN: That would transfer as well, and those resources would transfer too.

Aiv PUGLIELLI: So totally, once all of that has merged, that is then \$39.3 million over the four years?

Lizzie BLANDTHORN: I have not got the numbers right in front of me to do the mental maths –

Aiv PUGLIELLI: That is my quick maths of adding the columns.

Lizzie BLANDTHORN: but it all adds together, yes.

Aiv PUGLIELLI: But they are all going to merge is what you are saying. Is there a sense of where they are at right now in terms of the disaggregation before they merge in July?

Lizzie BLANDTHORN: They are currently disaggregated in the budget, because they are listed as the funding for the social services regulator and they are listed as the funding for the disability services commissioner, and that will continue as it is until such time as the legislation is passed and the disability services commissioner is rolled into the social services regulator, and those resources would transfer.

Aiv PUGLIELLI: Thank you. Those numbers, though, before the Bill passes the Parliament, can those be provided on notice to the committee, the disaggregation of those funds?

Peta McCAMMON: They might even be in their annual report. Drew has got them.

Drew WARNE-SMITH: I am happy to provide a breakdown, Minister, if you like.

Lizzie BLANDTHORN: Yes, that would be great.

Drew WARNE-SMITH: Within the funding total that is described there, the disability worker commission is funded for \$11.6 million for the next financial year, and the VDWC has been funded annually at that level over time. The DSC is funded at \$1.1 million for the next financial year and ongoing funding. Then for the regulator itself in its capacity now, without the other entities, the portion of that funding is \$8.9 million for the next financial year, and it is worth noting as well for the committee that \$8 million of base funding of the department for the current human services regulator is also transferring to the new regulator, so it effectively more than doubles the base funding for the new entity for the next financial year.

Aiv PUGLIELLI: Okay. Thank you.

The CHAIR: Thank you, Mr Puglielli.

Minister and officials, our time together this evening has come to an end. Thank you very much for appearing before the committee. 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.

I would like to take the opportunity to thank all ministers and officials who have given evidence to the committee today, as well as Hansard, the committee secretariat and parliamentary attendants.

I would also like to thank the hospitality, security and cleaning staff who have also looked after all of us today.

The committee will resume its consideration of the 2024–25 budget estimates on Monday 27 May at 8:30 am.

I declare this hearing adjourned.

Committee adjourned.