

CORRECTED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2011–12

Melbourne — 11 May 2011

Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

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Witnesses

Mr D. Davis, Minister for Ageing,

Ms F. Thorn, Secretary,

Mr L. Wallace, Executive Director, Finance and Corporate Services Division,

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

Ms J. Herington, Acting Director, Aged Care Branch, Department of Health.

The CHAIR — We will proceed with the hearing for aged care. I would like to welcome Ms Jane Herington, director, aged-care branch, Department of Health. Minister, bearing in mind the time and that we are theoretically supposed to finish at 1 o'clock, I would beg your indulgence to run 5 minutes over but to curtail delivery of the 5-minute presentation as well. Thank you.

Overheads shown.

Mr D. DAVIS — Chair, Ageing is an important portfolio. This is about planning for and supporting older Victorians to age well. I will be as quick as I can here. We are focusing on the key concerns for senior Victorians; promoting the health and wellbeing of the community and the participation of older people; ensuring older people have access to necessary services; supporting seniors to maintain independence for as long as possible; acknowledging the issues faced by older people from different backgrounds; and maintaining the role of state in the delivery of aged-care services through HACC, aged-care assessment and residential aged-care services, particularly in rural areas.

The Productivity Commission, as the committee will be aware — and I am happy to expand on this in a longer discussion — brought down a draft report on 21 January, and there will be a final report in June which will lay out some significant changes and reforms.

There are a number of issues that are raised there: the stability of the service system and service delivery, the joint management and future of HACC in terms of the Victorian government's strong commitment — and there is a bipartisan commitment that precedes this government to maintain HACC in Victoria — and in particular also the close links between aged-care assessment services and the hospital and health system, which is a unique model that exists in Victoria and does not exist in other states.

I urge one area of caution that the committee may well wish to take up as a point on which there could be strong support across both sides of the house. We need to make sure that commonwealth effort is maintained under any new model that allows additional private contributions to aged care services, residential aged care, and that is something on which there has not yet been sufficient focus, but we do need to deal with that.

The next slide is the output summary. I will not go through all of that, given you seek to limit this to a reasonable period of time. I do want to draw attention to the state government's significant initiatives on energy concessions which will help seniors, stamp duty relief for eligible seniors, free Saturday as well as Sunday travel for seniors, the 400 000 for increasing participation of Victorians from culturally and linguistically diverse backgrounds, the eye care initiatives that were in the health portfolio but which obviously also have significance here, and dental initiatives as well.

We now come to home and community care — a \$42.9 million program to ensure senior Victorians can access this service. We are providing 400 000 additional hours of service. HACC is focused on older people and younger people with disabilities and their carers. Its services include personal care, home nursing, allied health and social support. A new agreement is required for joint management of the program and is being negotiated with the commonwealth.

I referred to palliative care in the earlier session, but it is important in the context of seniors. The options need to be expanded, and we are certainly doing that. By the way, it is \$34.4 rather than \$43.4 over four years, so I make that correction to the slide.

I think there is a need to look at creative ways of supporting those who need additional residential aged care. The Croatian community has advocated very strongly for assistance, and the government has been prepared to make an allocation of access to some land on a former school site in North Geelong. That is a balanced development that would have an aged-care component, but would also — yes, I am going quite quickly — have some community access to the site. Part of the site would be used for open space as well under the proposal. That will require commonwealth support with bed licences, and also I think there is already strong local government support there.

We move to the next slide. We are nearly done. Dementia is important. We have talked about bush nursing services, and the importance of supporting those who deliver key services — the \$1.8 million for the redevelopment of physical facilities for the Ballarat and district nursing service.

We move to the Aged Care Assessment Services slide. I will be quick on this, but it is actually quite an important point. There has been significant contention between the commonwealth and Victoria on this. The commonwealth wants to take over, as it were, the gate-keeping role nationally. I pass no judgement on what they want to do nationally; I just know that we have a better service in Victoria. Again I think that is a bipartisan point; it is not just me saying that. I do want to put on the record very briefly here that I did meet with the commonwealth minister, Mark Butler. We had a very productive conversation at Caulfield. He is one of the smartest commonwealth ministers, and I am happy to put that on the record — —

Ms HENNESSY — A good man.

Mr PAKULA — A very good man.

Mr D. DAVIS — My point here is that I think he actually understood when he had it explained to him at Caulfield the way our ACAS assessments work in Victoria, and he took that on board in a constructive way. I think he is concerned to work with Victoria to preserve the strengths. I am trying to put something quite important on the record here, and I am not doing that in a partisan way.

Mr PAKULA — No. I am just worried about the time. We are 17 minutes into a 30-minute hearing.

The CHAIR — Minister, the deputy is anxious to ask a question. Have you concluded your presentation?

Mr D. DAVIS — I have, but I will take the chance to perhaps come back to some of those — —

The CHAIR — Thank you very much. You will have the opportunity, I have no doubt, during questions. I will be very quick with the initial question, and I will ask for a short answer. Minister, in your presentation you alluded to cost-of-living pressures and initiatives by the government in relation to seniors. I wonder if you would expand on those measures in the budget for 2011–12, which will relieve the cost-of-living pressures.

Mr D. DAVIS — We might even go back to that slide, which I think lays out a number of those points. There is obviously the ambulance membership reductions, which will help some seniors significantly. There is the stamp duty relief that is available for seniors, and the \$381.6 million for energy concessions. Those energy concessions, which are all year — —

Mr PAKULA — You are claiming myki!

Mr D. DAVIS — That is for myki cards and indeed the current system, as I understand it, and — —

Mr PAKULA — As announced by me last year.

Mr D. DAVIS — Indeed, and there are many initiatives, as I have indicated as we have gone through, Chair, that are supported in a bipartisan way. We look forward to similar support for the energy concessions for seniors which apply year, not just in winter. The \$381.6 million over four years for energy concessions is a significant assistance to easing the pressures, easing the concerns and the costs on those seniors, and I think this is a very important aspect of understanding how we can best respond to support the position of seniors.

As I say, there is also the stamp duty relief and the ambulance membership changes. These are an important set of packages that will help seniors. The eye care services and the support for seniors are, I think, very important.

Mr PAKULA — Minister, thank you for at least implicitly conceding that myki is staying.

Mr O'BRIEN — I think that is stretching it a bit.

Mr D. DAVIS — No, I corrected the point and made the point that it will apply to whatever system — —

Mr PAKULA — I take it for what it is, Minister. I ask you to go to budget paper 3, pages 201 and 202. Given that at the bottom of page 201 it shows a cut of 2000 bed days in high-care places and at the top of page 202 it shows a cut of 21 000 bed days in low-care places, can you outline for the committee how many aged-care residents will be affected by those cuts, which health services will have funding for aged-care beds removed as a result of those cuts and what impact it might have on the waiting lists?

Mr D. DAVIS — My understanding is that these services will be provided in different ways in negotiation with the health services. Jane, do you want to say something?

Ms HERINGTON — There are some changes to individual bed configurations for individual services, as agreed by those services, and no individual residents affected by that.

Mr PAKULA — Is what you are saying that there is a cut here but they are being taken up somewhere else?

Ms HERINGTON — There are some reductions in low-care occupancy, and that is being experienced across the industry.

Mr D. DAVIS — The successive packages is part of that.

Mr PAKULA — And the 2000 in high care?

Ms HERINGTON — The 2000 bed days reflects a net effect of additional beds at Hamilton and some reduction in beds not required in the Wimmera.

Mr O'BRIEN — Minister, I also refer to budget paper 3 but to page 41. I am particularly interested in the Rural Capital Support Fund listed in the asset initiatives. My question is: how will that fund address issues with aged-care infrastructure in rural communities?

Mr D. DAVIS — As the committee will understand, in country Victoria, as distinct from metropolitan Melbourne or indeed our big regional centres, there are often small services that provide aged care, acute health and primary care as part of the one service. What you see, I think, with those services is a strong commitment by the government to provide that capital support to those services. They are obviously integrated. They have the capacity to move some resources between their different outputs too, but this is about providing capital support and it is about providing clear support to those services which deliver aged-care services but do that as part of a package of services that are delivered in those towns.

Ms HENNESSY — Minister, I refer to budget paper 4, pages 32 and 33, which set out the Department of Health's new projects. I note that Kerang is the only public sector aged-care facility receiving funding for building works. I suppose my question is —

Mr D. DAVIS — Just wait until we get to the page, if you can.

Ms HENNESSY — Page 32, and Kerang is about halfway down. Kerang is the only one listed as a new project.

Mr D. DAVIS — And Charlton.

Ms HENNESSY — I suppose our question is: is the state government moving away from the delivery of public sector residential aged care? And how many public sector residential aged-care services are currently listed as category 1 or category 2 in terms of redevelopment priority?

Mr D. DAVIS — The first point I will make is that we are absolutely not moving away from support for country services. I think that is exactly the point we made. There is rural capital support that is coming forward, which will enable a number of those centres that have been funded for the first time in this budget. The previous question from your fellow committee member correctly tagged that as an important contribution. That is a new fund.

Ms HENNESSY — Not just rural services, though, Minister — public sector residential aged care.

Mr D. DAVIS — A very significant number of our aged-care services of that type are in country Victoria, as I have tagged. They perform a very important role as part of an integrated service in those towns. We have a strong commitment to them. The Charlton hospital planning is in part about our strong focus on getting a result for that town in a quick way as well, given that aged-care residents have been impacted in that health service as well. Yes, Kerang is important. The other services will be able to bid into that rural capital support fund, as I have outlined.

I am just catching up on some long history in terms of the categorisations. I understand that those categories are not currently used any more, but you should be crystal clear that we are very strong supporters of those country health services.

Ms HENNESSY — Chair, can I — —

The CHAIR — You have had a couple of follow-ups.

Ms HENNESSY — I have not had any follow-ups, Chair.

The CHAIR — With great respect, if you read the transcript you will find you are interjecting and engaging in conversation. I regard those as follow-up questions.

Mr MORRIS — Minister, going to page 30 of BP3, referring to output initiatives, there is an extra \$400 000 in there for participation for CALD seniors in particular. Can you indicate to the committee how that will assist that group in accessing services?

Mr D. DAVIS — This is also an important contribution from the government, and again it is an election commitment. The participation of culturally and linguistically diverse seniors needs to be strengthened in a number of ways. There should be focus on a grants program, increased capacity for Seniors Information Victoria to provide more culturally and linguistically appropriate information to raise awareness of services amongst CALD seniors, actions to ensure that information for carers responds to the particular needs of CALD seniors, and facilitating culturally and linguistically diverse communities to identify culturally appropriate accommodation options.

I made some reference to one particular CALD community a few minutes ago. Strategy development will occur in 2011–12 in conjunction with the Ethnic Communities Council, local government and the Council on the Ageing, and grants for expanding CALD activities will commence from the start of the next financial year, 2012–13. That commitment is an important one. It is quite carefully targeted to have a very constructive input and result.

Mr SCOTT — I, like Ms Hennessy, refer to budget paper 4, pages 32 and 33, and I ask: will you rule out the sale, outsourcing or privatisation of any existing publicly funded residential aged-care services or facilities?

Mr D. DAVIS — We have absolutely no proposal or focus on doing that. In fact our focus is on expanding services and ensuring that there are much better services for communities. To pick up the earlier point about country Victoria, those aged-care services in country towns are absolutely critical, and we are very committed to supporting them.

Mr SCOTT — While you said you had no focus, will you rule it out?

Mr D. DAVIS — We have not even considered it as an approach at all; we have not.

Mr SCOTT — It is not the same. You refuse to rule it out.

The CHAIR — We are not going to have a debate about a word.

Mr ANGUS — Minister, I refer you to page 115 of budget paper 3. Could you explain what measures are available in the 2011–12 budget to assist seniors to access timely and appropriate dental care?

Mr D. DAVIS — Dental care for seniors is very important. This will give the capacity for an extra 1500 seniors a year to get dentures. It will provide that support, which is obviously important for their overall health. I mean, dental care is a broader point than just the mouth; it actually has an impact on overall health as well, and every step that we can take to assist in that way is well worth it. The program will also support oral hygienists to provide services to more than 2000 residents in pension-level supported residential services across Victoria to improve their oral health.

I might add, in a similar vein we need to look — I think this is more broadly, even, than in Victoria — at improving the capacity to deliver services into some of the residential aged-care centres because the level of dental care there needs considerable work.

The CHAIR — Thank you, Minister. That, unfortunately, brings this session to a close. That is the close of the budget estimates for the portfolios of health and ageing. I thank the minister and the departmental officers for attending today. Where questions were taken on notice and/or there were unasked questions the committee will follow up with you in writing at a later date. The committee requests that written responses to those matters be provided within 21 days. Thank you all.

Witnesses withdrew.