

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2013–14

Melbourne — 23 May 2013

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Witnesses

Ms M. Wooldridge, Minister for Community Services,

Ms G. Callister, Secretary,

Mr J. Higgins, Executive Director, Corporate Services Group,

Mr A. Rogers, Deputy Secretary, Design and Implementation Group, and

Ms K. Haire, Deputy Secretary, Community and Executive Services, Department of Human Services.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2013–14 budget estimates for the portfolios of community services, disability services and reform, and mental health. On behalf of the committee I welcome the Honourable Mary Wooldridge, MP, minister for those portfolios. From the Department of Human Services, I welcome back Ms Gill Callister, Secretary; Mr Jim Higgins, Executive Director, Corporate Services Group; Mr Arthur Rogers, Deputy Secretary, Design and Implementation Group; and Ms Katy Haire, Deputy Secretary, Community and Executive Services. Members of Parliament, departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public gallery that they cannot participate in any way in the committee's proceedings. Only officers of the PAEC secretariat are to approach committee members. Departmental officers, as requested by the minister or her chief of staff, can approach the table during the hearing to provide information to the minister, by leave of me as Chair. Written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council Committee Room.

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 precincts of the hearing are not protected by parliamentary privilege, including any comments made on social media from the hearing itself. The committee has determined that there is no need for evidence to be sworn; however, witnesses are reminded that all questions must be answered in full and with accuracy and truthfulness. Any persons 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. Witnesses will be provided with proof versions of the transcript for fact verification within two working days of the hearing. Unverified transcripts and PowerPoint presentations will be placed on the committee's website immediately following receipt, to be replaced by verified transcripts within five days of their receipt.

Following a presentation by the minister, committee members will ask questions relating to this inquiry. Generally the procedure followed will be that relating to questions in the Legislative Assembly. Sessional orders provide a time limit for answers to questions without notice of 4 minutes, while standing orders do not permit supplementary questions. It is my intention to exercise discretion in both matters; however, I do request that witnesses answer each question as succinctly as is reasonable, recognising that many responses may include a degree of complexity.

I ask that all mobile telephones be turned off or turned to silent, and I now call on the minister to give a brief explanation of no more than 10 minutes of the more complex financial and performance indicators that relate to the community services portfolio. Welcome, Minister.

Overheads shown.

Ms WOOLDRIDGE — I am pleased as Minister for Community Services to start here and walk the committee through the budget in relation to the community services portfolio and also, in my responsibility as lead minister for DHS, some context setting in the first instance. There is a total budget of over \$3.6 billion, and this is an overall increase of 5.7 per cent from last year's budget, a very significant increase. When you think about the government increase overall in output measures of about 2.7 per cent, it is a significant increase over that. There is over 500 million in new funding in the forward estimates. It does include the transfer of the Office for the Community Sector, which will come into the department as of 1 July. We also have some changes in output structures, as you will have seen in BP3. What it does very clearly show is that this is a third successive budget of the coalition government investing in reform in the community services portfolio.

In terms of giving you a context for the strategic overview, I think it is important that individual items are considered in the context of the reform that we are doing overall. I am sure I will mention many times today Services Connect, as I have in previous years — a very important initiative that we are undertaking to respond in a holistic and comprehensive way to vulnerable families. That reform is very significant, and you will see that there are investments in relation to that. We also have a new child protection operating model, which went live from November last year, reforming the way our workforce is structured to be more effective to work with vulnerable children and families. DHS has also restructured in the last 12 months to reflect our objective to work in a holistic way with the families and communities that we work for and with.

We have had a vulnerable children strategy and a preventing violence against women and children strategy, which have been whole of government, driven out of the community services portfolio, to bring together the government's comprehensive response on these issues. Clearly we have the national disability insurance scheme, which is driving significant reform. We also now have in place the Commission for Children and Young People, and there has been reform in the youth justice area as well. It is a very significant reform agenda, in which this budget invests strategically.

In Services Connect, which as I have said is really a very critical reform in terms of where we are going, this budget invests \$12 million over the next two years. What we are seeking to do is get away from the very fragmented system that we currently have across mental health services, alcohol and drug services, child protection services, youth justice, disability, family violence, housing and so on to have a more comprehensive response: one needs assessment for an individual in their family context; one client record; one key worker — sometimes these families have 10 or 15 different workers, sometimes working in conflict with each other or in terms of what they are advising — one key worker; one plan.

It is a very significant reform, and this government is investing in that reform through this budget. We have been trialling a limited model in Dandenong, Geelong and the South-West Coast, and this funding will enable us to go to the full Services Connect model in those areas, and we will be establishing new sites as well as we expand this across the state. This will make a huge difference for the families and individuals who we work with. It also makes a huge difference in terms of how we can be most effective with the money we are investing in vulnerable people, families and communities, and of course it is underpinned by needing information systems that enable us to do that.

The vulnerable children strategy has been another very important initiative of this government. It started with the Cummins review immediately on coming to government. There were wide-ranging recommendations, and this government has consistently invested over three successive budgets in vulnerable children and families. In this budget there is \$218 million across the four years in these areas.

Some of the things in particular are doubling of therapeutic foster care, a very targeted strategic investment, but importantly a big boost in out-of-home care overall, because we want to stop our reliance on the short-term contingency placements, which are often ad hoc placements, to have a much more planned approach in terms of both our ever-increasing demand but also our immediate needs that we have often for young people who are at risk. This budget also invests, ongoing, in an after-hours service that was expanded under the previous government, and we are continuing that work, and also investing in family violence on the back of investments we made last year, specifically in men's behaviour change and adolescent violence in the home.

To give a context overall for vulnerable children, as I have said we have invested successively over three budgets — it has been about \$650 million since the coalition took government — in vulnerable children and families, and it has ranged across the areas. What we see is that different budgets have focused in different areas, but they put them together as a whole. We are investing in out-of-home care, we are investing in connection of services and we are investing in education and building the capacity of both individuals and the services that support them.

Making sure our legal system works is a fundamental part of our child protection system, and increasing accountability and transparency. These are all areas that are important in relation to filling in that picture of how vulnerable children and families are supported by this government. And I know we will go into some more detail over time in relation to these areas in this hearing today.

I did want to touch on the SACS equal remuneration order that we have funded in this budget to the tune of, across the government, about \$70 million. Obviously this is a very significant decision in relation to lower paid workers, particularly and predominantly women. This order applied from 1 December 2012. As I said, we are investing about \$70 million in 2013–14 to meet the pay equity order. We are paying at a rate that we have worked in detail with the community sector to develop. About 80 per cent of their funding relates to salaries. We also assume a grade level of staff of about a grade 5, which is what the 80:32 formula relates to.

We have had ongoing negotiations with the commonwealth, which disagrees with the rate that both the community sector and we believe is appropriate — they are paying 70 per cent of salaries at an average grade level 4. Significantly, in relation to where we have a commonwealth-state agreement and supplementation is

required from the commonwealth, that has still not been paid. The Victorian government has paid to date, and we will continue to pay, but we are waiting on the commonwealth. We think that is many, many millions of dollars that the community sector here in Victoria is having to pay to cover the pay raise that the commonwealth initiated and now has not paid so that the community sector organisations can fund that important pay raise.

I will now go over to concessions, another very important area in the community services portfolio, where we are assisting about 1.4 million households across the state. DHS has responsibility for a portion of those concessions, and others are provided by education and transport and so on. Very significantly, I think, our investment in concessions has grown across government by about \$300 million over the three years. A lot of that is driven by the year-round electricity concession which we introduced. It took our budgeted amount of about \$68 million up to \$174 million — that amount was being paid in concessions to concession card holders for that year-round electricity concession. It provides very significant benefits to them, and in this year's budget about 13 000 more people will get the electricity concession, and nearly 7000 more households will get the water and sewerage concessions.

There have been some changes in relation to the concession payments. We have been concerned, as has the Auditor-General, in relation to the sustainability of the concessions. So there have been some changes in relation to how far you can claim retrospectively, and there have also been concerns about excessive electricity users and gas users in terms of concessions. But we believe we have safety nets in there that will help to make sure that those concessions are being targeted where they need to be.

What we are saying is that there is a very significant investment across the board in the community services portfolio in this budget, which really builds on the three years of budgets that the coalition has handed down. This builds a picture of the clear commitment the coalition government has towards vulnerable children, families and communities, and a clear commitment to strategically reform so that we can work more effectively together in the future.

The CHAIR — Thank you, Minister. We have just about an hour for questions in this portfolio, and I will kick off. In the context of the 2013–14 budget, can you outline to the committee examples of capital infrastructure projects in the community services portfolio which will either commence or be completed in the coming financial year?

Ms WOOLDRIDGE — Thank you, Chair. I am happy to. The key areas where investment is either happening or about to happen or has been made in the last budget are the youth justice area and the child protection area. We have invested over the past three years about \$66 million in capital investment in community services infrastructure.

In the youth justice area — members will be familiar with the fact that this was an area that was highlighted by the Ombudsman and a subsequent Comrie report as being severely lacking — some investments were made in 2010, and we have built on those investments at our custodial facilities. Significantly, the commitment we made last year, which will be under way over the next 12 months, is our investment in an additional 45 beds at Malmsbury. This is very necessary in terms of the numbers and the occupancy levels that we have had. There have been concerns raised over a long period of time about the facilities and the need for some extra capacity. These will be significant and important investments to make sure we have appropriate facilities for young people who are at Malmsbury. We are also in the process of concluding some upgrades to our Parkville facility. Security is very important: we have been adding CCTV and some of those types of security features to supplement the single entry point which was opened a year or so ago. There is additional funding in this budget for fire safety upgrades, which are of course absolutely essential items, and these will be happening across both Parkville and Malmsbury.

In child protection, the investment is being made to build new out-of-home-care residential houses for young people. We have actually brought forward funding from last year's budget to be able to invest that capital investment earlier, to build those houses earlier. As members will know, we have ongoing demand right through the child protection system, so having purpose-built facilities for young people in out-of-home care is important. I am pleased we are going to be able to build them at a faster rate than we have built them in the past. They are the key investments that we are making on the infrastructure side.

Mr PAKULA — Minister, on page 158 of budget paper 3 if you go through the ‘Reports to child protection services about the wellbeing and safety of children’, you just see a consistent upward trend: 63 830 in 11–12, 70 800 was the target this year and the expected outcome was 73, and the target for 2013–14 is 81 000. In the context of those numbers, can I just ask: what are the current unallocated case numbers, and what is the expected rate of unallocated cases over the forward estimates, or over the next financial year?

Ms WOOLDRIDGE — Thanks very much. Clearly, as is outlined in budget paper 3, there are significant demand issues, and these have been ongoing. Some of them are driven, rightly so, by increased vigilance in terms of our police, in terms of our family violence matters that are flowing through to child protection. Others are improved reporting, improved community confidence in reporting. So we have obviously realised that demand and are managing towards it.

What we have done to manage that demand is put on additional workers, but we are also trying to work with families earlier so that they do not actually get into the child protection system — they do not get into the allocated cases. Now the allocated cases that you refer to look at how many children we have in the system — so being investigated or have been substantiated and we are working through — and what our relationship is to the workers that we have and how many specifically are allocated to children. Can I say that any who are not allocated are still overseen by our management team, and we have actually put in place a new operating structure to enable that to be effectively handled.

Currently the statewide average over 12–13 — so up to date now — is 89.2 per cent of cases are allocated, and I think when you look at the history of allocated cases this compares very favourably to where we saw the situation two, three, four years ago where allocated cases were well into the teens and in the 20s. I think in Gippsland it reached a peak of 62 per cent were actually unallocated. Currently, as I say, on average we are running this year at 89.2 per cent.

It is very hard to forecast where that goes from here, because it depends on our workload. We have obviously put in place this new operating model, and what that is doing is pulling workers who were previously not having an allocated case load and actually putting them on the front line. So the proportion of our workforce who work with families has gone from 63 per cent to 75 per cent — a very significant increase in the capacity of our workforce to actually work with families. So I cannot give you the estimate of what that number will go to, but we continue to try and work to about the level that we are at now to manage the cases.

Now the other thing I think it is important to say is that as the demand comes in, that percentage is a percentage of a bigger number each year. So being able to maintain that percentage at about 89 or 90 per cent means that we are actually working with more families every month because there are more in the system. I can tell you, for example, there were 10 136 cases allocated at the end of October. Now our allocation rate is about the same, but we are actually now working with 10 791 families. So we are actually working with 650 more families to maintain the allocation rate as it is. We have got to work extra hard, because there are always increased numbers coming in, even to maintain the allocation rate at the rate it is now.

The CHAIR — Thank you, Minister. Is there a supplementary?

Mr PAKULA — There is. I want to ask about a specific example, but just to clarify before I do: when you say 89.2 per cent, it is 89.2 per cent of what? Is it of that 73 000?

Ms WOOLDRIDGE — No, it is a number under that. Because, for example, they are reports — intake is not counted. There is a whole series of filtering levels that go through. Allocation rate relates to children who are in the system, not who are coming into the system. So it is a much smaller number.

Mr PAKULA — With your indulgence, Chair?

The CHAIR — Yes.

Mr PAKULA — Just to bring it from the general down to the specific and to talk about one particular region, being Loddon Mallee, you would be aware of the recent WorkSafe PIN which says:

DHS has and is failing to provide a safe work environment and a safe system of work. There is no limit on their case load or number of hours they are expected to work.

It talks about the pressures on the case workers, and WorkSafe says that additional staff have to be provided to bring that workload down. What is the sort of funding that needs to be provided or the number of workers that need to be provided in order to stop situations like that which has been described in Loddon Mallee?

Ms WOOLDRIDGE — Our workforce work in a high-pressure environment every day, right across the state, in all environments, and we understand that because they are making very crucial decisions. In the Loddon Mallee situation, for example, we understand that some workers feel under pressure. But let me give you an example to get down to the specific as well. People might have done an 8 or 9-hour shift. They are about to go home, and they get a call. There is a kid at risk and they have got to go to a home and they have got to get them out. In that situation the worker goes. You would not go home and leave that and think someone else is going to pick that up.

So with some regularity workers actually do have to work extremely long shifts, because they might go to a family situation and it might take them 5 or 6 or 8 or 10 hours to actually resolve the situation and get them out. That is not optimal, but often that is what is needed in terms of the best interests of the children. We believe that we have a staffing level in the Loddon Mallee that can meet the needs of the Loddon Mallee children and families that are in place. In fact over the last two years the staffing for Loddon Mallee has increased by 20 per cent, and we have invested significantly in Loddon Mallee with the additional staff that we have got because we believe that actually they were under pressure before and we needed to invest in more staff so that they could meet the needs in that area.

So of all the staff who have come on board, about 20 per cent have gone to Bendigo region in and of itself. We have invested a lot of staff there, and that is actually significantly more than the growth in the reports that are coming into the Bendigo area. If that makes sense, Mr Pakula, what we have done is understood the pressures that we inherited, invested staff and we now believe that we are at a level that can meet it. There are some vacancies; we are currently recruiting for those vacancies and we obviously need to fill those vacancies.

Mr PAKULA — Fifteen vacancies.

Ms WOOLDRIDGE — I am told it is 10 vacancies that we are recruiting for currently to meet an allocated 131 positions.

Mr PAKULA — It was 146.

Ms WOOLDRIDGE — If you would like to ask a question on that, I am happy to go through it because that is a separate question.

The CHAIR — When the turn comes around to Mr Pakula again, he can ask that question.

Ms WOOLDRIDGE — What I am saying to answer your question about workload is we believe we have invested in staff. There are some vacancies that are being filled currently and we are recruiting for, and we believe that that will meet the need. We have invested more in staff than there has been an increase in demand and we believe it is an appropriate level to meet the need in the region.

The CHAIR — Thank you, Minister.

Ms WOOLDRIDGE — Sorry, can I just add one point? The Loddon Mallee unallocated is 8.3, so we have more children allocated in Loddon Mallee than we do from the statewide average.

Mr ANGUS — Minister, I refer you to budget paper 3, page 25, and the output initiatives there and also as covered off in your presentation, and note the funding allocated to Services Connect to extend and implement new elements of the model. Can you advise the committee on the progress of this major reform initiative and the next steps?

Ms WOOLDRIDGE — I am very excited about Services Connect, and I should perhaps apologise in advance that I might talk about it pretty enthusiastically through the course of the hearing. I think it is absolutely fundamental to being able to work effectively with vulnerable families into the future. We believe it is transforming the way human services are delivered, because we are going to create a sustainable and integrated human services delivery system. In doing that we will reduce the complexity and fragmentation of the services that we have in place.

I will skip through it briefly before going into a little bit more detail. At the core of it we will be having one assessment, when people access human services, of what their needs actually are. At the moment people come through different doors and they get multiple assessments based on different criteria. We will have one client record instead of multiple client records held by different services so that people only need to tell their story once. One of the big frustrations we have is that we tell a story again and again and again and no-one seems to hear. There will be one key worker so that families have assistance to navigate through the system rather than often having to navigate themselves — someone who knows how the system works and can match that to the needs of the individual and their family. And there will be one plan that not only covers their needs but also their aspirations so we can actually be working towards ultimately, if families are capable and individuals are capable, them being happy, productive contributors and economic members of the community. We have that plan that is based on the full aspect rather than dealing with an alcohol and drug treatment issue or dealing with disability supports.

It is a very significant shift and this budget, as I have said, invests \$12 million in being able to then take what we have done in Dandenong, Barwon and the south-west, which has been a narrow trial of case management, to the full Services Connect model, which includes a different way of entering the system and a different way of accessing services and a different way of progressing through the system. It also means that we are going to be able to expand it into other areas of the state. One of the things that we are in the process of doing is identifying where there is particular need and where Services Connect might make sense to address that need and the demand that we see from vulnerable families.

This is, I believe, a very significant move forward and commitment by the government to think about how we deliver human services differently and to respond to the needs of vulnerable families. The feedback that we have had from individuals and the families who are working in it is fantastic. The feedback from the staff — because staff know this is a better way to work with families than on the individual issues. The feedback from the community sector organisations — in many ways community sector organisations have been doing this work already. Often what they have had to do is squirrel away little bits of funding from different types of programmatic allocations to try to work holistically with their clients. This now supports them to be able to do it.

From a government perspective, we have restructured the department to be able to deliver in this way. It is also a more effective way, because we have a very clear understanding of their needs and a very clear pathway to where we are going in terms of their support along that path. I think it is going to be a very significant investment that will make a difference at so many levels but ultimately, importantly, for the families and the individuals that we work with.

Mr ANGUS — Thank you, Minister, and congratulations on a terrific initiative.

Mr SCOTT — Minister, I take you to the issue of concessions, which you touched upon in your presentation, and I refer you to pages 62, 63 and 64 of budget paper 3. It relates to the two measures relating to concessions that are included in efficiency and expenditure reduction measures. On page 62 there is a table outlining the monetary value of the efficiency and expenditure reduction measures and there are descriptions of the two on the following pages.

Ms WOOLDRIDGE — Yes.

Mr SCOTT — I am sure you are aware of, in fact you indicated some awareness of the nature of the two changes. By my account it is \$44.3 million for the electricity and gas concession changes and \$55 million for the retrospective eligibility for concessions. What I am seeking is the number of persons who would be impacted, so would have a reduced ability to either access the dollar amount for concessions or have their ability to access a concession retrospectively removed, over the forward estimates periods. As you have a dollar amount there must be a basis for the calculation of that in terms of the number of people who would be impacted, so for 2013–14, 2014–15, 2015–16 and 2016–17.

Ms WOOLDRIDGE — As I said earlier on, there has been ongoing concern in relation to some of the sustainability matters around concessions, which has meant that we have needed to make some decisions about how we make sure that concessions are targeted to the right people to make sure that they are receiving this support. About 1.4 million Victorians will access them over the course of the next 12 months. Just to go through

the excess energy concession, of course in both of these cases every single person who is eligible to receive the concession will still receive a concession.

Mr SCOTT — I understand that.

Ms WOOLDRIDGE — So no-one is no longer receiving a concession. For the excess energy concession, they will receive the full concession up to the amount, which is 2763 for a year in electricity and 1462 for gas. I want to be very reassuring that everyone who is eligible for a concession will get it to that point. In terms of the numbers on top of that, we estimate roughly that the bills in excess of that level are roughly about 5 per cent of all bills. But then we will go through a process, as we have outlined, where individuals will need to verify a couple of points in order to receive the concession beyond that. They will need to verify that they are not operating a business; and also another one, and I have forgotten it off the top of my head. Illegal activity, that is right — yes, that small point!

Some bills go up to about \$7000 a year. Our concern is, when you are providing a taxpayer-funded concession for electricity bills that are \$7000 a year, to know what is going on. Of course the government does not have the capacity to audit that, because these are provided by the electricity retailers. They manage the data; we do not have that information at hand. This is an exercise in seeking to make sure regarding excessive electricity consumption that we verify that they are genuine users of that concession and not running a shop out of their home or not growing cannabis, as the case may be, and using lights 24 hours a day. Mr Scott, the number there is rough. We estimate that is about the top 5 per cent of bills. I cannot give you a number that says how many of them will then get a reduced concession or not, because we will go through that verification process.

Can I also assure you that anyone with medical cooling concessions or medical concessions does not need to apply, and they will be a portion of those bills as well. So if you have legitimate medical need, you will not even have to apply for it, you will just automatically be entitled to get your concession above that amount.

In terms of the retrospective concession charges, once again what we found across a whole range of concessions was that there were different retrospectivity clauses for every single different one; there were different eligibilities. So we have now said that someone who is applying will be eligible for retrospective concessions for up to 12 months, or for 12 months, but not beyond that. If there is hardship they will be eligible for consideration for further concessions, and then there is a hardship process in addition to that — there are two hardship processes essentially in relation to the retrospective concessions. We have estimated that approximately — and we have done it by claims — 3 per cent of the claims for water are retrospective claims, and about half a per cent of the claims for municipal rates, just to give you some examples. It is a very small percentage of the overall claims that we have that will now have the retrospectivity. They will get that year, but they will not get beyond that year.

The CHAIR — Is there a supplementary question?

Mr SCOTT — There is a supplementary, and it relates to the second element, the retrospectivity. Minister, you gave figures for the number of claims that are retrospective, but you did not give a figure for the number who are retrospective but would fall foul of the changes when they would previously have qualified. I am interested to know whether the dollar caps for gas and electricity prices will rise with inflation or whether there is some sort of indexing of them.

The CHAIR — It is a double supplementary, but I will allow it.

Ms WOOLDRIDGE — Let me just clarify the numbers I have here. Those numbers I gave you actually relate to the retrospective claiming, so that is the amount. If people are claiming retrospectivity, they claim for the full number of years that are eligible; now they will be able to claim for a year of that. So all of them will still get a concession; they will be eligible for it for one year. And your second question was?

Mr SCOTT — It was whether the dollar caps on gas and electricity would be indexed.

Ms WOOLDRIDGE — They will be indexed.

Mr SCOTT — On what basis?

Ms WOOLDRIDGE — Our plan is to make sure that we are capturing the top end of those excessive bills. We will be working with Treasury through that level, but the plan is to capture about a similar amount, which is roughly that 5 per cent each year, so we will need to reflect what is happening in price in that process. We are finalising that process, but our expectation is that we will continue to try to capture just that top-end group each year.

The CHAIR — Thank you, for that triple supplementary, Mr Scott. I do not want that to be a precedent in any way at all.

Mr O'BRIEN — I will try to do it in one, Chair. Minister, I refer to your presentation in relation to child protection and also budget paper 3, page 25, where you have allocated further funding for child protection and out-of-home care for 2013–14. I am just asking if you can advise the committee how this will continue the government's work to protect the most vulnerable children in Victoria.

Ms WOOLDRIDGE — I have given some context I think already in relation to our vulnerable children strategy. This year's budget very much relies and builds on our investments that we have made over the previous two years which have been quite substantial across the board. In this budget we have really focused on the out-of-home care element. Members will remember an Ombudsman's report which was very scathing in relation to the performance of the out-of-home care system. I am of the belief that this was a system that needed very significant reform, that we inherited and we are getting on to try and do that work.

One of the things we have committed to doing is a five-year out-of-home care plan. The investment that we have made in this budget of over \$90 million will sit hand in glove with the plan as we work out how we have an out-of-home care system that actually works for the benefit of young people who need to come into the system by nature of not being able to reside at home with families any further.

This, of course, deals with foster carers and this budget invests in what is called therapeutic foster care. This is where foster carers have additional skills and capacities to work with the most vulnerable of children, so they have that expertise and that training to be able to really help young people to get lives back on track. It is not just accommodation; it is not just dinner; it is actually a very therapeutic approach to help them address the trauma that they have experienced in their lives and work through it, get back engaged in school if they are not — get things back on track. There is a very significant investment we believe in more than doubling our therapeutic foster care system and that will enable the statewide delivery of therapeutic foster care services.

We are also seeking to improve the stability of placements and reduce the reliance on unfunded placements. By the nature of the work, sometimes children need to be removed at midnight or 2 a.m. You need short-term placements. It is a difficult situation. You need to have some capacity to be flexible, whether that is in Benalla or in Balwyn. You cannot plan where that is always going to be and you need some flexibility. What we have seen is the increase in that need for what are called contingency placements and we believe a portion of that you actually can plan for — you can expect, it is commensurate with demand, it ties in. Therefore this budget invests significantly to be able to expand our out-of-home care placements, whether they be foster care, kinship care or residential care. As I have said, that will work together as we work together with the sector to develop our strategy for the out-of-home care system over the next five years. This will be a significant investment to make sure we can get the system on a very stable footing. It also means that we can be more individualised and more targeted for individual children and we are looking to try some different options in that, to make sure that it is not just a one size fits all but we have some real options for young people to reflect their needs.

The other investment that this budget has made has been in this after-hours service, and that is \$17.5 million over four years. This has three very distinct elements in what we are investing in and it does continue investment that has been made back in 2009 and that we think has been important work. That is not to say that we are not going to continue to make sure it is being effective, but the After Hours Child Protection Emergency Service is a telephone and outreach service that receives over 45 000 calls a year. It is important for that after-hours service to have that capacity because, of course, these things that do not just happen between 9 and 5 — and it works with new and existing clients at all hours of the day.

The Streetwork Outreach Service is another service that was a bit below the radar. I have been fascinated to understand their work because they literally are out, outreach, on the streets, working with thousands of young

people at risk of harm or exploitation, particularly in the CBD and St Kilda. The work they do is very significant on a grassroots and immediate level.

The Central After Hours Assessment and Bail Placement Service is another after-hours mechanism to try to avoid young people being held on remand, if possible. They take over 750 bail placement assessments and facilitate about 335 bail placements each year, so it is very important work. This is real grassroots work that is done that is important. I am very pleased that this budget is investing in both continuing those after-hours responses to make sure they are effective but importantly significantly investing. The combination of the two is nearly \$109 million in these areas in this budget so that we can be even more effective into the future.

Ms HENNESSY — Minister, if I can again refer you to the budget papers, at 157 and 158. You advised the Deputy Chair in answer to his question about the number of unfilled positions within the Loddon Mallee region. Could you advise the committee region by region what the number of unfilled positions is?

Ms WOOLDRIDGE — I do not have that information at hand with me today. I am happy to see what information we have in relation to getting you back some further information.

Ms HENNESSY — But you had Loddon — —

Members interjecting.

Ms HENNESSY — I make the point, Chair — —

Mr O'BRIEN — Is this asking a question or making a point?

Ms HENNESSY — I am making a point, actually, to the Chair in respect of my question, and it is this: that DHS are required to report this information annually, as per the Ombudsman's recommendation, and the minister did have the Loddon Mallee data. I wonder if the secretary has it available?

Ms WOOLDRIDGE — I will answer that. I had the Loddon Mallee because your member for Bendigo East has been in the paper for the last three days saying that they are going to ask questions to me today.

Ms HENNESSY — That is a fair answer. I will cop that.

Ms WOOLDRIDGE — So I anticipated that that was going to be the case, which is why I have brought the Loddon Mallee region. I have said that I am happy to take the rest of the information on notice.

Ms HENNESSY — On notice. Okay, for each region. Thank you.

Mr ONDARCHIE — Minister, I want to ask you about page 25 of budget paper 3 on a matter that is very important to me, in that you have allocated further new funding to vulnerable children and families more generally. I know that you referred to it on slides 5 and 6 of your presentation today. I wonder if you can give us a sense of what the total investment is for Victoria's vulnerable children by the coalition government, as reflected by the output measures?

Ms WOOLDRIDGE — Thank you very much for that question. As I have said, what we are trying to make sure of is that what we are investing across multiple budgets fits together in a strategic response, to make sure that we are investing right across the system to align with the reform agenda that we have for vulnerable children and families. Across the board over the last three budgets we have invested more than \$650 million in vulnerable children and families.

When we released our directions paper we talked about five different areas that made up the combination of the whole of the areas that we were working across. I would like to take the opportunity to just give you a bit of detail in each of those areas. As I have talked about already, the first is making sure that we have got safe, stable and supportive out-of-home care. In doing that not only are we expanding out-of-home care generally but we are really focusing on the therapeutic side, as I have mentioned in answer to the previous question.

In this budget we have invested in therapeutic foster care. Last budget we invested in therapeutic residential care. In both there is evidence that it leads to better outcomes for the children and young people who we are working with, by taking a therapeutic approach. It costs a bit more, but if you get stability for the young

person — get them back into school, give them the skills for jobs in the future and have them able to deal with the trauma that they have experienced in their earlier years — the therapeutic approach is very important. This budget, I suppose, piggybacks on the therapeutic investment we made last year.

We have also invested in young people who are in out-of-home care, both those coming in — making sure they have got an assessment of their health, they have got an assessment of their education and then having funding to deal with any gaps or issues that we see in relation to those assessments that are made — and then also working on what happens when they exit out-of-home care. How do we help them to make sure that they have got the skills, that they are getting jobs? We have got in place what is called the Springboard program, which we are having fabulous responses to in terms of young people working with employers, getting apprenticeships, having internships, getting experiences and actually getting jobs, which is absolutely wonderful.

The second area is effective and connected services. I have touched a little bit on Services Connect, which is very much about our connecting up of the services that we have, but there are other things that we are doing as well; for example, the multidisciplinary centres that we have got in place, where the police, child protection and sexual assault services all work together with clients who need those services. We have got our reforms to the child protection system. Our operating model, once again, gives us better capacity to work across the range of needs of children and connect to other services, so that has been quite significant.

The third area is education and building capacity. This is where we are working with families earlier, before they get into the child protection system, to make sure that they have the parenting capacity, the skills, the experience and someone alongside them to help them to be effective in their parenting roles. This has been further supplemented by what we are calling Cradle to Kinder, where we identify vulnerable mums-to-be while they are pregnant. These may be young mothers — particularly young mothers who are in the child protection system themselves — or Aboriginal young mums; there is a cohort that we work with. We identify them and say, ‘Why don’t we work with you while you are pregnant and all the way through until your child is four and accessing education and into school?’. It is long-term support for people who are potentially very vulnerable to make sure things do not escalate and get out of hand. Once again, we are getting great feedback from both the young people who are involved in the system and the people who are providing these services about the difference it is making. People whose children would otherwise come into the child protection system are now actually not, and that is obviously the overall objective.

The fourth area is making the legal system child friendly. Of course any time young people get removed from their families they have to go through court processes. Cummins was very clear, as others have been, that that can be very traumatic for a child. There has been a number of things brought into place. I am very pleased that our new court out at Broadmeadows is being actively planned. What that will do is get quite a significant number of cases out of the Melbourne Children’s Court, which is a harrowing environment at best, and into a child-friendly environment out at Broadmeadows. We are also expanding our new model conferencing, which is a way of actually trying to resolve cases before they get into the very legal environment of the court itself. If we can create an environment where decisions are made earlier that are the right decisions, that is a good thing.

The fifth area, just to finish up, is obviously increasing our accountability and transparency. The new Commission for Children and Young People, with Bernie Geary appointed as our first commissioner, is a very significant shift. We are in the process, as I think you heard yesterday from the Minister for Aboriginal Affairs, of recruiting the Aboriginal commissioner as well, which will be the first in Australia and a very significant role. Obviously in the strategy we have got performance monitoring frameworks and those sorts of things. It is a 650 million investment, but it is not just the investment; it is the reform that sits alongside the investment that means that we will be very well placed to work more effectively with vulnerable children and families.

Mr PAKULA — Minister, I will not bother with the budget paper reference because you mentioned youth justice reforms during your presentation. You talked specifically about Malmsbury and you talked about the Ombudsman’s report. You said in the house not that long ago that the government had implemented each of the Ombudsman’s 27 recommendations from his October 2010 whistleblowers investigation into conditions at the Melbourne youth justice precinct. One of his recommendations was that the government consider a purpose-built facility operated by trained health professionals to treat the mental health needs of young offenders. Given that that facility has not been constructed, and given that you said that you have implemented all the recommendations, should I assume that you considered it and rejected it?

Ms WOOLDRIDGE — Thanks, Deputy Chair. I am happy to take you through what we have done to give you the context of that decision making. There has been a significant amount of work done in youth justice mental health, because it needed it. We believe we are on the right track to address it appropriately.

What happens when a young person comes into a youth justice facility is that within 24 hours they are provided with a holistic health assessment, which includes an assessment of their mental health needs. Once that assessment has been made — and I think there have been some numbers in the media, a snapshot of a survey, that said about 35 per cent of young people in custody in September 2012 presented with mental health issues, so it is obviously a significant group — we then provide mental health services within the custodial environment. There is a comprehensive mental health assessment, including that risk assessment that we make on admission. There is care and management planning that occurs as early as possible in the sentence, so once again trying to get in early to respond to it. There is on-site psychological and psychiatric consultation and intervention, and that actually includes not just primary level services but also secondary and tertiary interventions as they are needed. This is all in a context of regular case management and review. Prior to discharge we want to make sure that if a young person is still requiring support on the mental health side of things, there is a continuation back out into the community.

The youth justice mental health initiative supplements the mental health provision within Parkville. What that aims to do is improve access to mental health services. It is a specific program to invest in youth justice mental health and make sure that not only do we have the specialist staff but also all staff have the capacity to respond to young people who require mental health care. We have also put in a new therapeutic approach — I am using that word a bit — trying to respond to the trauma that young people have often experienced. It is being trialed. Basically we are establishing an intensive therapeutic service staffed by two mental health clinicians who provide these intensive therapeutic services for young people with complex needs and challenging behaviours.

Then on top of all of that, if all of that does not work, what we then have the capacity to do is admit young people to a youth mental health facility. Basically instead of building a purpose-built facility, what we have said is let us make sure that all the way through the system young people in youth justice can get a level of mental health support that equates to their needs, and then if it is needed, they should be able to access a youth mental health facility, as other youth who are not incarcerated would be able to do. That is the system we have set up. That is what our decision making has been in relation to what the best way is to invest, rather than having a system that perhaps pulls everyone out and puts them into a youth mental health facility. This allows a graduated response, depending on their needs, at the primary, secondary and tertiary levels.

Mr PAKULA — Minister, can you provide the committee with any statistics or information about how many young people in custody have mental health issues?

Ms WOOLDRIDGE — The snapshot that we have undertaken, which was of 172 young people at September 2012 — so that was looking at the health assessments of that group that came in — said that 35 per cent presented with mental health issues.

Mr ANGUS — Minister, I refer you to budget paper 3 and the output measures across the human services portfolio and also comments that you made in your presentation. Can you outline for the committee how the Victorian government is funding the SACS pay equity case?

Ms WOOLDRIDGE — Thanks very much, Mr Angus, on that. This is a very important decision. The equal remuneration order was handed down by Fair Work Australia to award increases in wage rates for community and social sector workers — that is, the SACS workers — by 23 to 45 per cent over a nine-year period. It is a very significant decision, very much characterised in the context of pay equity for low-paid workers who are predominantly women.

The first instalment of the Victorian government funding, which was just over \$24 million, was made this current financial year for when the orders started on 1 December. Next year the budget has \$70.2 million for 13–14 across government, which, as you can imagine, is a very significant investment, and that is for year 2. This will obviously continue year after year. This supplementation goes to about 1200 organisations to meet the needs of nearly 29 000 employees across Victoria. It is very significant for many of our workers, both from a DHS perspective and, importantly, for the community sector organisations that we fund in terms of receiving this pay rise.

The process we have gone through is that there are organisations that we fund ourselves directly, and there are organisations that we fund partly by commonwealth money and partly by state-based money. Our concern in relation to this is that for those organisations that are partly funded by the commonwealth and partly by the state we have not yet been able to get a final decision and, importantly, the funding from the commonwealth for their portion of that funding. On 4 December the Victorian government paid the funding at the level that we agreed with the community sector on everything that we fund ourselves. We also went ahead and funded it for our portion of the funding which was jointly funded by the commonwealth and the state, because we did not want to hold back that funding that was available.

But we are now five months on, and in terms of that decision, the funding still has not come from the commonwealth. In terms of their initial offer, we did not agree with it. We went back and negotiated. They upped their offer a bit further, but we still think there is a very significant gap — this is millions and millions of dollars — between what the community sector organisations are going to have to pay their workers to meet the Fair Work Australia decision and what funding they have been provided with. They do not have a choice about whether they pay this increase or not; they must do it. What that is going to mean is that overall they are going to have less funding to do what they need to do. That might be less services. It may be having to lay off some workers. In an environment where fundraising is very difficult as well — because for organisations and people things are financially challenging — it is a very significant impost on the community sector organisations. There have been some very clear messages from groups like VCOSS, who have written to the federal minister saying, ‘The rate at which you are suggesting it be paid does not reflect the Victorian situation; this should be revised to the Victorian government’s offer, which is fairer, and also it needs to be paid’.

The thing that is a bit ironic in all of this process is that it was the federal government that supported this case in the first place. Having supported the case and gained a wage rise through Fair Work Australia for community sector workers, it is ironic that the federal government is now not paying that amount to supplement the funding that they have. I think it is a bit of a reflection that it is easy to say good things in relation to these things, but to then back it up and deliver it is another case. What we are going to see is 29 000 employers across Victoria, a significant portion of which — and the 1200 organisations — who are going to have trouble meeting those wages bills of those workers because of a continued failure of the federal government to pay that supplementation that they are owed.

Mr ANGUS — So it is more money Wayne Swan owes Victoria.

Mr SCOTT — Blame Wayne Swan.

Ms HENNESSY — Minister, I know that we are doing disability in the next session, but I refer you to budget paper 3, page 151. My question goes to some evidence that you gave last year about the importance of trying to break down silos in the department. I do understand that the current principal child protection practitioner and the principal disability practitioner are co-located in the same unit. Dr Jeffrey Chan resigned in February 2011, and it is our understanding that that position has not yet been replaced. How is it, within that particular unit where both of those positions are co-located and there is a different reporting line structure, as I now understand, that we are kind of breaking down the silos when we have a principal child protection practitioner but we do not have a principal disability practitioner in order to drive important innovation?

Ms WOOLDRIDGE — We do have someone in that role — Frank Lambrick has been in that role, so it is not like there is a gap in that.

Ms HENNESSY — There is no-one; yes, I understand that.

Ms WOOLDRIDGE — He is very effective in that role. I am being advised that the job will be advertised shortly to make permanent that position, but this is part of, as you have said, our reforms to try and have it more streamlined. Having the two together in an area that says we think practice and quality of practice is absolutely vital, and we are seeking to raise that. We have got good people in both of those roles, and we do not believe the fact he is acting diminishes in any way from the role that he has played or the capacity to be effective. There will be a permanent person in place soon.

Ms HENNESSY — Given the position is three levels down in the departmental structure and reports to the secretary, as I understand the present reporting line, do you have any concerns that that in any way potentially

compromises their independence and capacity to give you frank and fearless advice if they are not reporting through the standard departmental lines?

Ms WOOLDRIDGE — I do not have any concerns at all. For example, the Office of the Chief Psychiatrist was established under the former government within the departmental structure, but has very effectively provided mental health advice both up through to the minister and importantly back through to the sector in relation to those roles. Similarly in this, this is about raising the standard of our workforce, of the community sector workforce and making sure we have got the expertise targeted. This is the first time that there has ever been an Office of Professional Practice. It is putting a spotlight on it in a way that it never has before, so I am confident that the structure is one that will mean improved practice with an improved focus and with good people leading that.

Mr O'BRIEN — Minister, could I also take you to budget paper 3, page 160, where it refers to the \$67.6 million to be spent on youth justice custodial centres in 2013–14: I am wondering if you could advise the committee how this expenditure is helping to improve community safety and also to rehabilitate young offenders.

Ms WOOLDRIDGE — There has been some good interest in youth justice, because it is such an important part of what we do. It is quite hard for young people to get into the youth justice system; a lot has to have happened. What we find is that the young people in there have had very traumatic lives to date. They have obviously done some things which are not acceptable in the eyes of the community, but it is often very much connected with mental illness, alcohol and drug abuse, disconnection from school, disconnection from family, disability and others. It is an area that we take exceptionally seriously to try and work with young people in youth justice to turn lives around.

We have had a strategy that has been multipronged. I suppose we have had a facility-based strategy, which is how we make sure we have an environment where young people respect the environment, and the environment sends the message about what we expect of them. There has been very significant refurbishment of our units, particularly at Parkville. You may remember from the Ombudsman's report there were some pretty horrendous pictures of what those units looked like. They have been dramatically refurbished. I think what we are finding is young people are taking pride and responsibility in relation to the units and where they live.

I think that it also ties in with the fact that we have had a significant focus on the professional practice of the staff. The staff are, as Mr Ondarchie is indicating, wearing uniforms now. When I say 'uniforms', it is a polo shirt with some matching pants, but they look smart, you know who they are, they are professional, they are getting skills and training, and we are finding that our workforce, as I mentioned earlier in the mental health questionnaire, are also now equipped to understand that this is not just a custodial environment; it is an environment where we are actually trying to help young people turn their lives around. So they have mental health training, they have the skills and capacity to be able to deal with and work with young people, not just to manage it but to de-escalate and to try to address the issues they have.

One of the very significant areas that I am exceptionally proud of is the work that we are doing to help young people build their skills and capacity when they leave the youth justice facility. What this means is that if we can skill build, if they have some education behind them, or skills and training, their chances of getting a job are significantly enhanced, or of going back to school or engaging in further education.

As I have talked about in the house, I am very proud that the Minister for Education and I together have established Parkville College at the Parkville youth justice precinct. What we are finding is that young people who enter often have a reading level of grade 2 or grade 3, even though they might be 15, 16 or 17. What we are finding is that as we work through a term or two terms they are gaining a year or two years in terms of their capacity for the time that they have. Even if it is a short period of time, in just a few weeks that they may be on remand, they can engage in schooling in a positive way, have a positive relationship with adults in an educational environment, and it has been incredibly positive. There are 215 young people from Malmsbury and Parkville who are now accessing a minimum of 25 hours of education week. This is obviously a very significant increase from the average of 7 hours a week that we had in 2010.

We have some of the most talented teachers in the state. We have teachers turning down private school jobs to come to work at Parkville College, which I think is a real credit to the team in place and to the young people

who are responding so positively to the school environment. We have actually had someone complete VCAL and someone complete VCE. One individual is now undertaking a bachelor of arts. These young people have great capacity. It is actually about tapping in in a way that reflects their experiences to date to enable them to get the education so that they can utilise their skills and expertise in a positive way in the future.

Mr PAKULA — I cannot work out how you and Robert Clark sit in the same cabinet room.

Ms WOOLDRIDGE — Very easily.

Members interjecting.

The CHAIR — Order!

Mr PAKULA — Have you ever had this conversation with him?

Ms WOOLDRIDGE — Absolutely. A big supporter.

The CHAIR — Order! Mr Scott, I am sure, would be keen to ask a question before we run out of time.

Mr SCOTT — Minister, I refer you to the departmental questionnaire, pages 10 and 11, which outlines efficiencies and savings. My earlier question about concessions frankly addresses the issue related to the last line item from the most recent budget, by my calculations, almost exactly on the dollar figure. But there are a number of initiatives that relate to previous budgets, budget updates and efficiencies and savings that are required of the department as a whole. The total figure I came up with is 194.29 million. On page 25 of budget of paper 3 there are also the negative ‘Existing resources’ measures. All I am really seeking from you is a breakdown of the amount of the efficiencies and savings — —

Ms WOOLDRIDGE — Sorry. Could you say that again?

Mr SCOTT — The amount of the efficiencies and savings and the negative ‘Existing resources’, to use a term from the budget, that relate to the community services portfolio.

Ms WOOLDRIDGE — I am not sure that I fully understand the question.

Mr SCOTT — There is \$194 million in efficiencies and savings that are outlined for the whole department. There are also negative ‘Existing resources’, which I think by my count — —

Ms WOOLDRIDGE — Which page is that?

Mr SCOTT — Page 25.

Ms WOOLDRIDGE — In BP3?

Mr SCOTT — Correct — that relate to the whole department. I am seeking some information on the amount for each of those that relate to the community services portfolio.

Ms WOOLDRIDGE — In BP3, ‘Existing resources’, is that the one that you are referring to?

Mr SCOTT — That is correct, yes.

Ms WOOLDRIDGE — None of that relates to my portfolio.

Mr SCOTT — Okay.

Ms WOOLDRIDGE — You are talking about question 12 particularly, are you?

Mr SCOTT — Correct.

Ms WOOLDRIDGE — It is in many ways impossible to break it up. What we are doing with the restructure of department is trying to get rid of some of the silos. Whereas we used to have a housing division, we now have housing and child protection and disability all in together. You will see in terms of the actions taken by the department in 13–14, under how we are going to achieve those savings, that that is largely

answered by saying that it is the restructure of the department that actually realises those savings. I am not in a position to be able to go through and say, 'Well, this is community services and that's housing', because now the department is working together across the board and these are realised as a department, as opposed to the compartmentalised structure that we used to have.

Mr SCOTT — By way of a supplementary, that is true for part of these savings, but there are others, for instance, withdrawal of indexation, supply of consumables, that are allocated. If you do not have the information at hand, I would still like on notice a breakdown of what proportion of the 194.29 million — and other ministers have agreed to provide that — relates to this portfolio.

Ms WOOLDRIDGE — Why do we not just have a quick look and go through it? On government election savings, why do I not say where it is not related to the restructure because that is across the board and there are some that have been identified directly to the concessions, for those that are not easily identified, which look like it might be the first three — is that your reading of it?

Mr SCOTT — In the context of yours, they are the three that are not related to the matter you just raised, yes.

Ms WOOLDRIDGE — I am happy to provide you with information up to what we have the capacity to provide that information for. I am just getting confirmation again that even for those ones — things like consumables — it is across the board for the department as well. My answer is that they are department across the board, but we will have a look and if there is anything that is not department across the board, I am happy to come back to you with it.

The CHAIR — If you can provide the information to the extent that it is available.

Ms WOOLDRIDGE — That it is available.

The CHAIR — Thank you, Minister. That concludes hearings on the community services portfolio. We will move straight into disability services and reform. There will be no changing of seats or anything else.

Witnesses withdrew.