

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Budget Estimates 2019–20 (Disability, Ageing and Carers)

Melbourne—Thursday, 13 June 2019

#### Members

Mr Philip Dalidakis—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Ingrid Stitt

Ms Bridget Vallence

**WITNESSES**

Mr Luke Donnellan, Minister for Disability, Ageing and Carers,

Ms Kym Peake, Secretary,

Ms Chris Asquini, Senior Deputy Secretary, Community Services Operations,

Mr Terry Symonds, Senior Deputy Secretary, Health and Wellbeing, and

Mr Greg Stenton, Deputy Secretary, Corporate Services, Department of Health and Human Services.

**The CHAIR:** I declare open this final hearing of today, Thursday, 13 June 2019, and I declare the hearing open of the Public Accounts and Estimates Committee. On behalf of the Parliament, the committee is conducting this inquiry again into the 2019–20 Budget Estimates. Its aim is to scrutinise public administration and finance to improve outcomes for the Victorian community and anybody that chooses to wish to be a part of us. The committee will now begin consideration of the portfolio of Disability, Ageing and Carers. I once again welcome the minister at the desk, the Honourable Luke Donnellan, and officers from the department. Thank you for appearing before the committee today, not that any of you had any choice in the matter.

All evidence given is protected by the Parliamentary Committees Act. This means it attracts parliamentary privilege and is protected from judicial review. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

Minister, I invite you to make a brief opening statement and/or presentation of no more than 10 minutes. This will be followed by questions from the committee that unfortunately, as you have witnessed, are not always as good as they should be. Minister, over to you.

**Visual presentation.**

**Mr DONNELLAN:** Thank you, Chair, and thank you, committee members. It is a pleasure to be here today to provide the committee with an update of the important portfolios of Disability, Ageing and Carers. The Andrews Labor government's 19–20 budget is investing \$217.2 million in the state's disability, ageing and carers services programs and agencies. This investment is supporting vulnerable Victorians, reflecting the government's commitment to make Victoria fair for everyone, including our most vulnerable older people and those who care for them.

Finally, the budget provides funds for Victorians with a disability, with a \$2.5 billion investment in the ongoing rollout of the NDIS, or the national disability insurance scheme. This investment will provide more opportunities for economic participation for people with disabilities and make Victoria more inclusive. These new investments follow considerable commitment from the Andrews government in supporting disability, ageing and carers. Over the past five years an additional \$869 million has been provided to increase the quality of life of Victorians with a disability, the care and comfort of older Victorians and to support the state's carers.

Victoria is making, as I mentioned a bit earlier, a \$2.5 billion contribution to the NDIS in 19–20. This contribution is comprised of \$1.45 billion from the department of human services, plus funding from other departments. In addition, Victoria will provide \$10.9 million in 19–20 to support disability advocacy and self-advocacy organisations so that people with a disability experience reduced disadvantage and can fully participate in the community and have their rights upheld. Victoria will continue to provide supports to Victorians who have not yet transitioned the NDIS. Victoria will also fund a range of disability services not funded by the NDIS, such as forensic disability programs. Victoria will provide continuity of support funding for those deemed ineligible for the scheme.

The NDIS has faced significant well-documented implementation challenges. As a consequence, approximately only 75 per cent of the expected number of clients have transitioned to date. Victoria will continue to fund and deliver services to state clients who have not yet transitioned. Victoria continues to intervene in crisis situations to support people with complex needs as well. The Victorian transition comprises state clients, commonwealth

clients and new clients. Victoria itself has sought to contact around 30 000 state clients the NDIA has been unable to reach to help them access the scheme; 44 980 Victorian clients have already transitioned to the NDIS, while a total of 65 875 Victorians are now being served by the NDIS, according to the latest data in the March 2019 quarterly report.

Furthermore, the Victorian government continues to advocate for better outcomes for those in the scheme—we know it is not delivering on the promise very much that we made—and we will continue to do that. Funding of \$9.9 million will be provided to implement a disability worker registration scheme with the establishment of the Disability Worker Registration Board of Victoria and the Victorian disability worker commissioner. These bodies will operate a regulatory scheme for disability workers and deal with breaches of conduct to support the development of a quality disability workforce as Victoria transitions to the NDIS.

The 19–20 budget delivers a range of investments to modernise public sector residential aged-care facilities. It also continues important funding for this vital service, maintaining critical public sector aged-care facilities. Victoria has the largest public sector aged-care sector in the country—\$26.9 million will be invested above and beyond the commonwealth funding to ensure the future provision of public sector aged-care facilities. These services play an important role in supporting access to care in many rural communities where there are no other services and for older people with complex physical or mental health needs.

The \$81.6 million investment in the Wantirna public sector residential aged-care facility will build a new 120-bed public sector aged-care facility in Wantirna. The Wantirna development will consolidate smaller, older services in a purpose-built better facility suited to the needs of people with complex care needs or limited mobility in a homelike environment. This facility will also better enable contemporary models of aged care and enhance amenity, quality and safety for residents and staff.

In the budget, \$5.4 million in funding will be provided to upgrade facilities at seven multicultural aged care providers, and we acknowledge the importance of providing choice for older Victorians to receive culturally appropriate aged care. \$21.8 million in funding will also be provided to purchase land for three multicultural aged-care facilities. This will help improve and expand aged-care services for culturally and linguistically diverse Victorians.

Ten million dollars will be provided to the Regional Health Infrastructure Fund to improve the quality and amenity of infrastructure across a range of rural and regional health services. This initiative will allow health services to respond to local priorities and maintain and enhance their service delivery capacity.

In this budget almost \$50 million will be invested to provide Victorian carers with the following benefits: an additional 100 000 respite hours per year, including expanded eligibility for carers of people with mental illness and younger carers; expanding access to public transport travel concessions for those carers with a Victorian carers card; free public transport across Victoria for carers during National Carers Week; and grants to both grassroots and statewide carers support groups focused on regional areas and under-recognised groups, such as younger carers and LGBTI carers.

There is a \$12.5 million boost to services for Victorians doing it tough, delivering on an election commitment. This includes \$10 million in funding for the additional Foodbank Victoria hubs in Ballarat and Morwell. A business case will be developed for these to inform the establishment of these hubs, which will serve as centralised regional warehouses as part of a regional distribution network. And \$2.5 million will also be provided to the FareShare charity kitchen in Abbotsford to enable them to expand their efforts in collecting food and cooking meals for Victorians in need. Thank you.

**The CHAIR:** Thank you, Minister. I appreciate your succinctness—again, 2 minutes ahead of schedule. If you run the portfolio the way that you have done your presentation, then we are in for great things. Minister, we have got to move to questions, to Ms Stitt, and your time goes through until 8.23 p.m.

**Ms STITT:** I wanted to ask you, first of all, about public sector residential aged care and take you to page 61 of budget paper 4—

**The CHAIR:** Sorry, I have cut you short—8.33 p.m.

**Mr D O'BRIEN:** I was going to say.

**Ms STITT:** 8.33 p.m? I thought I had to speed through then. That is all right. Sorry, Minister—page 61 of budget paper 4. The Wantirna aged care redevelopment, which I think you mentioned in your presentation: can you outline for the committee the details and the benefits of this project?

**Mr DONNELLAN:** Yes, and I can say that the member for Bayswater is very excited by that and he has told me that on multiple occasions. He has come to my office on multiple occasions to say, 'When can we start it? Like, tomorrow?'. It is critical out in the east because the capacity is limited and sometimes—you know, put it this way: we have got to put the money into the public sector aged-care beds because we know we deal with very complex cases and we deal with people on low incomes, so very much focused on assisting our most vulnerable and those who have got the least income. So in other words that is why we have made a commitment to continue to invest in these aged-care beds, because we know that without our investment there would be poorer outcomes, homelessness and long-term hospitalisation in our hospital system. Given this, it can have a detrimental effect for both residents and the state's health care system if we do not actually keep this investment up. Public sector aged-care beds provide cost-effective and more appropriate alternatives for these people. Unfortunately in many ways it was only the return of the Andrews government which actually stopped a lot of these aged-care beds being sold off. But we very much made a commitment—we will continue to fund the aged-care beds.

My predecessor, Minister Foley, commenced a strategy known as the modernisation of Melbourne public sector residential aged care. This strategy seeks to address the shortcomings associated with the existing housing fabric of many of our facilities. It also looks at the consolidation of small-scale facilities into large-scale purpose-built facilities to provide facilities that enable a contemporary person-centred model of aged care. These facilities will create environments that are dementia friendly, better support complex clinical mental health needs of residents and respect resident privacy and dignity.

Stage 1 of the strategy was to establish the 90-bed facility at St George's—which I know was not the one you asked about, but I was recently down there with the upper house member for the south, Nina, looking at that particular facility—but in this budget I am very proud to say we have funded stage 2, with \$81.5 million committed to build a new purpose-built facility at Wantirna Health in the eastern suburbs. This will have 120 beds across four floors of 30 beds, divided into two 15-bed units or houses with seven or eight-bed pods. Sixty of the beds will be generic high-care beds and 60 of the beds will be mental health beds, and we know in terms of the growth of dementia in the community how strong that is. The centre will complement existing geriatric medicine services at the hospital and palliative care services already offered on the site, creating very much an unrivalled health care hub for older residents in Melbourne's east. Construction, I understand, will begin next year and finish in 2022, which will then allow work to get underway to upgrade the Angliss Hospital.

**Ms STITT:** I understand from your answer that the Wantirna development is stage 2 of the plan to modernise our public sector residential aged care, but can you provide an update on stage 1—the construction of the facility at St George's in Kew?

**Mr DONNELLAN:** Yes, happily. That is a \$57.6 million investment to construct a new 90-bed facility at St George's Hospital in Kew. St Vincent's Health Melbourne will operate this new aged-care facility when it is completed, and I am confident it will better support contemporary, modern residential aged care, particularly for those residents with complex needs. The new development includes two separate three-storey houses, each accommodating 15 residents per floor in single rooms with their own private en suites. I should note that it includes rooms that are designed to meet the needs of residents with a disability as well. The house layout is designed to meet the needs of residents with varying degrees of mobility and to provide more homelike environments, too, including garden outlooks and access to domestic-style kitchens. The development will also include aged-care persons' mental health beds, with 30 beds currently allocated for high-level care patients and the potential to expand this to 45.

The facility is being built on the St George's Hospital campus in Kew and will be run by St Vincent's, as I mentioned earlier, which is a tertiary public health care service providing a range of services, including acute medical and surgical services, emergency and critical care, aged care, diagnostics, rehabilitation, allied health,

mental health, palliative care and residential care. Located on the same site as St George's Health Service, residents will have ready access to a broad range of medical, rehabilitation and allied health care services for older people, as well as a new onsite ambulance branch.

The contractor was appointed in January 2018 and construction works have obviously been going on for some time now. We did have a slight issue and a delay when the Boroondara council decided to apply for an interim heritage control over the St George's Hospital site, but the work is now well underway and back on track, I am happy to report. As I mentioned, a little bit earlier this year I visited with Nina Taylor, a member for the upper house of south metro, to mark a significant milestone in a concrete pour. I very much look forward to seeing this facility done and finished and residents moving in.

**Ms STITT:** Fantastic. Can you let the committee know how the government is investing in capital upgrades for our public sector residential aged care in rural and regional Victoria?

**Mr DONNELLAN:** Yes. We provide approximately 10 per cent of all aged-care beds in the state; 80 per cent of those beds are in country Victoria. In rural and regional locations, 30 per cent of aged-care beds, full stop—whether they be public, private, not-for-profit and so forth—are provided by the state government. In remote and outer regional areas we rely on public sector aged care even more; in fact the public sector is the sole provider of residential aged care in 55 locations and in five local government areas. These services enable older people to continue to live in their own community in regional and rural areas. They can maintain their roots and the relationships they have developed over time; they do not have to start again. These facilities are generally co-located with health services too, delivering cost-effective, integrated and holistic health services to the community. In many instances public sector aged-care residential beds in small rural health services constitute the majority of all bed-based services, so they also contribute to the overall critical mass needed to sustain a cost-effective delivery of health care to these communities. In other words, the aged-care beds ensure many of our small rural health services are viable. They also play a critical role in addressing market failures to meet the needs of vulnerable older people with complex physical or mental health needs that would not be met by the non-government sector. We know that, in terms of dementia and the like, it is something that the not-for-profit and the private sector generally are very reluctant to take on—and other complex behaviours. They have not come into the marketplace, to put it simply.

Given this context, it is important that we continue to maintain and upgrade these facilities, so that is what we have done. The budget invests \$10 million in 19–20, funded from the Regional Health Infrastructure Fund, for capital funding for the renewal and upgrade of public sector residential aged-care facilities that are most in need of an upgrade. A targeted approach will refurbish and modernise facilities to ensure they are dementia friendly, appropriate to end-of-life palliative care, supportive of wellness, recovery and good mental health and respectful of residents' rights to privacy and dignity.

The capital upgrade funding will also allow these facilities to leverage from the commonwealth government, which is good. An upgraded facility will achieve newly built and/or recently refurbished status, enabling operators to leverage greater revenue through the commonwealth government's accommodation supplement. This capital investment will leverage approximately \$2 million to \$4 million per annum from the commonwealth government in increased funding, resulting in a quick payback for this investment.

**Ms STITT:** Can I take you now to a question about unpaid carers? Obviously our unpaid carers do a huge amount of work in caring for loved ones in our community, so I wanted to ask you about that and take you to page 50 of budget paper 3. If I can get you to explain how the initiative entitled 'caring for our carers' is going to provide additional respite support for Victorian carers.

**Mr DONNELLAN:** As I indicated a little bit earlier, there was a \$49.5 million package of additional funding for carers in this budget, but there are approximately 700 000 carers at any given time in Victoria, and their effort and love for other people is just amazing. Carers provide support to partners, family members and friends. They may care for people with disabilities, mental illness, chronic illness or an older person with care needs. Carers are very much as diverse as the people they care for. They may care for a parent, grandparent, child or the like. Some carers care for more than one person. Carers are a mix of ages, from the 80s and 90s to young children. In fact thousands of young children care for a parent who may suffer from mental illness or care for a brother or sister who might have a disability. Carers provide emotional and practical support for a few

hours a day or around the clock. As carers will tell us, the work they do is extremely rewarding but it is also hard. It can be difficult to find the information and services they need and to balance their needs and the needs of the person they care for.

We know that the care role has a huge impact on the lives and opportunities of all carers, especially young carers, and I know recent reports indicated that in terms of their general wellbeing and health it is right down the bottom of all groups in the community. One in five carers give up work to care for someone, and young carers drop out of school at a higher rate than their peers. This means that carers also tend to have the lower household incomes and are 40 per cent more likely to have chronic health conditions, often ignoring their health condition while caring for their loved one.

But as I was saying, in this budget we have \$49.5 million of additional funding for carers over the next four years. It will fund an extra 100 000 hours of respite care each year and expand eligibility to include carers of people with mental illness and younger carers. This will enable an extra 5000 Victorians to access respite care knowing that their relative or friend is receiving quality care. Appropriate local respite can often be difficult to find, but we know how important it is for carers to have time to look after themselves. In some cases the NDIS has made accessing respite for carers a little more difficult than before, and there is often a lack of suitable respite options for people full stop. Rather than a last-minute emergency respite being offered when the care relationship is at risk of breaking down, what we would like to see is carers actually take this on a planned and a regular basis to ensure that they are keeping their own mental health and their physical health and capacity to keep caring in a good state. So, as I was saying, it will allow an extra 5000 carers to receive respite that have not had that opportunity before, and that I expect will substantially improve the quality of their life. These funding commitments come after the release of the first Victorian carer strategy last year, which highlighted the unique and specific needs of carers across the areas of employment, health, education and disadvantage.

The *Recognising and Supporting Victoria's Carers: Victorian Carer Strategy 2018–22* was the first whole-of-government strategy to support carers in their own rights. It was based on what carers said during consultations around the state, and it also drew on the broader government policy, such as the state disability plan, *Victoria's 10-year Mental Health Plan* and the *Aboriginal Health, Wellbeing and Safety Strategic Plan 2017–2027*. The Victorian carer strategy aims to support carers where they need it most. The five priority areas in the strategy are that carers are healthy and well; are engaged in education, employment and community; can access respite and other supports they need when they want them; have less financial stress; are recognised and acknowledged and respected. To date over \$1.85 million has been allocated to deliver a range of initiatives in the strategy. This is in addition to the \$18.9 million in funding we provide each year to the Support for Carers program, which provides a range of respite and other support for carers. So obviously this additional \$49.5 million in funding will help further achieve the aims of the strategy.

**Ms STITT:** Thanks, Minister. I am sure it will make a really big difference to those people's lives. I note the initiative also includes grants for carer groups, so can you just take us through how these grants help groups to provide support to unpaid carers?

**Mr DONNELLAN:** Yes. As we know, with carers there is frequently high levels of isolation and the like because they are just caring, so these carer support groups that we will be funding in the future give people emotional support and connect them with other people dealing with the same challenges, so other carers. Four million dollars in grants for both grassroots and statewide carer support groups will make sure more carers can access this vital support. These grants will focus on support for carers in country areas as well as under-recognised groups such as young carers and LGBTI carers. The grassroots program supporting carers locally offers grants between \$1000 and \$20 000 to assist with activities to strengthen the health and wellbeing of carers. This grant initiative is administered by the Department of Health and Human Services.

The Victorian government is funding these grants to provide opportunities for carers to have better health and wellbeing and to meet, socialise and connect with other carers. Carer groups and carers have identified the need for more support services, with a focus on those carers who are particularly hidden or experiencing greater stigma. These carers include young carers, LGBTI carers, carers from an Indigenous background, carers from culturally diverse backgrounds and carers living in country Victoria. These groups have been identified as facing unique challenges. Providing grants to organisations and groups for carers to meet regularly, network and participate in activities and to provide carers with real opportunities to focus on their own health and

wellbeing has been identified as a key action of this carer strategy. The aims of the grants for carers are to increase opportunities for carers to be physically and mentally healthy and socially connected to family and friends, other carers and their local community, and to provide accessible peer support and grassroots community support programs, resources and tools for carers.

The aim of the carer organisation statewide partnership grants is to support partnerships between carer-specific organisations and organisations and bodies that do not typically operate in the carer space in order to deliver large-scale projects to provide benefits linked to one or more of the Victorian carer strategy priorities and give consideration to the following: the provision of innovative solutions to prevalent, challenging or less recognised carer issues and problems; facilitating the identification and recognition of hidden carers and increasing their engagement with and their use of support services; helping to engage with under-represented carer groups such as young carers, LGBTIQ carers, carers from Aboriginal backgrounds, carers from culturally diverse backgrounds and carers living in rural and regional Victoria; supporting the rollout and expansion of an effective project or initiative for carers; and the trialling of a project that has the potential to be scaled up and implemented at a statewide level.

**Ms STITT:** Thanks, Minister. Just in the couple of minutes that I have got left I just wanted to ask you to explain the travel concessions—which I think is a fantastic initiative, by the way—that are part of this package for carers.

**Mr DONNELLAN:** Yes, happily. The budget will provide Victorian carers with half-price travel on public transport all year round as well as free travel during Carers Week. The 50 per cent travel concession for carers will help ease the cost of living obviously and make it easier to get to appointments and stay connected with their community. As I mentioned before, caring can be very much an isolating experience, so this initiative is vital in enabling them to visit friends and to have a social outing in addition to attending to their own medical and day-to-day needs. To be specific, the program will work as follows: from 1 July 2019 Victorians holding a Victorian Carer Card and a carers Myki will be able to obtain a 50 per cent discount on trains, trams and buses, including V/Line trains and coaches, and free travel during Carers Week, which is 13 to 19 October. Carers can obtain a carer Myki if they wish to from a staffed train station using their Victorian Carer Card. To obtain a carers card you must be a resident of Victoria and either be the primary carer of a person with a disability, severe medical condition or mental illness; or someone who is frail, aged or in need of palliative care; or a foster, kinship or respite carer.

**Ms STITT:** Thank you, Minister. I have got about 10 seconds left, Chair. Would you like me to wrap it up there?

**The CHAIR:** Why don't we move on to Ms Vallence.

**Ms VALLENCE:** Thank you, Minister, and officials for appearing. I will start off with a question, just to change things up a little bit, a question to you, Secretary. Secretary, I refer to budget paper 3. Page 57 refers to the new worker registration scheme, which is part of the NDIS workforce transition. Can you confirm that as part of the budget savings the department's public service workforce will be cut from the 13 000 headcount now to 7000?

**Ms PEAKE:** That is not correct.

**Ms VALLENCE:** Not correct? If not, what is DHHS's target for staff headcount cuts?

**Ms PEAKE:** We do not have any targets for reductions in staffing. What I might, if you are interested, take you through is you will have noticed in the questionnaire that we are forecasting a reduction in staffing between now and the middle of this financial year. That is related to the transfer of disability services from the state-run services into the non-government sector. So over this year there are about 5500 people who are moving from DHHS-employed staff on secondment to non-government agencies to deliver disability accommodation and respite services.

**Ms VALLENCE:** So how many do you envisage in total?

**Ms PEAKE:** There are 5500 people—that represents 3200 FTE—who are moving from the state-run disability accommodation and respite services into the non-government sector to deliver those services. This was announced at the start of last year and we have been working with those NGOs, and that is progressively happening over this year. The first 2500 are moving by the middle of next year.

**Ms VALLENCE:** So the redundancies have commenced?

**Ms PEAKE:** These are not redundancies; that is what I am explaining to you. These are staff that continue doing exactly the same job. They have been employed by the Department of Health and Human Services. They are moving on to secondments with the non-government sector. So there are five providers: Scope, Melba—these types of non-government agencies who are taking on the services of the disability accommodation. These are not staff that are being displaced in any way. These are staff that have been employed by the Department of Health and Human Services who are going on secondment and then, at the end of next year, are transitioning into the employment of those non-government agencies.

**Ms VALLENCE:** So from the pre-NDIS to the post-NDIS, what will be the total DHHS disability service staff reducing to?

**Ms PEAKE:** The vast majority of the disability staff are transferring to the non-government sector. We will continue to retain responsibility for a few programs. We will continue to retain responsibility for the disability justice services where we partner with—

**Ms VALLENCE:** I am just after a number. What will be the total disability service staff number post-NDIS?

**Ms PEAKE:** I might ask Ms Asquini if we have a precise number, but it is a tiny number of the current disability staffing who we retain responsibilities for. It is some case management staff, disability forensic functions—

**Ms VALLENCE:** Just a number, thank you.

**Ms ASQUINI:** I do not have a number because as the secretary indicated, there is a number of staff that relate to a disability forensic program, disability justice workers, a small number of disability staff currently undertaking case coordination and the behaviour intervention support team.

**Ms PEAKE:** I am happy to come back to you with that number, but I would just reiterate it is a tiny proportion.

**Ms VALLENCE:** So you do have a number; you just do not have it at hand. So no redundancies then?

**Ms PEAKE:** Correct. Secondments of staff are about transfer of functions to the non-government sector, not about displacement of staff.

**Ms VALLENCE:** So you must have an estimate of DHHS numbers overall post-NDIS?

**Ms PEAKE:** Post-NDIS there are about 5500 people who move to the non-government sector. Of course there are then a range of staff who provide the corporate support to the disability program, and we are working with those staff to look at the opportunities for them post the NDIS.

**Ms VALLENCE:** Perhaps I will rephrase it. How many are leaving DHHS?

**Ms PEAKE:** There are 5500 staff who are moving to the non-government sector, which represents about 3200 FTE.

**Ms VALLENCE:** Okay. Thank you. You did say that before, but thanks for the clarification. Minister, we understand that there was a document put out by the Health and Community Services Union, the Australian Education Union, Jobs Australia and National Disability Services earlier this year seeking from you \$45.6 million over three years to retain the disability workforce. Was this package provided?

**Mr DONNELLAN:** There has been support provided in terms of the transition; yes, there has been support.

**Ms VALLENCE:** Specifically the \$45.6 million requested?

**Mr DONNELLAN:** No. There is a process going on at the moment with Jobs Australia, representing a number of members who engage in the disability sector, the Health and Community Services Union and the Australian Education Union, which have all been involved. They are currently negotiating and having discussions. They are waiting presently for the NDIA, which has indicated it will make a series of announcements in relation to the launch of the 19–20 NDIS price guide.

**Ms VALLENCE:** Announcement? Will the announcement involve money?

**Mr DONNELLAN:** This is what I am explaining, sorry. The NDIS, when it increases the pricing for its services, has an impact in terms of the capacity of the workforce to provide these services, whether they are CSOs or the like, so it has direct impact in terms of employment and the like in terms of the level of funding that is provided for—

**Ms VALLENCE:** Conscious of time, I am just really wanting a yes or no as to whether there will be a package, whether there will be money?

**Mr DONNELLAN:** Well there is not \$45 million offered, no.

**Ms VALLENCE:** Not \$45 million? Will there be any money on offer?

**Mr DONNELLAN:** There are discussions going back and forth, as I am explaining. There was an announcement earlier this year through the federal minister which increased funding for therapy and attendant care. There is work going on at the moment through Jobs Australia and the like seeing how that would directly impact in terms of that funding for those services—how would it impact directly on the workforce and the provision of those services at an hourly rate.

**Ms VALLENCE:** I understand you are reviewing that and you are having discussions, but no money at the moment? We can confirm no money?

**Mr DONNELLAN:** There is not \$45 million.

**Ms VALLENCE:** Okay, so the answer is no money. Thank you. So I will move onto budget paper 3, page 200, which talks to performance measures for seniors programs and participation. I am just wondering why you have cut the budget for these programs from \$9.5 million to \$8.9 million.

**Ms PEAKE:** Sorry, Ms Vallence, could you just repeat that?

**Ms VALLENCE:** It is in your budget paper 3, page 200, the performance measure for seniors programs and participation.

**Mr DONNELLAN:** Look, the 19–20 target is lower than the 18–19 target by 6.7 per cent, or \$0.6 million, due to the completion of the seniors participation action plan that was originally funded in the 14–15 budget.

**Ms VALLENCE:** Okay, so since the Premier's caucus liaison officer, Lisa Ohlmus, described seniors just as 'whingeing baby boomers'—and she put that on Facebook—

**Mr DONNELLAN:** Who?

**Ms VALLENCE:** Lisa Ohlmus. She said 'whingeing baby boomers'; she has put that on Facebook. If that is the prevailing view of your office, is that why the budget has been cut for seniors?

**Mr DONNELLAN:** I do not know how you can attribute that to me. I do not know where you are getting that idea from. I find it an absolutely bizarre question, and insulting, to be blunt.

**Mr D O'BRIEN:** Well, it is pretty insulting what she said—the Premier's caucus liaison officer.

**Ms VALLENCE:** I think it is insulting to seniors to actually say that.

**Mr DONNELLAN:** No, I do not find that an insult to me. That is certainly not my attitude. My greatest concern with seniors is the attitudes we have in the community, full stop, to both seniors and those with disabilities. I find it quite insulting that we as a community will happily raise money for young children at the Royal Children's Hospital but literally in many ways we seem to think that when someone is a senior they should just be quiet, shut up, sit in the corner and say nothing; and that concerns me greatly, that type of attitude. Seniors have an enormous amount to contribute to our community.

**Ms VALLENCE:** So, to your point, why is the budget cut?

**Mr DONNELLAN:** I have just actually explained that, because that particular seniors participation action plan was originally funded in 14–15, and that was it.

**Ms VALLENCE:** So there was a target of 156 to 176 seniors activities—

**Mr DONNELLAN:** And there was actually a plan of action, and the plan has been completed.

**Ms VALLENCE:** There was a target for 156 to 176 seniors activities and programs to be approved in 18–19, but you are only going to actually deliver 149. What activities and programs have you decided to cut?

**Mr DONNELLAN:** We have actually decided to increase the size of the grants—to reduce the number of grants we actually provide and just actually increase the size, and focus on those programs which had a stronger take-up and the like. That was the purpose of that exercise.

**Ms VALLENCE:** I will move on, Minister, to budget paper 3. I am trying to rush through here because we have limited time and lots of questions to ask.

**Mr DONNELLAN:** No, that is all right.

**Ms VALLENCE:** Budget paper 3, page 126: Minister, turning to the issue of whole-of-government efficiencies, your department and many of its service providers are now forced to centralise their banking with Westpac in Sydney, forcing them away from community banks like Bendigo Bank. Do you support that as part of the efficiencies of this budget?

**Mr DONNELLAN:** I certainly support it if actually, with the money we receive as a government, we use it more wisely, yes.

**Ms VALLENCE:** So you support that taking away from regional community banks?

**Mr DONNELLAN:** Well, I think if it has savings for us as a government and we can use it for services and the like, that is a wise decision, yes.

**Ms VALLENCE:** Well, if you think that is so wise, what impact do you think that moving the centralised banking up to Sydney will have on services in your portfolio like rural aged care?

**Mr DONNELLAN:** I do not think it will have any impact at all, to be blunt.

**Ms VALLENCE:** No impact on rural aged care?

**Mr STENTON:** If I might, Ms Vallence—

**Ms VALLENCE:** You may.

**Mr STENTON:** There is an impact initially on aged care—

**Ms VALLENCE:** So there is an impact.

**Mr STENTON:** An initial impact on aged-care providers, but we have worked through a compensation package with the Department of Treasury—

**Ms VALLENCE:** In contrast to what your minister said, but go on.

**Mr DONNELLAN:** I apologise for that. If it is banking; I did not realise.

**Mr STENTON:** So there are two issues you raised. One is community banking. Our health services, including residential aged care, are exempt and are able to use community banking for their transactional accounts. They are exempted from the centralisation for their transactional banking, so in fact we encourage them to use their local bank, like a Bendigo Bank or Community Bank, and in—

**Ms VALLENCE:** Have you communicated that to them?

**Mr STENTON:** Yes. I have spoken to them personally.

**Ms VALLENCE:** It might help if that is communicated to the minister perhaps.

**Mr STENTON:** As I say, we have worked through their earnings on their current holdings and worked out the average cost, and we have now got a formula we have agreed with state Treasury that we will compensate them for loss of interest earnings.

**Ms VALLENCE:** So Portland District Health are saying that they are set to lose \$1.9 million in bonds and a further \$1.6 million in capital that people pay to enter its aged-care residences. Siphoning this money away will mean less money for equipment upgrades and community grants that they would traditionally get from their community bank.

**Mr STENTON:** Yes, I do not have the detail of each individual set of investments. I do not know what assumptions that is based on—

**Ms VALLENCE:** Will they be compensated?

**Mr STENTON:** But as I say, we have worked—

**Ms VALLENCE:** Will they be compensated? Because they cannot access grants through the Bendigo Community Bank, for example, will they be compensated?

**Mr STENTON:** We have identified an averaging system across each provider, and then we will work through what their prospective earnings were and compensate them for that.

**Ms VALLENCE:** So, what you were trying to say there, is that a compensation measure? Will they be compensated?

**Mr STENTON:** Yes. It is effectively a compensation grant for loss of earnings.

**Mr D O'BRIEN:** For the full amount?

**Mr STENTON:** For the amount that they would have otherwise earned, yes.

**Ms VALLENCE:** Given that news, on what time frame, and what aggregate value are you estimating that to be to the government?

**Mr STENTON:** As I say, we have put in place a process, so we have estimated an amount based on their current holdings and current cash rate for TCV, but because—

**Ms VALLENCE:** What value have you estimated? I mean, you have just said that you will provide compensation for grants that they would otherwise access through their community. What is the value that you have placed on that? You must have done an estimate.

**Mr STENTON:** We have done an estimate. I do not have the value with me.

**Ms VALLENCE:** Can we have that on notice, please?

**Mr STENTON:** And, to be frank, the value varies on a daily basis, depending on the cash rate. So, as you know, interest rates move around.

**Ms VALLENCE:** I do. I do understand that very well. But you must have an estimate; and I understand that that would fluctuate from time to time, but at a point in time, if we can have that on notice—you have said you do not have it at hand.

**Mr STENTON:** Happy to take it away and see what we can provide.

**Ms VALLENCE:** Thank you very much. And is that reflected in the budget?

**Mr STENTON:** Yes.

**Ms VALLENCE:** Could you please let us know where?

**Mr STENTON:** Sorry. Is that reflected in the budget? Yes.

**Ms VALLENCE:** Could you let us know what the reference is?

**Mr STENTON:** So it is not an initiative in the budget, it is part of the base amount. So effectively in a budgetary sense the amount of earning has moved from one place to another, but compensation for that will come back to the portfolio. So our base budget has not changed for that estimated revenue.

**Ms VALLENCE:** So it is an output—

**Mr STENTON:** Yes.

**Ms VALLENCE:** that has not increased?

**Mr STENTON:** No, it is reflected in the output cost.

**Ms VALLENCE:** So the output cost has gone up or the output cost is the same and you have cut something else?

**Mr STENTON:** No, output costs have stayed the same.

**Ms VALLENCE:** And you have cut something else.

**Mr STENTON:** The source of revenue changes. So the output cost, the amount you spend, stays the same—

**Ms VALLENCE:** Yes.

**Mr STENTON:** the source of revenue moves from interest earned to a compensation grant.

**Ms VALLENCE:** So the gains or the efficiencies made from moving banking to Sydney?

**Mr STENTON:** Well, government has recognised that there is a benefit in centralised banking, as do most organisations and most households—

**Ms VALLENCE:** So you are guaranteeing every—

**The CHAIR:** Deputy Secretary, I am sorry to interrupt this dance, but unfortunately like all good things it has come to an end. Thank you very much for your patience everybody—the millions of people around the world watching us. It is unfortunately my sad duty to tell you that the committee hearings for today have now closed. The committee will follow up on any questions taken on notice in writing and responses will be required within 10 working days of the committee's request.

I thank all of the ministers today, all of the officers, and a special mention to the Secretary of the Department of Health and Human Services, Kym Peake, who has been with us for all but two sessions today, and she has done

a sterling job too. I thank all of the other officers. I thank all of our Hansard staff. I thank all of our secretariat and committee support staff. The committee will resume for consideration tomorrow morning for the final day of the 2019–20 PAEC budget estimates. Thank you, everyone. This is adjourned.

**Committee adjourned.**