

UNCORRECTED PROOF ISSUE

Wednesday 30 May 2012 - Estimates Committee B (O'Connor) - Part 1

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE B

Wednesday 30 May 2012

MEMBERS

Mr Dean
Mr Finch
Mr Gaffney
Ms Goodwin
Ms Rattray (Chair)
Mrs Taylor

IN ATTENDANCE

Hon. Cassy O'Connor, Minister for Human Services, Minister for Community Development, Minister for Climate Change, Minister for Aboriginal Affairs

Ministerial Staff

Leanne Minshull, Head of Office
Kelly Ford, Adviser
Claire Jansen, Adviser, Climate change
Danielle Goss, Adviser, Housing
Mike Cain, Adviser, Community development
Alice Giblin, Adviser

Department of Health and Human Services

Matthew Daly, Secretary, Department of Health and Human Services
Alice Burchill, A/Deputy Secretary, Strategic Control, Workforce and Regulation
Mercia Bresnehan, Deputy Secretary, Disability, Housing and Community Services
Penny Egan, Chief Financial Officer
Ingrid Ganley, Director, Disability and Community Services
Peter White, Director, Housing Tasmania

Department of Premier and Cabinet

Greg Johannes, Deputy Secretary
Wendy Spencer, Director, Office of Climate Change

Nick Evans, Director, Community Development
Jeff Reeve, Director, Corporate Services
Alex Schouten, Acting Manager, Disability Bureau
Heather Cuthbertson, Manager, Seniors Bureau
Wanda Buza, Director, Women Tasmania
Laurette Thorp, Manager, Office of Aboriginal Affairs
Anthony King, Acting Manager, Office of Children and Youth Affairs
Jeff Reeve, Director, Corporate Services

The committee met at 9.13 a.m.

CHAIR - Good morning, minister, and welcome. It is day three for this committee and we are travelling quite well.

Ms O'CONNOR - I have been watching.

CHAIR - Before we begin, I welcome Matthew Daly to the table, the first time at estimates in Tasmania. We hope that it is a rewarding process and we look forward to your contribution.

Minister, as always, we are happy to offer an overview if you would like to provide a brief one. Just for a little bit of housekeeping we will have a break some time mid-morning. We will see how we go with output groups, but it is my intention that we complete human services and community development this morning and then head on to climate change this afternoon and Aboriginal affairs as well.

Ms O'CONNOR - Shall we do community services after the break, as my folder is in my office?

CHAIR - That will be fine. We will start with community support services and then disability and then housing. Minister, if you would like to introduce your team at the table.

[9.15 a.m.]

Ms O'CONNOR - Thank you, Madam Chair. At the table here I have my housing adviser, Danielle Goss, senior adviser, Kelly Ford, deputy secretary, Mercia Bresnehan and secretary of DHHS, Matthew Daly. I have a great team at the table today.

We will make some brief overview comments and I am sure you have had an opportunity to look at this section of the budget in some detail. As we are all aware, these are very challenging financial times in Tasmania. That also applies to the human services budget. We have had to make one difficult decision in the portfolio regarding indexation to the non-government organisations which provide disability and other support services within our portfolio. As I said last year, when we made the same decision to reduce indexation from 3.3 per cent to 2.25 per cent, the intent here is to try to defuse the impact of savings in the agency so that it is spread across the sector rather than us cutting programs or services. I am happy to take questions on indexation shortly.

In the portfolio there is a total allocation this year of \$359.972 million which is an increase on last year's human services allocation. That is for a number of reasons. Members of the committee would be aware that Fair Work Australia has made a determination on the pay rates of community

sector workers, determining that they should receive a pay rise of between 19 and 41 per cent. The final order is not down from Fair Work Australia yet and we could acknowledge at this table that community sector workers, disability support workers, are manifestly underpaid. When you underpay a sector, of course, the message is one of potentially a community that undervalues them.

The government has allocated an extra \$3 million in this year's budget toward its contribution of the SACS wage increase. The financial dynamic there is that the commonwealth has made a commitment to also fund what it describes as its share of the SACS wage increase. There is still some lack of clarity around what the commonwealth's contribution will be, and I was very concerned to see that in the federal budget there was no specific allocation for the community sector in there. We are in talks with the commonwealth and we will be making sure they also contribute towards that pay increase.

Even though there have been very difficult times in the portfolio, we are implementing some very important reforms. One of them is unit pricing, which I think we touched on last year. Unit pricing is all about determining a fair price per unit of services and for a long time, particularly in the disability support sector, there have been various rates of funding to different organisations. Historically, some organisations have been underfunded and each year the same organisations would be coming to government saying, we are this far behind, can you help us and, inevitably, government would help.

We have established a unit pricing framework that has been implemented through the sector. There is a \$4 million allocation in this year's budget towards the establishment of unit pricing and it is a reform that is very important for this sector because it means there will be transparency around funding for all organisations which provide these fantastic support services. That is a brief overview.

In housing we are continuing to reform. We are moving through a process of stock transfer and I will be in a position to make an announcement in the coming weeks about the successful tender for Clarendon Vale. The objective behind the reform agenda acknowledges that there are supply issues right across the country in housing, and that state governments have limited resources to invest in increasing the supply of social and affordable housing. All state and territories have agreed with the commonwealth to work through a process of stock transfer to the community sector. We know that this can deliver really good outcomes, particularly for tenants. It is a much closer working relationship with tenants. There is going to be some very exciting changes happening in Clarendon Vale in the first instance but we will also be moving to Bridgewater, Gagebrook, Rocherlea and the north-west coast. In total, we will transfer the management of 4 000 Housing Tasmania properties to the community sector. We firmly believe this will lead to better outcomes for tenants, rejuvenated areas socially, and potentially increase the supply of social and affordable housing because community housing providers can leverage off the rent they receive from tenants in order to invest in more supply for social and affordable housing. That is a really exciting reform that is happening within our housing system in Tasmania.

We are also continuing to invest in capital works. There is the wonderful Hopkins Street, Moonah, development, which I know Ms Taylor is well aware of. This is a model housing development in Moonah, at least seven star. I have been there and spoken to tenants and it is the way we must do housing in the future. It is a community, highly liveable, and connected to services and opportunities. We will be doing more of this in housing for the future. I encourage

members to drive past our Brisbane Street development. I think that will be 7.5 star development, outstanding design features -

CHAIR - Is that Brisbane Street, Launceston or Hobart?

Ms O'CONNOR - Brisbane Street, Hobart. We do have facilities that have gone up in Launceston in the past year and one of them is Time House, and the other one is York Street. Right across you have seen a very significant investment in the supply of social and affordable housing and it is one of the reasons we have been able in the last calendar year to bring down our Housing Tasmania waiting list by around 13 per cent. Despite very difficult times we are making some real progress in housing. Of course, we could not do it without the support of the commonwealth government, which has made a major investment through the economic stimulus package moneys but also through the national rental affordability scheme.

There are real opportunities in housing for us as a state. We have a blueprint or a green print for housing in Tasmania, which is the State Architect's Residential Development Strategy, and the philosophy behind it is that we want to create not just houses for people but homes for people in really liveable and connected communities. It is about how you design your homes and design your communities. That is the way forward in housing in Tasmania.

In broad terms, that is where we are at. We have five new homelessness facilities, either finished or near completion, and the two last ones to be completed are the Common Ground facilities in Hobart, in Liverpool and Campbell streets. Again they are just models of contemporary, connected housing. The Common Ground model is something that we have not tried here in Tasmania before. It has been developed overseas and was a genuine partnership between government, the business sector and the community. I have been to the Common Ground facility in Liverpool Street and it is going to be a wonderful facility for people who are homeless or at risk of homelessness, but also for low-income families.

In broad terms, that is what is happening in the human services portfolio. We are doing the best we can with the finite resources we have. Every day that I am at work I feel very privileged to be the minister for this portfolio, but also to work with the people I work with who are genuine and committed servants of the people of Tasmania. While we would like to have more resources particularly in disability support, and that is why we are working closely with the commonwealth to establish an NDIS and a launch site in Tasmania, on the finite resources that we do have we do seek to provide quality services to the maximum number of people in need in Tasmania.

CHAIR - Thank you, minister. Are there any specific questions on the overview that the minister has just provided?

Mr DEAN - Quite a few as we go through.

CHAIR - I thought if someone had a specific query on something. If not, I will invite Dr Goodwin to commence the questioning.

3.1 Community support services -

Dr GOODWIN - Starting with community support services, there has been an output restructure in that area. Are you able to provide the committee with a bit of an overview of what is in that output now?

Ms O'CONNOR - Just take me to the output in the papers.

Dr GOODWIN - This is 3.1 Community Support Services.

Ms O'CONNOR - Yes, it is a restructure, internal, that is right. Fundamentally, it is due to the fact that we have a Minister for Children and a Minister for Human Services and the break up within the portfolio is now much more defined because last year children services came under a component of my portfolio, on paper. Now community support services include: the Integrated Family Support Service, which are part of the Gateway; Neighbourhood House; Sexual Assault Support Service and other counselling and support services.

Dr GOODWIN - Are you able to give us a break up of the budget for each of those areas?

Ms O'CONNOR - Under the budget for 2011-12 in community support services, we have the elder abuse strategy funding - and members would be aware that as part of the savings last year we did make some savings in the elder abuse strategy, but that is progressing well - \$365 000 there and in 2012-13 \$380 000; community services teams \$174 000, this year \$181 000; community partnership teams \$322 000, in 2012-13 \$335 000; our excellent Gambling Support Program \$2.974 million, this year \$3.09 million; our total grants to non-government organisations \$18.073 million, this year \$18.817 million.

Ms BRESNEHAN - We used to have an output group, children, youth, family and disability, but we have now separated the community support and the disability and brought that with housing, and children/family is now with children's services. Youth services and children's services are now in another area of the department.

Dr GOODWIN - Are you able to explain what the community services team and the community partnership teams do, presumably the Family Support Program is a Gateway side of things, is it?

Ms O'CONNOR - Gateway is part of it. I might throw to Mercia for that because it is a detailed question on the day-to-day activity of the community support teams and the partnership teams.

Dr GOODWIN - I am trying to get my head around what this change is and where everything is now.

Ms BRESNEHAN - The area that I am responsible for has three components, essentially: Disability Services, Housing Tasmania, and the Community Sector Relations Unit. In Disability Services, we went through a process of reform whereby all of the services that were run by government were then outsourced to the community sector to run. We went from something like 600 staff down to now about 80, so it has gone, it is all out there. But because it is all now out there we have to manage the contracts with those organisations. The community partnership teams are the ones that work on the ground doing community relationship building, contract management, and the liaison with those organisations, making sure the audits and the quality are being delivered. There are small teams in each area which manage the direct relationship with those outsourced services, so they are called the community partnership teams. They also have a role in making sure that there are no gaps, that the planning is done, that things are integrated and coordinated across a particular area. That is where those community partnership teams have that

dual role of working in the community, but being a liaison between government and the organisations.

The other part of the disability area is what we call the disability assessment teams and they are the ones which provide specialist support for those organisations, particularly where a client with a disability may have a behaviour problem. They go in and do a reassessment, they re-do a case plan, support the organisation, set it all up again, and then the organisation keeps going. That is the only two bits in the areas now and there is a very small policy unit of two or three people in the central office.

[9.30 a.m.]

Housing Tasmania is very similar in its structure. It still has the four areas and still does tenancy management, maintenance services and a capital development program but it also provides assistance for private rental and home ownership and a range of other support programs. The big push there, as the minister alluded to in her opening address, is that we are reforming the way it is going away from public housing to a broad social housing system.

The final one is the Community Sector Relations Unit. That has two main components: the grants unit that administers all the contracts and service agreements; and the quality and safety team that has the quality and safety framework and oversees and monitors and does the audits to make sure that the quality and safety is being delivered by those outsourced services, not just for our bit but for the whole agency.

Dr GOODWIN - Do you have a breakdown of the staffing within each of those three outputs that fall under human services?

CHAIR - We are always happy to have documents tabled, minister.

Ms O'CONNOR - In all of the disability and community services the total FTE number is - I do not know, that is not a human number really - it is 111.98, so it is fairly safe to say that there are 112 full-time equivalents in disability and community services and in housing, 167.5. The total across the agency is 279.5.

Dr GOODWIN - Because we are talking about community support services, how many people in that particular output?

Ms O'CONNOR - Ms Bresnehan says there are two.

Dr GOODWIN - Two people in community support and they administer that area?

Ms BRESNEHAN - They administer programs.

Dr GOODWIN - In terms of the funding that goes to the neighbourhood houses, for example, can you give me an overview of what that is for this coming financial year and how it compares to this -

Ms O'CONNOR - You would be aware that there was an increase in funding to neighbourhood houses last year of \$825 000 per annum, which I think took the quantum of the funding to \$4.295 million a year. There are 34 neighbourhood houses in Tasmania; DHHS funds 33 of them and there is one funded by the Department of Defence at Dowsing Point. There is a

UNCORRECTED PROOF ISSUE

total of \$4.187 million in funding provided to the program, which includes the extra \$825 000 allocation that was made last year. This allows the neighbourhood houses to continue to operate at their current activity level.

But what I have seen as I am out in the community and visiting neighbourhood houses is that the extra funding has been put to very good use. My view is that it has led to an increased energy and output coming out of the neighbourhood houses because they are not so close to survival mode all the time.

Dr GOODWIN - That level of funding has been maintained at what it was commensurate with the funding for this year coming to what it was for this current financial year?

Ms O'CONNOR - Last year a decision was made to increase funding to all the neighbourhood houses by \$125 000 a year recurrent.

Dr GOODWIN - Okay, terrific. What about Gateway; are you able to tell me what the funding allocation for Gateway is?

Mr DEAN - I have a question on neighbourhood houses.

CHAIR - We might do the other question on neighbourhood houses while we are there.

Mr DEAN - Minister, I represent the Ravenswood and Rocherlea areas and there is currently a real concern being raised by Ravenswood Neighbourhood House in the way in which neighbourhood house funding is occurring, and Anglicare now plays a significant role in the funding that is being provided to these neighbourhood houses.

Ms O'CONNOR - Sorry, Mr Dean, you might need to clarify that. The neighbourhood house funding comes from government. Anglicare may provide additional services that connect to the neighbourhood house.

Mr DEAN - I was of the understanding, on my advice, that Anglicare now has been given some responsibility in providing the funding in dishing out or issuing the funding. I will read this, if I can, very quickly:

When communities first commenced it was agreed in a meeting with Chris Jones, Daryl [9.36.33] Gordon that as Anglicare is going to take on the role of funder they would need to do it better than the government. It saddens me greatly to see what has become of this intention. I don't know of any government funder who has done what Anglicare has just done. It has destroyed effective programs which were more than meeting all the new federal targets had been for seven years.

It is obviously through the federal government, some of that funding is it?

Ms O'CONNOR - I might need to get some clarification on that. Neighbourhood houses are discreetly and specifically funded by the Tasmanian government. There might be a specific set of circumstances around Rocherlea that I am unaware of. I do know that neighbourhood houses work with community organisations to provide adjunct services. But I am very surprised to hear of this circumstance.

UNCORRECTED PROOF ISSUE

Mr DEAN - There is something happening because of funding that will be cut to the neighbourhood house at Ravenswood which will cause them to have to do away with some of the activities they are currently involved in, which will have a big and detrimental impact on the Ravenswood area. I wanted to talk to you about that.

Ms O'CONNOR - I am happy to talk to you about it some more if there is more information. But Ravenswood-Rocherlea Neighbourhood House is treated, in funding terms, the same as every other of the 33 neighbourhood houses we fund in Tasmania. There may be something that Anglicare is working with that neighbourhood house on around gambling support programs. But there is no intent on the government's part nor desire to have non-government organisations fund neighbourhood houses. That is a core business of government.

Mr DEAN - It is a complicated area, quite obviously. But it does impact considerably on that region, so I will need to take that up with you. They say it is funding that has been cut to them, drastically cut, which is creating havoc for them.

Ms O'CONNOR - I can only reinforce that I am really surprised by this. Normally, if there was funding cut, I would have correspondence from the neighbourhood house. I certainly have not had any calls or letters. But I will go to the total. Ravenswood Neighbourhood House has a proposed allocation in this financial year of \$128 496. That is a sustained level of funding, the same funding as Risdon Vale, Rokeby, St Helens, Ulverstone, and there is no way we would single out any neighbourhood house for a different kind of funding. Given the vital work that Ravenswood and Rocherlea neighbourhood houses do, we would only want to support them in everything that they do.

I am happy to take this up. I have not had any representation from anyone connected with a neighbourhood house and particularly the manager. But there may be confusion here about what the situation is because -

Mr DEAN - There has to be something because I have been contacted by them. Every other politician in this state, perhaps other than you, has been as well.

Ms O'CONNOR - Except me.

Mr DEAN - It is a big issue, so I will take some further advice on it and, hopefully, I will get that today.

CHAIR - Minister, can I just clarify - are neighbourhood houses funded through 3.1?

Ms O'CONNOR - We are moving out of the output.

CHAIR - I do not know, we are in 3.1. Which output?

Mr DEAN - Including neighbourhood houses. It says on page 5.17 -

CHAIR - It is definitely in this line item. There are only two people who administer this whole area - two FTEs?

Ms BRESNEHAN - They manage a number of programs.

Ms O'CONNOR - We are a pretty lean-operating unit in Human Services, I have to say.

CHAIR - It is.

Dr GOODWIN - There is still maybe a little bit of confusion around this output. Just to be clear what they do in this output: there is the neighbourhood houses, there is Gateway, there is some grants programs as well. Essentially, what this unit of two people, I think you said, is doing is managing those contracts. Probably all the money goes out to community organisations or people who are successfully applying for grants so the whole of service delivery is outside the department in terms of this -

Ms BRESNEHAN - We need to distinguish between the community support programs that are administered by the two people at a central policy level - and that is the neighbourhood house program, the gambling support, the family support services and the sexual assault support services. They are general community service programs that are administered in a policy sense from the centre, from those two people. Then out in the areas there are small teams, which is the community partnership teams, and they come under the disability services budget because they are managing those outsourced services.

CHAIR - Is everyone clear on that now? It is a change, and it is complicated to get your head around it.

Ms BRESNEHAN - There are a lot of communities in all of those, so they are community programs rather than community partnership teams.

Dr GOODWIN - If I could back to Gateway, I was just wondering what the level of funding for Gateway is going forward?

Ms O'CONNOR - There are two gateways. There is the disability Gateway and the family support Gateway. I will just get the details on the specific funding. The family support Gateway is funded to \$1.9 million in this financial year through to 30 June next year. The disability Gateway is relatively equivalent. The total funding is, for Baptcare Limited, \$2.455 million and for Mission Australia, \$2.403 million in 2011-12. I might be able to front about this now because I am sure you have spoken to your colleague, Ms Petrusma, about it. After the budget when we had a round table with community sector organisations, I made it clear that in the budget as of 2013 next year there is no funding allocated to the family support Gateways, which is a matter of great concern to me because in the last year our family support Gateway has assisted around 3 400 families in Tasmania and, as we know, what the Gateways can do is provide that early intervention and support in order to keep families together and protect the interests of children.

We found the funding internally for the family support Gateway for this year and - because it was part of a reform process so they were reform moneys allocated to the establishment of the Gateways - we undertook what we called a small-isle review of the family support Gateway earlier this year and towards the end of last year working with the providers to determine the great value of the work that they do. Now that we have the results of that review that validate wholly the work of the Gateways, I will be having a conversation with the Treasurer and Treasury about funding as of June 2013.

[9.45 a.m.]

UNCORRECTED PROOF ISSUE

Mrs TAYLOR - So in the next budget you have actually funded it from internal.

Ms O'CONNOR - No, in this budget we funded it internally.

Mrs TAYLOR - So what happens to the 2012-13 budget which starts in a month's time?

Ms O'CONNOR - No, we have covered the funding through to next year.

Mrs TAYLOR - So it is over two years.

Ms O'CONNOR - It is from next year that there is a concern for us in terms of a specific allocation being made. There will not be a single person in government who does not understand the value of the family support Gateway to the whole integrated family support and child protection system in Tasmania. They are very effective.

Dr GOODWIN - I suppose it is a bit surprising that it wasn't included. I am a bit puzzled why that -

Ms O'CONNOR - I am not sure exactly what the logic was there because it is going to have to be funded. Again, as I said, it is a conversation that we will need to have. But we need to prepare the results of the review process and put the case because my very firm view is that there is no fat in Human Services. We have managed to find the funding for this year but it will be extremely difficult for us to find the funding from next year.

Dr GOODWIN - How long has Gateway been going now for family support?

Ms O'CONNOR - We are in our fourth year - 2009 - so we are moving into our fourth year.

Dr GOODWIN - So that was the three-year review you are talking about and you have had enough time to start to see the benefits.

Ms O'CONNOR - Outstanding results. Some of the results of the review were: the rate of children admitted to out-of-home care slowed. Of 247 children referred for family support from Child Protection in a six-month period, 17 were admitted to out-of-home care in the subsequent six months. An independent client survey established extremely positive change for families and some heartfelt and very moving testimonies from people who experienced the Gateway, particularly parents. The number of occasions of service in Gateway and families assisted by Family Support Services exceeded the anticipated capacity of the service. So there is no question that there is a significant level of need for the Family Support Gateway.

Dr GOODWIN - Do you have some data on the year-to-date figures in relation to Gateway, such as referrals to Integrated Family Support Services and those sorts of things?

Ms O'CONNOR - Yes, I do. From August 2009 to October 2011, the Family Services Gateway recorded in the order of 8 026 cases of service being provided to families in need of support and access to services. Between 1 July 2010 and 30 June 2011, the Integrated Family Support Services, which worked with the Gateway, provided high level case management to 1 485 families, which meant around 500 families received services over and above the contracted level. In the order of 63 per cent of Gateway cases reflect the demand for information services and inquiries, with the other 37 per cent involving ongoing involvement.

UNCORRECTED PROOF ISSUE

Dr GOODWIN - When you say 'over and above the contracted level', the NGOs are putting in extra effort there, is that what you mean?

Ms O'CONNOR - In both the Disability and Family Services Gateways, what we found is that the projected level of demand for the services has been significantly exceeded, which is a sign that the Gateways that there is a broad level of community awareness of the Gateways being in place, but also that the Gateways are working.

Dr GOODWIN - So what does that mean for those Gateway services when the demand is higher than what has been projected? Does that cause them issues in terms of their resourcing?

Ms O'CONNOR - There are always issues in Human Services with demand outstripping the supply of the services that are available. What I do know from my conversations with the Gateway providers is that they seek to provide the best possible service to the greatest number of people. They are under significant pressure and this is part of an ongoing discussion we have with the Gateways around the level of services they are funded to provide, what they are able to provide and what the future demand might be projected to be.

Dr GOODWIN - I suppose potentially it is an issue about the forward estimates and the level of resourcing. If the demand keeps growing, at some point they will need more resources to try to meet the demand. Is the demand continuing to grow based on this year's figures, the year-to-date?

Ms O'CONNOR - The demand has increased with each year the two Gateways have been in operation. This is part of an ongoing analysis and discussion with the Gateway providers around their service capacity level and the level of unmet need. When Gateway cannot provide an instant service response, they actively manage that client so that people are not dropping off the list and that there is a specific personal and formal interest in the client to make sure their needs will be met.

Dr GOODWIN - Do you have any year-to-date figures?

Ms O'CONNOR - On demand for both the Gateways?

Dr GOODWIN - Yes.

Ms O'CONNOR - Can we take that on notice?

Dr GOODWIN - Yes.

Ms O'CONNOR - Ms Bresnehan has just reminded me that the DHHS website has a copy of the family support review.

Mrs TAYLOR - Minister, we have been discussing the social aspects but I also need to look at the figures here. We are on page 530, table 5.10. I am a little concerned because in talking about the Gateway programs you have said that there is no funding after the end of the 2012-13 year.

Ms O'CONNOR - No specific allocation of funding.

UNCORRECTED PROOF ISSUE

Mrs TAYLOR - Nevertheless, your budget allocations and forward estimates go up. You said both of them are funded through disability services budget, 3.2 rather than 3.1?

Ms O'CONNOR - Yes.

Mrs TAYLOR - So you go up \$5 million and what you are saying is that that is not inclusive of the Gateway services. If you are going to persuade the government to fund the Gateway services as well, does that not mean that is going to -

Ms O'CONNOR - There is a range of reasons that the allocation across the forward estimates in human services increases. One of them is indexation, but we have also funded the SACS (Social and Community Services) wage increase - \$3 million this year and \$6 million next year. There is an incremental increase of allocation towards the SACS wage increase. When funds are received through partnership agreements or bilaterals with the commonwealth, they come attached with a level of indexation as well. Inevitably in the human services budget there are incremental increases but in our budget there are some specific areas where we have increased the funding, and the key one is the wage increase for community sector workers.

Mrs TAYLOR - I understand that, but from the end of this next budget you do not have Gateway services included?

CHAIR - We need some clarification, minister, around the Gateway services. Is the family services funded through 3.1 and the disability through 3.2? This is where we have some confusion.

Ms O'CONNOR - Disability is 3.2; that is right.

Mrs TAYLOR - If the minister is saying that there is no funding allocated in the budget for Gateway services after the end of -

Ms O'CONNOR - For the family service component of Gateway.

Mrs TAYLOR - Okay, but there is for disability Gateway services?

Ms O'CONNOR - Yes.

Mrs TAYLOR - So we are talking about 3.1.

Ms O'CONNOR - There are two Gateway services that are operational and the family service one is the one where there is no specific allocation made from the middle of next year.

Mrs TAYLOR - That figure, if you are going to be successful in continuing that program, and I absolutely agree that it is really important, is going to have to go up one presumes in the forward estimates?

Ms O'CONNOR - Yes. Ms Bresnehan has just pointed out, and it is true, that the separation of the numbers here requires some detailed explanation and we will provide that to the committee before too long.

UNCORRECTED PROOF ISSUE

Mr GAFFNEY - Keeping with the family gateway services, how many staff are involved in that? What staffing have you allocated to the family -

Ms O'CONNOR - The staffing is allocated by the provider. We contract the providers to deliver the services and they determine what level of staffing is required. The department provides outreach workers in each gateway. In the family services gateway, for example, we have a child protection worker in there who works very closely with the gateways and the area groups in order to determine what is in the best interests of a child or family who comes through that system. The gateways are staffed by the providers' staff.

Mrs TAYLOR - If there are people under stress and off on stress leave it is not the government's problem, it is the providers'.

Ms O'CONNOR - Technically, Mrs Taylor, that is true. I hope there are not too many staff of Baptcare or Mission in that situation.

Mr GAFFNEY - With the increased services your government is providing, and that is an additional workload for some of your staff as well, what staff do you have on stress leave in the organisational side of it?

Ms O'CONNOR - That is a separate issue to the gateways, of course. We will find the human resource answer to that question shortly. I would say, though, that the gateways - all the evidence I have from the work that we do internally but also when speaking to Gateway providers is that yes, the level of demand is high and exceeding their expectation but they are managing that demand. I have not heard of staff of the gateways being away -

Mrs TAYLOR - You used the words that they were 'under greater stress' but you actually meant that they are managing it.

Ms O'CONNOR - They are under significant demand pressure and they are doing a great job dealing with those demand pressures. I have had some wonderful letters from people who have had experience of the gateways who are very happy with the level of service provided. Government does many things well and some things not so well, but in terms of the gateways, what it is providing to people is instead of the perceived wall of the government or a bureaucracy they have a very human level of contact with the service provider framework. It is a very good reform system.

I have some numbers here for staff leave and overtime claims in human services and in disability community services for sick leave rates -

CHAIR - This is the whole agency?

Ms O'CONNOR - This is the disability and community services component of the agency. Sick leave rate at March 2011 was 3.8 per cent; March 2012 is 1.6 per cent, which is a decline of 2.2 per cent. Housing Tasmania sick leave rate in March 2011 was 3.31 per cent and March 2012, 3.9 per cent, which is a variance of 0.58 per cent. Sick leave rates have fallen overall in those two components of the agency both minus 0.5 per cent.

In terms of workers compensation: for stress, workers compensation total claims across the disability housing and community services was 19 between 1 July 2010 and 24 April 2012, and

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between 1 July 2011 and 24 April 2012, the number of workers compensation claims had fallen to five, which is a significant decline. The breakdown in workers compensation claims for disability and community services in that last period we talked about, between July 2010 and 24 April 2011: there were 12 workers compensation claims and for the same period in the following year, three workers compensation claims. In Housing Tasmania: July 2010 to April 2011, there were six workers compensation claims, and from July 2011 to April 2012, there was one workers compensation claim.

Mr GAFFNEY - Significant reductions in the claims for workers compensation. Were there strategies put in place to try to achieve those goals, or did it just happen, or is it because you have moved services?

Ms O'CONNOR - I would like to think it is because we have a happy workforce, Mr Gaffney, and healthy as well.

Mr GAFFNEY - Has there been any particular programs you have been running to achieve those goals.

Ms O'CONNOR - I am happy to throw to Ms Bresnehan about the internal workings of the department here.

Ms BRESNEHAN - On the disability side, it is due to staff moving and being outsourced. They have either left the department or gone with another agency, so we had some numbers in disability services last year that were the end of the staff who were stressed, leaving and all the change, but now have moved through the system.

On the housing side, we have had a very proactive program over the last 12 to 18 months as part of our reform exercise where we have undertaken a structural review of our services. That has involved staff and unions very closely. We have had regular meetings, regular engagement and we offer staff support and counselling and assistance. There have been many opportunities for them to be involved in the change, to have their say on the change, and to be supported throughout that whole thing. I would like to think that it is a bit of good luck and it is a bit of good management.

Mr GAFFNEY - I would like to think it is more good management than good luck. Well done.

Ms O'CONNOR - On that point, Mr Gaffney, right across all agencies, as you would be aware, last year savings had to be made through redundancies and reduction in the number of staff. Housing Tasmania's approach was regarded as a model in terms of working with staff, taking them with you on the journey and finding innovative solutions such as job sharing and reduction in the number of days. I think that within our agency we managed what was a very difficult time sensitively.

Mr GAFFNEY - Thank you.

CHAIR - Mr Dean has a couple of questions in relation to staffing. While we are in that area, we will continue there. But we do need to go back to Gateway before we leave this output group.

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Mr DEAN - In relation to staffing situations, I am aware of at least one senior manager in Launceston who has now been on notice for almost 12 months that he will be made redundant. When will those positions be finalised? When will these staff know exactly what is happening and where they are going and what is going on?

Ms O'CONNOR - I might cross to Mr Daly on this one because last year, as part of the budget saving strategy and an approach to finding savings through a reduction in staff, there was a series of measures that were put in place, including vacancy control and a redeployment list. I am not sure of specific circumstances of the person who you know. In terms of the broad approach across the agency, I will ask Mr Daly to answer that question.

Mr DALY - We are governed quite tightly by the state commissioner and the government public sector employees. I am not familiar with the case that you are referring to but the normal process would be that if a position is made redundant they go under a redeployment list and people are case managed into appropriate positions that are funded, and that are ongoing.

If necessary, additional training, support, re-education and re-skilling might be required. Clearly the more senior an officer, the more difficult it is to place them. If someone was redeployed for an extended period of time then that is a list that I keep a very close eye on myself because fundamentally these are people who we need to find a job for that is funded. If we cannot find a job then we move onto the next step, which is formally advising the Office of Public Sector Management, which then puts them on a statewide redeployment list, so outside the agency. So if we have exhausted every opportunity across Health and Human Services, we then go on to the Office of Public Sector Management. They then try to manage the employee into an appropriate job in another agency across the state. That is for a set period after which a termination could occur.

I assume that people don't want to take up a redundancy if they are on notice for that period of time and they wish to stay in the workforce. We work with the individual to find them a position, either within Health and Human Services or across the public sector more broadly. I would be very happy to follow up an individual case for you outside this if you like, Mr Dean.

Mr DEAN - I am happy to do that. Minister, how many positions have been made redundant in the Launceston Housing Tasmania office, and when will it all be finalised?

Ms O'CONNOR - At the moment we have a statewide summary of the staffing implications for the savings in human services, so I will take that one on notice. It might take us a little bit of time to break that down. We are very aware of the importance of our services in rural and regional areas outside the capital centre. We sought to minimise the impact of the staffing reduction to those regional areas and the outreach offices. Finding savings was much more focused at the central office.

Mr DEAN - In last year's process you were telling us how there were a number of cuts across the organisation in relation to savings - telephones, vehicles, interstate and intrastate and international travel consultancies. Do you have those figures, minister?

Ms O'CONNOR - Yes, I do. We implemented a range of strategies to reduce the vehicle fleet across the Department of Health of Human Services.

Mr DEAN - Right across, yes.

Ms O'CONNOR - Up to 31 March 2012, the agency expended \$9.23 million on leased vehicles at an average monthly cost of \$1 million. During 2010-11, the agency expended \$12.6 million on leased vehicles at an average monthly cost of \$1.056 million. In March 2012, the agency's light vehicle leased fleet consisted of 1 069 vehicles, which is a decrease of 44 per cent from March 2011, which was made up of 272 executive vehicles as part of the medical practitioner and SES employment contract, and 797 vehicles used for operational purposes, which is a decrease of 47 from March 2011.

We are also saving on fuel. In February 2012, fuel consumption was 143 000 litres of fuel, 16 818 litres less than in the same period in 2011, and this is predominantly caused by an increased use of fuel-efficient vehicles as well as a decline in vehicle use. In the 2007 calendar year, for example, rental vehicle costs were more than \$1 million. From April 2010 to 2011, this amount reduced to \$365 000, so there were very significant savings there. For the same period from 2011-2012, this amount further reduced to \$197 000. Vehicle costs in the past five years have gone down by almost \$750 000.

CHAIR - But you have lost a lot of staff as well, minister. Would it be fair to say that they have gone to the private sector that has been delivering those services?

Ms O'CONNOR - This is rental vehicle costs we are talking about here. Our actual number of vehicles is down, our fuel use is down, and our use of rental vehicles is down. That would be for a range of reasons, and one of them is quite tight control on those elements of the agency's expenditure. There has been a decline in staffing numbers but that alone cannot be attributed to what is a very significant fall in vehicle use and fuel consumption.

Mrs TAYLOR - It is not just staff numbers, though, minister, it is also outsourcing and outcontracting services, which means you have less.

Ms O'CONNOR - We outsource disability services, particularly in family services. That is true, but there has been a very determined level within the agency to bring those costs down as well. It did not affect this year's numbers.

We recognise travel is a component of governments doing business but there has been a sharp decline in the amount of public funds spent on agency travel costs. In 2010-11, up to 31 March 2011, domestic bookings were at \$761 958. There were 2 540 domestic travel bookings in that time. International bookings were \$103 758, the total number was 81. Compare and contrast with 2011-12.

Up to 31 March 2012, domestic bookings were down by \$360 000 to \$401 599. The number of domestic bookings was more than halved from 2 540 down to 980. The cost of international bookings was sharply declined from \$103 000 to \$39 995, and the number of international bookings was halved from 81 to 40. Across the agency these are the areas we can have a direct influence on expenditure, and you can see here that is being very well managed, in order to curb our travel costs right across the agency.

In terms of mobile phone usage, there are currently 1 224 services provided by Telstra and 439 provided by Optus. A total of \$1.465 million was spent on mobile phone and data core costs last financial year. As at 31 March 2012, \$1.06 million has been spent this financial year. This includes mobile phones, call charges and connection fees. A total of \$6.33 million was spent on

telephone costs last financial year and, as at 31 March 2012, \$4.073 million had been spent this financial year, which includes hardware - handsets, call charges, cabling and connection fees. There is still a significant expenditure on telecommunications in the agency but that is essential to our business.

Mrs TAYLOR - But you have managed to save a number of millions.

Ms O'CONNOR - We are saving millions of dollars in travel and vehicle use.

Mrs TAYLOR - It does not correspond then with the increasing budgets you have next year. You said before that there are increasing needs.

[10.15 a.m.]

Ms O'CONNOR - We find those savings internally and they are reflected somewhere in the books. I go back again to the key point about human services, and this is the same as health services: the demand for the services, the level of need, the level of currently unmet need, continues to outstrip the supply, but we are always trying to increase our capacity to meet the need. Savings made across the agency in one area may well be put to good use in service delivery in another area.

Mrs TAYLOR - Do you think that this increasing need - and I am sorry, I am not trying to labour the point -

Ms O'CONNOR - No, it is really important because this is the core of our work in human services.

Mrs TAYLOR - I am looking at the broad picture for our state and our economy. If there continues to be an increasing need then somewhere we are not resolving the problems. Is it because of rising unemployment? Is it because of rising living costs that there is more and more pressure on housing and community services?

Ms O'CONNOR - This is a really important policy and philosophical question and I do not have all the answers. What I do know is that there is a range of reasons that need might be increasing. One of them is to do with the fact that we are the nation's oldest and most rapidly ageing population. That will continue to place pressure not only on our health system but on our whole community support system in Tasmania.

There are very real cost-of-living pressures on Tasmanians on low incomes and we see that come through in the demand for public housing. As private sector rents increase, more people will come onto the public housing waiting list because it is very difficult for them to pay private rentals because that is part of the squeeze.

Mrs TAYLOR - With respect, minister, I believe that is not actually true at the moment. Rentals are dropping currently because house prices have stabilised and dropped. I am hearing that from the real estate sector.

Ms O'CONNOR - Rentals are dropping but it is not a significant drop in rentals and if you are on a commonwealth benefit or on the lower end of the income scale, a drop of \$10 or \$20 a week in the private rental market is not going to make a lot of difference to you.

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Mrs TAYLOR - No, but they are not going up is what I am saying.

Ms O'CONNOR - They are not going up at the moment and my understanding is that there is no shortage of supply in the private rental market at the moment. However, the bottom line is that there is a range of cost-of-living pressures on low-income Tasmanians and many families and individuals are experiencing increased cost-of-living stress. That is one of the reasons that in those areas that we can affect and in housing we have a capacity through our energy efficiency program to help bring the cost of living down for our tenants. We have invested a very significant sum of money to date out of a reprofiled maintenance budget -

Mrs TAYLOR - We will get to that in 3.3.

Ms O'CONNOR - in order to bring down the cost of living for our tenants.

CHAIR - Minister, I would really like to get back to output group 3.1 or the staffing issue first before we head into housing which I know everyone is really anxious to get to.

Mr DEAN - Consultancies, if we could, Madam Chair.

Ms O'CONNOR - In terms of our procurement for consultancies, this is again across the agency of the Department of Health and Human Services. As at 30 April 2012, the agency has entered into 93 contracts each with a value of \$50 000 or more. The total value of these contracts is approximately \$91.3 million. Of these contracts, eight relate to consultancies with a total value of approximately \$1.5 million. They are the consultancies, the \$1.5 million across the agencies.

Six of these consultancies relate to design consultancy services for building projects. For example, as we master plan up an area like our land at Huntingfield, we engage expertise - and I think it is Sinclair Knight Merz - to work with us on a master plan and that costs money. Basically, when you invest in a consultancy like this it is a saving because you are purchasing the expertise to make sure that you get your plan right.

Mr DEAN - It could but not necessarily. It could be a saving.

Ms O'CONNOR - It could be a saving but the agency does not always have the expertise to do some of work we are talking about. Another one is our review of supported accommodation assistance where we engaged KPMG to undertake that review, and you need to have that independent analysis and expertise applied to what can be some very significant policy and reform challenges. While our procurement is coming down, it is still a significant component of government expenditure.

A couple of examples: the engagement of contractors and consultancies undertaken in accordance with the Treasurer's instructions and we do wherever possible seek to engage local suppliers as consultants. Procurement Advisory Services within the agency has established or re-established seven whole-of-agency contracts for which the agency will benefit. These contracts include: photocopiers, office stationery, medical gloves, hospital bedding, security, coronary stents, and enteral feeds. Procurement Advisory Services also operates a number of common use contracts. There are currently 26 at an estimated value of \$28.6 million enabling users to benefit from lower prices, streamlined processes and other benefits by virtue of the agency's collective purchasing power. These include the provision of food and beverage supplies,

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medical gases, and waste removal. It is anticipated that these contracts, new and existing, will give rise to annual savings of \$2.1 million.

I do not know if you want to talk broadly about our procurement activities and the consultants that we engage and why we engage them, Mr Daly?

Mr DALY - I guess the figure of 93 consultancies might sound excessive, but as it is across the agency you must remember consultancies are brought on for the major redevelopment projects and the minister touched on that. We have had some major capital works at the Launceston General Hospital, the redevelopment of the North West Regional Hospital, and also obviously includes the Master Planning consultancies that came on for the Royal Hobart Hospital. Clearly that is expertise that nowhere we have in Health and Human Services and I doubt many parts of government. Every time you engage in a major capital redevelopment then, by nature of the project, there is a need to bring in consultants for design, electrical, hydraulic engineering, and all that type of activity for a capital project.

What you would more generally be interested in might be those consultancies we brought in, in terms of management consultancies and we do not have those separately identified. However, I would be pleased to because I know that it is not a feature - in fact, it is far less a feature of this jurisdiction than the jurisdiction I came from, you will be pleased to know. I can give you some reassurance in that regard.

In relation particularly to procurement, we are talking at the moment with a Victorian procurement to jump onto the back of a much larger jurisdiction to get advantage of savings through bigger purchasing power. In fact, we are developing a partnership between New South Wales, Victoria and ourselves to come together for bulk purchasing across the state, across the country, and internationally if necessary, to eke out every bit of procurement power that we can get. Clearly on our own we struggle a little bit, but we have seduced a couple of big fellows up north and we are going to go into a partnership with them.

Mr DEAN - Minister, could I ask the question, it would be more helpful for this committee, I would have thought, if you were able to break it down to your area of responsibility for what this committee is responsible for.

Ms O'CONNOR - We can do that.

Mr DEAN - To see where you are within your area, not right across the agency.

Ms O'CONNOR - It will certainly look a lot better than the whole of agency.

Mr DEAN - With the comparison with the last year and that would be helpful rather than across the agency and the areas that we are not responsible for at this time.

CHAIR - Most of that information probably I expect would have been provided to the committee on Monday.

Mr DEAN - It would have been.

CHAIR - To our colleagues. I would be surprised if all those questions weren't asked.

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Ms O'CONNOR - Yes.

CHAIR - As a slight incentive, minister, I am hoping to finish this line item and head to morning tea, so that might encourage everyone.

Mr DEAN - Can that be taken on notice, minister, perhaps?

Ms O'CONNOR - The total of our consultancies broken down: I have some figures here in terms of Housing Tasmania's expenditure on external consultancies. A fire safety compliance consultancy, \$155 294, and that is in part to make sure that our service providers are complying with fire safety standards. If you want to look at a disability support service provider we need to make sure, given that government has outsourced the provision of that service, that the accommodation or the establishment where those services are being provided complies with all the fire safety standards. We need, as a government, to be sure that those premises are fire safe. That is part of the quality and safety work that we are doing.

Mr DEAN - Wouldn't the Tasmania Fire Service do that? Wouldn't they have the capabilities of doing it?

Ms O'CONNOR - I am not sure that that is a resource issue. We work with Workplace Standards too and I am sure we work with the Tasmanian Fire Service. But the Tasmanian Fire Service has a specific set of responsibilities around public safety in terms of their service delivery. I am not sure they have the resources to allocate people to go out to our 240 different organisations and determine what their level of fire safety compliance is. I do not think that would be a reasonable ask. If we did ask them to do that, I would expect them to send us a bill.

CHAIR - They do, minister; they do come.

Ms O'CONNOR - We do work with them but on this issue, I think we have gone out -

CHAIR - I know they have been to my office and they sent me a bill.

Ms O'CONNOR - They should send a bill.

CHAIR - Yes, that is right. But I am saying they do that.

Mr DEAN - We wonder why you have to go outside for that and the Tasmanian Fire Service I guess is -

Ms O'CONNOR - The Tasmanian Homelessness Charter - we have allocated \$19 500 towards the development of a homelessness charter so that we can be sure, as we move through our reforms of homelessness service provision and also the level of supports, that we are developing a charter. This is very good and important work that we are doing that makes it clear what clients or users can expect from the services that are provided to them and what their rights are and what the responsibilities of the service providers are. We are developing a homelessness charter which is a key part of the Tasmanian homelessness plan.

Mrs TAYLOR - Time line?

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Ms O'CONNOR - I have seen the final draft of the homelessness charter. I have seen it in a few iterations but the last draft was looking very good. That is an internal process around when we will release the homelessness charter in the next couple of months. The final charter is basically ready. It just needs to go through the internal processes.

Mrs TAYLOR - How will you publish that?

Ms O'CONNOR - We will launch it publicly but it will also go up on the DHHS website. It has been a good collaborative project with the sector and users of homelessness and mainstream services.

Mr DEAN - Where did you have to go for that service, minister?

Ms O'CONNOR - That was to the Youth Development Association of Australia which is an external consultancy.

The Housing Tasmania risk assessment - we paid \$5 000 for a risk assessment. Minor others - some probity advice and some staff, ergonomic assessment and the total there for Housing Tasmania in terms of external procured advice is \$180 999.

Disability and community services - the reform implementation through the agency and external consultancy of \$25 804 -

Mr DEAN - Sorry to cut you off. The ergonomic assessment is in relation to furniture, is that what that is about, the chairs people are sitting in?

Ms O'CONNOR - I would say it is making sure that our staff are working in a healthy environment. It is occupational health and safety investments.

Mr DEAN - That was \$180 000, did you say?

Ms O'CONNOR - No, sorry, Mr Dean; that is the quantum of our external consultancy advice procurement. The ergonomic assessment was minor; I think that it has come in at \$260. I think you would agree that \$260 for some external advice on the occupational health and safety of our employees is money very well spent.

In DCS, the reform implementation dollars - \$25 804, and a range of minor consultancies around the gambling support program that totalled \$5 517, and the total in DCS is \$31 321.

[10.30 a.m.]

CHAIR - Minister, I would like to end up on community support services and Dr Goodwin has some more questions about the Gateway family services.

Dr GOODWIN - I suppose just because you mentioned the gambling support program, we should really touch on that in terms on what the funding is for that in this coming year.

Ms O'CONNOR - You would be aware that the gambling support program is funded through the community support levy which is levied at 4 per cent on pubs and clubs in Tasmania. The level of funding we allocate to the gambling support program is determined in large part by

the losses of Tasmanians on poker machines. In my view, the community support levy is the one positive that comes out of the proliferation of poker machines in pubs and clubs in Tasmania.

The projected CSL (Community Support Levy) receipts for 2011-13 through to 2013-14 are: in the 2012-13 financial year, the total receipts are at \$4 667 900, which is a very slight increase on last year's allocation. The 50 per cent that goes to the gambling support program specifically is \$1.933 million.

Dr GOODWIN - Those consultancies that you mentioned which related to that program, are you able to tell us what they are all about?

Ms O'CONNOR - For the gambling support program?

Dr GOODWIN - Yes.

Ms O'CONNOR - I will have to get that information. It is obviously given a low level of expenditure - mainly on advertising, I am told. It is part of our outreach into communities. Out of the projected agency, our total CSL expenditure in this financial year is \$2.5 million and of that the direct services, which are provided by an organisation, for example like Anglicare, is \$1.015 million; community education, \$522 000 and \$80 000 on research, and gambling support program operations, \$297 000. It is a very significant investment in the gambling support program. We are seeing, according to the last social and economic impact study of gambling, a reasonable decline in the level of problem gambling. What SACES (South Australian Centre for Economic Studies) told us is that the impact of the proliferation of poker machines in pubs and clubs is most profound in areas of socioeconomic disadvantage. We have some quite alarming figures, which I do not have at my disposal at the moment, on the impact of poker machines on areas like the west coast and Glenorchy. What we do know is that about 40 per cent of the income from the losses on gambling come from problem gamblers.

While we are making some inroads through the gambling support program, the fact is that these awful machines are in pubs and clubs around the corner from too many disadvantaged individuals and families and that is creating social distress to individuals and families.

In terms of the prevalence for 2011 statewide the figures are: 1.8 per cent moderate risk gamblers; problem gamblers, 0.7 per cent; a prevalence rate of 2.5 per cent. The participation rate in gambling has declined. In 2005, there was an 85 per cent gambling participation rate; in 2008, 71.7 per cent participation; in 2011, 64.5 per cent. I believe that the education campaign around problem gambling is having an effect. I have spoken to one problem gambler who sought help from Anglicare after seeing the Know Your Odds ad on television, so it is having an effect but again it is not reaching everyone who needs to be reached. Many problem gamblers do not know they have a problem until it becomes so obvious their family is falling apart and their finances are in complete disarray. There are people who we have not yet been able to reach through the gambling support program, but that is part of our ongoing campaign.

The most disturbing figures are the total player gaming losses through casinos in 2010-11 of \$110 709 000. We know the problem gambling in hotels and clubs is very significant because of their proximity to people who live in areas of socioeconomic disadvantage. The total losses through hotels and clubs in 2010-11 was \$146 million. The total losses in casinos, hotels and clubs across the state - and if you include lotteries in that - is \$290 million, much of it coming out of the pockets of some of our most disadvantaged people.

CHAIR - Do you have racing as well?

Ms O'CONNOR - No, we do not have racing; I am not responsible for racing addict support programs.

Mr DEAN - A comparison would be good across racing and other forms of gambling.

Mrs TAYLOR - Minister, I do not like the way we say that the big problem is problem gamblers but then when we talk about problem gamblers we are talking about 0.7 per cent.

Ms O'CONNOR - In terms of the prevalence rates, but we know that about 40 per cent of the losses come from problem gamblers.

Mrs TAYLOR - I would debate that.

Ms O'CONNOR - That is information that has come through the Productivity Commission and been reinforced by the social and economic impact study.

Mrs TAYLOR - The issue, though, as you have said, is it is still only a small number of people. The issue in our lower socioeconomic areas, pubs around the corner, is not that very small number of people but broadly that so many people are spending part of their income on gambling in their local pub or club and they are not classed as problem gamblers because they do not fit that criterion which means you lose everything.

Ms O'CONNOR - They would be classed as at-risk gamblers. I do not have a precise definition. Do we have the figures here, for example, for around Glenorchy?

Mrs TAYLOR - You have talked about the numbers of people who are gambling.

Ms O'CONNOR - Last year, for example, on the west coast the total losses were around \$7.5 million for quite a small number of machines. In terms of the complexities of the demographic that are investing their hope in poker machines, and inevitably losing out, we have some information on that.

Mrs TAYLOR - There is a disconnection for me between the number of people who gamble and the fact you say there is a very small number of problem gamblers. I understand that but it seems to me the definition of problem gamblers is fairly tight. If it were only that 0.7 or whatever per cent of the population, even if they were losing those big amounts, it does not explain how so much of our population in our lower socioeconomic suburbs is suffering because of gambling. That is a small number and we are talking, I think, about quite a lot of people who do not fall into that priority category who spend too much. If you spend \$100 out of your \$500, that is significant to the family income and the support that family needs. However, they do not get captured by that strict -

Ms O'CONNOR - They may or may not. There is at-risk of problem gambling and problem gambling, but you are right.

Mrs TAYLOR - When you talk about the number of people, for instance, who admit to gambling, all of those spend part of their income on gambling. In our lower socioeconomic areas there are far more, a higher percentage of gamblers, than in some other areas.

Ms O'CONNOR - Mostly because of the prevalence of these machines in their area. If you look at the fantastic work that has been done in the agency on Kids Come First, you can see because there are overlay maps of where the areas of greater socioeconomic disadvantage are and where poker machines are located, and it has been quite deliberate in my view that poker machines have been sited in areas of greater socioeconomic disadvantage.

Mrs TAYLOR - Because they are the people who will do gambling.

Ms O'CONNOR - That must be the logic of organisations which have located poker machines in their pubs and clubs, and it must be that they are dealing with a demographic that is receptive to poker machines, because if you are on a very low income - and we have all spoken to problem gamblers - if you were on a commonwealth government benefit or a very low income and you feel that your prospects of increasing your income through conventional means are slim, then it is about investing your hope in a poker machine, without understanding that the more you play the more you lose.

CHAIR - Minister, do have you some figures there because I think this is going to end up in a fairly lengthy discussion and at the end of the day we will be wondering where the day has gone, and we still have other questions.

Ms O'CONNOR - The EGM - electronic gaming machine - expenditure per capita in lower socioeconomic areas has declined - I am not very good at representational graphics - so I have a graph here. In terms of the losses by gambling group, of course non-gamblers don't lose anything, non-problem gamblers over the course of a year are on average - the percentage of the adult population that is regarded as non-problem gamblers is about 58 per cent, and on average they are losing \$651 over the course of a year, I would say, average annual losses. Low-risk gamblers, which represent about 5 per cent of our regular gambling cohort, are losing on average \$2 500 a year. Moderate-risk gamblers, which represent probably between 2 and 3 per cent of the adult population, are losing on average \$4 929 a year. Problem gamblers are losing on average \$14 275 a year, but remember that is an averaged figure. Personally, I have heard stories of people losing significantly more than that and double that.

Our gambling support program is open to any person who is concerned about their gambling, whether they identify as a problem gambler or not. What we are trying to do through the program is target problem gamblers, but also communicate with people who do not yet identify themselves as problem gamblers. For example, today through the gambling support program I will be announcing the winners of a youth art project with 11 different schools around the state, where we offered some financial prize incentives for students to produce art with the theme of gambling and what a serious social issue it is. That is the kind of work that we also focus on, communicating with young people so they are very aware of the risks associated with gambling. Gambling harm prevention has to be integrated: yes, you are providing your support and services to your problem gamblers, but you are also making sure we are not creating more problem gamblers. Particularly we need to be very mindful of the fact that amongst young people there has been an increase in online gambling, particularly amongst young males between the ages of 18 and 24, a sharp spike in the level of online gambling.

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Mrs TAYLOR - Are those figures taken into account in your figures? Online gambling, is that covered?

Ms O'CONNOR - This is poker machines, Tasmanian losses by gambling groups on EGMs. [10.45 a.m.]

Mrs TAYLOR - We could have some displacement there, couldn't we? The gaming machines might be dropping and online gambling is, we are told, on the rise.

Ms O'CONNOR - Potentially we could.

Dr GOODWIN - Before you leave that, how is that measured? What is the source of that data?

Mrs TAYLOR - Self-reporting I think, isn't it?

Ms O'CONNOR - This has been presented to us as part of the social and economic impact statement work that is done and we worked with the Allen Consulting Group around that.

Mrs TAYLOR - It is on a self-reporting basis, though, isn't it the people who are identified as being -

Ms O'CONNOR - These people who present.

Mrs TAYLOR - They tell you themselves how much they spend. It is not objective.

Ms O'CONNOR - No, there is an objective analysis of -

Mrs TAYLOR - On average, yes.

Ms O'CONNOR - We have a very clear means of measuring losses on gaming machines. We also have a clear understanding through the Productivity Commission's work, but also SASE of what percentage of those losses come from problems gamblers, and it is put at around 40 per cent. The numbers here are quite precise. Yes, you are right, not every person who is a problem gambler is going to become obvious to the gambling support program. We haven't reached everyone we need to yet, but you can make certain evidence-based assumptions around what the level of problem gambling is in the community.

Dr GOODWIN - We better wrap this up, I think.

CHAIR - I would like to and I have mentioned it about five times.

Mrs TAYLOR - There is just one other thing, which I haven't asked.

CHAIR - In relation to gambling?

Mrs TAYLOR - No, it is not, but it is to 3.1. It is a very little question I think. Are your support for programs like Food Bank and Second Bite in this 3.1?

Ms O'CONNOR - Food Bank is in 3.1.

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Mrs TAYLOR - Line item cost - how much are we spending?

Ms O'CONNOR - I think Food Bank's funding in total -

Mrs TAYLOR - I am happy to take that on notice.

Ms O'CONNOR - \$285 000 per annum.

CHAIR - \$285 000.

Ms O'CONNOR - There has been some fantastic collaboration that has happened in recent months. Previously Food Bank and Second Bite worked quite distinctly from each other and now there is a really close level of collaboration between the two organisations to make sure they are reaching out as far as possible. It is much better than it was, Mrs Taylor.

Mrs TAYLOR - It may be much better than it was. However, last week I was told that Second Bite would like to have a much closer collaboration and that that is not progressing.

Ms O'CONNOR - My understanding from conversations with Andrew McAndrew from Food Bank and Pat from Second Bite is that in recent months they have come a lot closer than they were previously and they are working together around a winter food supply program. There is also a marvellous growing organisation on the north-west coast, which does similar work, called Produce for the People.

Mrs TAYLOR - It sounds fantastic.

Ms O'CONNOR - My ideal would be to see the three organisations work very closely together to make sure that they are providing fresh, quality food to the widest number of Tasmanians as possible.

Mrs TAYLOR - Mine too; perhaps we could talk about that outside.

CHAIR - At the morning break, if we get there.

Dr GOODWIN - Just two tiny questions, one of which is a clarification. Around the year to date figures for Gateway, would it be possible to have a regional breakdown as well?

Ms O'CONNOR - We will take that one on notice. Just on a previous point, the \$5 517 that was invested in the gambling support program external consultancy was around an evaluation of the effectiveness of our advertising campaign. We will take the regional analysis question on notice.

Dr GOODWIN - One final question on Gateway and its future in terms of the Family Support Services: when do you hope to be in a position to have resolved this issue with Treasurer about the ongoing funding over forward estimates? I am thinking about what it must be like from the perspective of the NGOs delivering these services and not knowing what they will be able to do with their staff and those sorts of issues. I am wondering if you have an optimistic timeline for trying to resolve that.

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Ms O'CONNOR - The short answer is as soon as we can have it resolved. I do understand the concern from service providers and Gateway Family Services around the certainty of the provision of those services. Now that we have the evidence before us of the effectiveness of that Gateway service I will be having the conversations with the Gateway providers in the first instance, just so I can hear things very directly from their own perspective. I will be having those conversations within government at the earliest opportunity.

Dr GOODWIN - That review has only just been finalised.

Ms O'CONNOR - It was finalised a couple of months ago in March. By that point a lot of the budget detail had been nailed down.

Mr GAFFNEY - I am not sure if this is 3.1, 3.2 or 3.3, but you did say it was across the agency. I am not making a judgment on it, but what was the \$39 000 for international travel for that you mentioned earlier?

Ms O'CONNOR - I don't know exactly at the moment because it also includes health.

Mr GAFFNEY - Okay, well no need to go there, that is fine.

Ms O'CONNOR - I would say that in Human Services our component of international travel is very small.

Mr GAFFNEY - So I would have thought, that is fine.

Mr DEAN - You are going to break that down into your area.

Ms O'CONNOR - We will provide that question on notice, but I think you will find the international travel can be attributed mostly to medical professionals within the health arm of the agency.

Mr GAFFNEY - I find it interesting when we are looking at a social problem like gambling that we would have to offer financial incentives for students to put in artwork for it. I just make that comment that there are other ways we can put incentives into the community for people to participate and acknowledge their abilities.

Ms O'CONNOR - I understand that. I know that is just a comment on your part, but I would like to respond. If you are going to engage young people in something like a program on the risks of gambling, we made the determination that you are much more likely to get a broad and positive response from students if there are prizes offered. It is not unusual for there to be financial prizes for schools taking part in competitions. Many schools participate in various projects and competitions and there are financial prizes at the end of it. All I would say is that the very significant response that we had from schools and from students validates the decision. The prizes ranged from \$100 to \$1 000.

Mrs TAYLOR - To schools or to individual students?

Ms O'CONNOR - My understanding is that it is to individual students.

Mr DEAN - That is a form of gambling. They are gambling on winning a prize.

Ms O'CONNOR - I have teenage daughters -

CHAIR - You could have offered an iTunes card; I would have done.

Ms O'CONNOR - An iTunes card might have done the deal, I don't know.

Mrs TAYLOR - iPad would have been better.

Ms O'CONNOR - I take your point, Mr Gaffney, but we really wanted to reach into as many schools and inspire as many students as possible to think deeply about the risks associated with gambling. They are reasonable cash prizes and we made a determination that we would have a higher response. The fact that we did have such a high response validates the decision to offer financial prizes. I would simply say again that I am aware of many school-based projects where there are cash prizes offered.

Mr GAFFNEY - I agree, but for the record I think we are selling our young people short by offering those prizes. I would like to see you run the competition again and not offer financial incentives because -

Ms O'CONNOR - And then we can make a comparison.

Mr GAFFNEY - And make a comparison, because I think we are selling our young people short that the only reason they are going to enter a competition is for the money. I think it is a social ill that we are making that assumption or proliferating that response that, yes, be involved and if you win, here's some money. I would say: be involved and get your name on the poster or get it acknowledged somewhere. I just think it is the wrong path.

Ms O'CONNOR - I am very happy to look at that for next year, but I also encourage you to come down to the parliament reception room at lunchtime and talk to some of the young people -

Mr GAFFNEY - As they collect their cheque.

Ms O'CONNOR - and ask that only the winners and the highly-commended will be collecting their prizes.

Dr GOODWIN - We have not touched on the elder abuse strategy at all and we should. You said there is an allocation for 2012-13 of \$380 000 - I may have that wrong. What work will be done in 2012-13 in this area?

Ms O'CONNOR - There are three key components of the elder abuse strategy we are funding through the allocation this year. There will be an elder abuse helpline, which is an information and advice line. That will be operational from 1 August this year. We have gone through a request-for-proposal process and a successful tenderer has been nominated. We are also undertaking work on developing practice guidelines, for example, allied health professionals and other people working in the community sector so they can identify possible cases of physical, emotional or financial abuse of older Tasmanians.

In many ways, that is the coalface of where these issues will be identified. Tragically, elder abuse is often a hidden problem. It is happening inside the home and the evidence tells us it is

often a person who is related to the older person in question, or is ostensibly performing a caring role for that person. I have spoken to victims of elder abuse and it did not become clear to this older Tasmanian woman and her friend what had happened to her until some two years after she effectively lost everything. Elder abuse is a terrible social ill.

We have the information and helpline and the practice guidelines, but we are also undertaking a legislative review. That is work happening in consultation with the Attorney-General to make sure the legal framework is equipped to deal with possible cases of elder abuse. The two acts that have been specifically identified, we are advised that there are two pieces of legislation that will probably require amendment in order to be more responsive once the other components of the elder abuse strategy are in place. We need to strengthen the enduring power of attorney provisions in the Powers of Attorney Act 2000, and the enduring guardian provisions in the Guardianship and Administration Act 1995. That work is currently under way and I have asked it be dealt with urgently, even though it falls outside my specific area of portfolio responsibility.

If we can get the legal framework in place, despite the fact we had to find savings in the agency - and one of the places we found it was through a \$165 000 cut to the elder abuse strategy across the forward estimates - once you get the law in place and have the practice guidelines across the community services and through the other sectors, if the legal framework is strong, we have the components of an effective elder abuse prevention strategy.

Dr GOODWIN - Is it just the department doing the work on that?

Ms O'CONNOR - Yes, it is. We are also working through a community awareness campaign, which will tie in with the start-up of the helpline.

The committee suspended from 11 a.m. to 11.19 a.m.

CHAIR - Welcome back, minister, and given that we know that there is a requirement to finish by 1 o'clock to facilitate an appropriate lunchbreak for members we will do that, and I expect that we will need to be back here after lunch to continue on with Housing.

Minister, I believe you have some information for Mr Dean before we commence.

Ms O'CONNOR - I do, but before I go the issue of Ravenswood Neighbourhood House, I welcome to the table Ingrid Ganley, Director of Disability and Community Services within the agency.

CHAIR - Welcome, Ingrid.

Ms O'CONNOR - On the specific issue of Ravenswood Neighbourhood House, we have had some clarification provided and Brian Wightman's office got in touch with us about this issue. There is no issue on the state funding for Ravenswood Neighbourhood House or any other neighbourhood house; in fact, they have had a funding increase.

The specific program you are referring to is a commonwealth-funded program through FaHCSIA called Communities for Children, which is administered through Anglicare Tasmania.

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The Department of Families, Housing, Community Services and Indigenous Affairs has expanded the scope of Communities for Children, which includes increasing the age of children from newborn to five years of age up to newborn to 12 years of age, and also by targeting those families and children who do not regularly engage with services. Most Communities for Children providers in the Launceston to George Town site have seen a reduction in their existing CFC funding to enable an increase in the number of providers to meet the expanded CFC requirements.

My understanding is that while overall the amount of Communities for Children funding for the Ravenswood community appears to have increased, it is being distributed to more providers. The services still exist; it is just that they are not being delivered via the Ravenswood Neighbourhood House. My buzz is that the services are not lost to the community. I am happy to get some clarification on that, but in terms of the state's allocation to Ravenswood there has been no change. In fact, there has been an increase.

Mr DEAN - I will have to have a meeting with you, minister, because there have been significant cuts in services, which will be lost and that will be detrimental to the area of Ravenswood. That is why it should be taken up by the state to see where the state could become involved in that region.

Ms O'CONNOR - I am very happy to have a meeting with you, Mr Dean, but I just reinforce the point I made earlier that there is no fat in the system, and there is no spare unallocated funds within Human Services. We have made a significant increase in funding to neighbourhood houses in the past year.

Mr DEAN - The FaHCSIA funding was cut from about \$140 000 or \$150 000 back to about \$60 000 to \$70 000; it was cut in half and it is impossible to continue to run the programs that are running.

Ms O'CONNOR - Okay, I am really looking forward to sitting down and having a conversation about it.

CHAIR - Most would agree that when programs are being implemented and there is only a short term funding, there is a community expectation that it continues, and it puts pressure on right across government. Some of those federal handouts are not always as good as they appear in the beginning. In light of that, minister, we will head into the very difficult area of Disability Services.

3.2 Disability services -

Mr FINCH - Minister, a general question first of all about Disability Services. Note 7 that goes with this line item refers to the increase in 2012-13, increased funding because of the increase in salaries for social and community sector workers.

Ms O'CONNOR - Also, indexation is in there and the allocation towards unit pricing. The breakdown of the increase is the Fair Work Australia allocation from the state, \$3 million; unit pricing, \$4 million; ISPs, \$2 million; and the indexation, \$2 million. That is a broad estimation of the increase in funding for Disability Services.

Mr FINCH - Thanks, they are the answers and I haven't even asked the question yet. Wow! How good is this? I notice a steady increase for subsequent years, so we go from \$174 million

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next year to \$187.5 million in 2015-16. I do not criticise this, but can you explain the reason for that continuing rise?

Ms O'CONNOR - A significant component of that will be the increasing state allocation to fund the Fair Work Australia order. There will be a component of it which is commonwealth moneys that come with a measure of indexation attached, and there are increasing recurrent needs around individual support packages, for example, and our own indexation.

While we are in very tight budgetary times, it would be fantastic if we could have a major increase in funding to disability services. That is not possible from the state's point of view at this point in time, although we have made allocations for the Fair Work Australia increase and for unit pricing. There are incremental increases in the disability services budget in acknowledgement of the fact that the demand for services continues to increase. For example, when we provide an allocation of funding to an individual for an individual support package, that funding is recurrent for life. These are the investments we need to make in human services so that we are providing people with disability an opportunity to live independently and to access social opportunities and employment opportunities.

The big issue in disability services, as you would be aware, Mr Finch, right around the country is that state governments are unable to financially accommodate all the need within our community. There is extreme pressure on the disability services budget and that is one of the reasons there is a sincere push at a national level to establish a National Disability Insurance Scheme across the country because, in Tasmania, we provide specific disability services to around 6 600 people. However, there is a large cohort of people whose needs are not being met, or there are individuals who have an individual support package that may not be enough to enable them to live independently to the greatest extent possible.

We are working closely with the commonwealth to understand what the NDIS might mean for Tasmania but also to make sure that we are at the front of the queue for the establishment of a launch site here in Tasmania which would be up and running. It is a very tight time frame from the middle of next year, so there will be four launch sites around the country, catering for around 10 000 people living with a disability. We have, in Tasmania, undertaken quite profound reforms in the provision of disability services, including establishment of the Gateway support system and the new Disability Services Act which provides for greater individual say in how services are delivered. We are also working on a self-directed funding project, and we are one of only two Australian states that, by a national standard measure, provides what is considered a reasonable level of funding per individual.- I think it is around \$8 600 per person. Obviously, there are very few individual support packages that are around that figure. Some of them run up in the hundreds of thousands of dollars. But we do our best here on the funds that we have to provide the services that are needed.

Mr FINCH - Of course, I share your positive agreement on the social and community sector workers getting that extra support as well. You have just touched on the National Disability Insurance Scheme. If I can go to that now, please, and ask what steps the government has taken to ensure that Tasmania is in the running for this? What work has been done? What are the arguments for Tasmania to be a launch site, given that there is no money in the budget to attract a site?

[11.30 a.m.]

Ms O'CONNOR - Since the establishment of the select council on disability reform - this is a select council that both the Treasurer, Ms Giddings, and I are members of - we have been putting the case for Tasmania to be a launch site for NDIS because of those reasons that I outlined earlier - that we have a reform structure in place which in some ways mirrors what a National Disability Insurance Scheme would establish with a common intake assessment and referral point. At the national table we have been clear about Tasmania's strong desire to be one of the launch sites. In recent weeks and months there have been meetings of senior officers between the commonwealth and other states and territories to nut out what an NDIS may look like and how it will be administered.

The big question is the funding. The Productivity Commission is very clear it should all be funded by the commonwealth. Whilst the commonwealth has made what, I think, is a good-faith allocation in the last budget of \$1 billion towards the NDIS, we know the establishment of an NDIS would cost in the order of \$8 billion a year extra. There have been meetings between departmental officials from the Department of Community Development in Tasmania and the Department of Health and Human Services and commonwealth officials in recent weeks about the potential for a launch site in Tasmania. You are right; we do not have extra funding available, and the commonwealth has made it clear it expects the states to contribute around 20 per cent of the funding for the extra services for the launch site.

What we would argue with the commonwealth is that we have a reform system here that mirrors in many ways what the NDIS would establish. We provide around \$22 million a year for individual support packages and individual funding agreements. We are one of only two Australian states that funds individuals living with disability to a level that is determined as something close to a national standard. We have a significant level of unmet need here in Tasmania, particularly in rural and regional areas. I am encouraged by the work that is under way, but the Premier and I are also working with the NDIS lobby group and other members of the sector and clients about what we can bring to the table to the commonwealth to present a firm proposal for a launch site here in Tasmania. The first meeting of that group is on Monday.

Mr FINCH - So you are feeling quite positive that we have a strong case to be a launch site?

Ms O'CONNOR - We have a very strong case to be a launch site, for those reasons I mentioned earlier. Whether we are ultimately determined to be a suitable launch site in the first year, I cannot say with any certainty. All I know is that from the state's point of view, we will be putting a very strong case. We need to be sure, though, in this space that as a state we are very clear about how the NDIS might apply in Tasmania and making sure, if we do become a launch site, that we have a firm understanding of how that will work in Tasmania for clients. That is the conversation that is happening now between senior officials. The other conversation between the sector, users, the Premier and I, and our offices, is around a firm proposal.

The commonwealth has made a funding allocation for the 10 000 clients who would be funded under the launch sites. It is quite a modest allocation from the commonwealth when you break it down. Those are the sorts of numbers we need to drill down with Canberra to make sure that as we, in good faith, embark on this process of presenting our case for a launch site we are not lobbying into potential chaos for clients and the sector. We need to be very sure ourselves that what the commonwealth proposes in the start-up in the middle of June next year will work for clients in Tasmania. I think it will because there is so much good work happening at the senior official levels between states and the commonwealth. There is a good conversation happening between state and territory ministers and the commonwealth, although I would say - and I want

this on the record - that the conservative states around the country have, I think, started playing politics with the NDIS. You have Western Australia, Queensland and, to a degree, Victoria playing politics with the NDIS, casting doubt on whether it will ever be established, despite the fact that \$1 billion allocation has been made. All this foundation work has been undertaken and you have Joe Hockey, the shadow treasurer, saying, 'We may or may not fund it, it depends on what our other priorities are', while Tony Abbott goes out there and says, 'When it comes to the NDIS, I'm doctor yes'.

There are mixed messages coming out of the conservative states around the NDIS, which I think is tragic for people living with a disability. At the moment around the country it is estimated there are about 100 000 people who are not having their needs met because the system is, as the Productivity Commission said, fragmented and unfair. If there ever was an issue that needed tripartite support, it is the establishment of a national disability insurance scheme in Australia.

With regard to that 80:20 split you are talking about, if Tasmania does get approved as a launch site, what would the figure be that Tasmania would need to provide and could that be found before June next year?

Ms O'CONNOR - It is a good question and this is part of our conversation with the commonwealth about what funding we in Tasmania already have on the table. If we were a launch site, it would be services to 5 000 Tasmanians living with disability and the allocation from the commonwealth would be \$10 million. That would be ours in the first year, if we were going to do that. We need to work with the commonwealth around what the numbers might be. We make, within the confines of a tight budget, a reasonably significant allocation to the provision of disability services and particularly individual support services.

The estimations are that if a launch site that was established here sought to provide top-up services to 5 000 people living with disability, the cost to the state in the first year would be around \$10 million. As everyone in this room knows, there is not that spare money in the system at the moment. What we are saying to the commonwealth is, we are very determined to be a launch site because there is need here in Tasmania that currently is not being met. We have an excellent reformed service system and legal framework in Tasmania. The commonwealth is saying that they want the states to bring something to the table. That is part of an ongoing discussion with the commonwealth.

After we go through this process of working with the sector with the Treasurer's involvement, we may be in a different situation, but right now there is no extra funding available for us to be established as a launch site. That has not stopped the commonwealth from being interested in us as a launch site but we may look at something that is scaled down in the first instance. We may identify 1 000 clients who need either support services or extra support services and therefore the cost to the state would be in the order of \$2 million.

This is part of an ongoing conversation about what resources are available. We are an island community very closely connected. It is the ideal site to have a launch of the NDIS. Tasmania is ideally suited to do that and we have the structures in place to do that and we have the unmet need that needs to be met.

Mr FINCH - Thanks, minister.

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CHAIR - Before we move out of the NDIS, can I get some clarification, minister, in relation to what you just said about an extra \$10 million? How much of the existing allocation that is provided for people living with disabilities would be overlapped and so would there be that need for the entire \$10 million? Is there any overlap?

Ms O'CONNOR - This is the detail that we have not worked through yet. I have to say that it has been a fascinating journey, being part of the discussion around the NDIS because what we have is a broad understanding of the concept and a very clear understanding of why it is needed. Once you get down to the detail on the NDIS there is a lot less understanding and that comes from both the commonwealth and the state's perspective because the framework is relatively clear; where the money will come from is not yet firm. What the governance structure will be is still not yet firm. This is why senior officials across the two agencies are working together on this issue.

Ms GANLEY - The senior officials are really looking at the funding and governance issue. Yes, there is an expectation that it is shared funding in that the funding we are already putting into client services would become part of an NDIS and you would then add new money on top of that to expand the client group.

CHAIR - Hence my question how much of it would be overlapping and is realistically \$10 million -

Ms O'CONNOR - We can't be sure at this point.

CHAIR - so far out there that it would never need to be that much, given that we already spend in the budget allocation a considerable amount for people living with disabilities, also keeping in mind that it appears the need is continuing to grow.

Ms O'CONNOR - It is.

CHAIR - I see from the target that we are going to be doubling. It says here that it is expected to more than double the need, particularly in day options waiting list, so that must be a concern as well.

Ms O'CONNOR - I would have to say of all my areas of portfolio responsibility, Disability Services is the one that causes me the most concern because the level of unmet need is very significant. The waiting lists are far too long. We do what we can in this area of the portfolio, but there are simply not the resources available in the state to do all that we need to do, which is why I, and others in this space, are such passionate advocates for a National Disability Insurance Scheme. Until we have a national framework and the commonwealth chipping in a greater share of the funding there will be many Tasmanians, too many Tasmanians, who are missing out on services. The pressure on families and carers, particularly, is very great. We do what we can in this space, but we are still dealing with very significant unmet need and an increased demand for services.

Dr GOODWIN - Can I just jump in here on a related question? In terms of level of need in Tasmania, are we higher than other states and territories, and is there an explanation for why we are in that position?

Ms O'CONNOR - I believe we do have a higher level of need in Tasmania. We have the highest level of disability of any state and territory, and also the oldest and the fastest-ageing

population. That adds cumulative pressures to our budget, which is what we are trying to deal with through the reform process, through unit pricing, through our incremental but constant increase in funding to individual support packages and individual funding arrangements. I am not sure what the explanation is for why we have the highest level of disability in the country, but we do.

CHAIR - Mr Finch, I apologise for hijacking your line of questioning, but I think it was important to see that one right through to the end.

Mr FINCH - I am interested in a research and development reference on page 5.17. It is reads:

Disability Services

This Output provides accommodation support, community support, community access, respite, advocacy and information, and research and development for people with a disability.

I am just curious about that aspect of it and what research is being done into people with disabilities.

Ms O'CONNOR - There is an ongoing research and development effort in this space, particularly under our reform system and our increased focus on self-directed funding. I am going to ask Mr Ganley to answer that question.

[11.45 a.m.]

Ms GANLEY - Those categories that are outlined are how we all nationally code the delivery of disability services through our national minimum data set, so we breakdown the provision to things like accommodation support and community support. Research and development is a classification where we put activities that further the development. It can be specific project work that we undertake within the department, such as the self-directed funding project we are currently doing on research into how you undertake a program where you can directly pay individuals their funding and then they go out and purchase the services. It is the way we classify activities on a national scale as opposed to a defined research and development program as such. But it is any activity we undertake that isn't delivering a service we would say is a research or service development activity.

Alongside that nationally we have a national research and development agenda under the Disability Policy and Research Working Group, which is running out a more formal research program at the moment, calling for expressions of interest for actual research projects to be undertaken.

Mr FINCH - Thank you very much. You mentioned, Chair, about day options and the waiting list. Minister, could you just clarify for me some of this waiting list, the day options that are available to people, and what that represents? The numbers here are fluctuating: 94 down to 70, up to 145, and down to 116 in 2012-13. I just want some explanation about this fluctuation.

Ms O'CONNOR - There will always be fluctuations in the waiting list as potentially new services become available and then the waiting list will drop, and then more people put their names forward for those services. It is very clear, when you look at the performance measures

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across disability services, that the waiting lists across the services that we provide are significant. All I can say is that we are going through the reform process where the services that were once provided by government and are now provided by the community sector are delivering a wider range of quality services.

In terms of community access, in 2010-11 we provided a range of community access services for 1 579 people with a disability at a cost of \$25 million. That gives you some understanding of the cost relativities here for 1 500 to 1 600 people. The cost recurrently is \$25 million. Day options are a very important part of our disability service system because they provide people living with disabilities real opportunities, alternatives to work, community access opportunities, social inclusion opportunities, and educational learning opportunities, but there are still people with disabilities who are on that waiting list and needing services, and day options provide respite for families and carers as well.

In 2010-11, disability services funded a range of community support activities for 4 526 individuals at a cost of \$16.8 million and these services also included therapy support for individuals and Gateway services. In 2009-10, the community support client numbers were 4 350, in 2010-11 it was 4 526, so there is an increase in the level of services provided. In the first half of 2011-12 the client numbers were 3 227 receiving community support.

Mr FINCH - Thank you. Also, too, just from the same table 5.5, they are projections rather than targets, but the increase in the supported accommodation waiting list in 2009-10 from 41 to 167 next year seems on the surface of it a little bit startling. Am I reading the table incorrectly?

Ms O'CONNOR - No, you are reading the table correctly. Part of the explanation for that figure, and I will cross to Ms Ganley shortly, is that we are dealing with ageing carers. As the ageing parents and carers of people living with disability find themselves unable to provide that full-time caring role, there is then increased pressure on the supported accommodation system. But in 2011-12, in terms of our capital works and, again, we are dealing with quite finite sums of money available and we need to work in partnership with the commonwealth and organisations who provide these services, Optia is a great example of a supported accommodation facility that they established on the north-west coast.

We have completed 17 additional accommodation places around the state. A few weeks ago I was in Launceston for the launch of our units in the backyard program, which has created these fantastic units near to a disability service organisation. The one in Launceston was Able Australia's facility. I met this fantastic young man called, Scott, who has cerebral palsy but has a new home now where he lives independently. He has an individual support package, so he has a carer there when he needs them. But it is much more independent living. If, for some reason he needed extra support or if there was an emergency, he is in the backyard of Able Australia's facility there. We are doing some very good things with supported accommodation. Clearly, it would be good to have more capital money in the system to build supported accommodation facilities for people living with disability. Ingrid, did you want to add to that about the projected increase?

Ms GANLEY - It is about people's demand in terms of the lack of informal care that will be projected forward and really about the access to suitably modified properties for those individuals and the level of funding to match that support need as they come through. The waiting list, at this moment in time, as of March, is 72 people needing accommodation options.

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Mr FINCH - Thanks very much. Minister, I want to relay some comments that have come to me from a couple of different sources. In relation to home modifications, most homes in Tasmania are not user-friendly for people with disabilities or older people. People are being heavily disadvantaged financially by having to fund these themselves. There is a national reform around the HAC provision, aged 55-plus, of home modifications, but the state will be responsible for people with a disability. The policy, I know, is about TasEquip.

I also had another comment about the budget for upgrading to make homes more accessible. One of the comments was that most people need easier access, such as with ramps and those things, to their homes. There is a frustration because there is no budget and it comes into a very small maintenance budget, which is not enough to ease that frustration for a lot of people. I do not have the hard evidence. It is just anecdotal.

Ms O'CONNOR - That is a reasonable anecdote. In the housing portfolio, we do upgrades and modify places. There is a small component of the disability funding that goes towards that but I get regular correspondence from people who want to have really quite straightforward upgrades made to their property in order to increase access. We assess on the basis of need and we regularly upgrade properties to make them more accessible. We are dealing in housing, particularly, with stock that is on average 30 years or more old and was not built with an eye to accessibility. All our new housing that we are building through the housing fund or the ESP money is built to universal design. Part of the residential development strategy I commissioned the State Architect to undertake was around those core design elements of a home, to make sure we build to universal design now.

All our new dwellings are built to universal design, but as at 31 March 2012, in its general housing program Housing Tasmania has more than 6 100 dwellings that have a modification to improve accessibility and amenity. This represents approximately 54 per cent of all dwellings in the general housing program. Of these, 562 dwellings are accessible by wheelchair and 309 dwellings are fully accessible throughout. That is the housing program. There is also the disability capital works program where all the places we build under that program are fully accessible. This will be an ongoing budgetary challenge for us as we deal with an ageing population and an increased level of need. Housing Tasmania currently supplies 187 dwellings to the community sector that are configured specifically for people with limited physical mobility.

Mr FINCH - And they are all occupied?

Ms O'CONNOR - Yes. Of our 17 units in the backyard, 16 are tenanted and one we are working to fill now.

CHAIR - Before we leave that area, you indicated that there are 72 on the waiting list as at March this year for supported accommodation. How long do those clients, or potential clients, expect to have to wait for accommodation?

Ms O'CONNOR - We make an assessment. It would depend on the level of need and urgency.

Ms GANLEY - Through the Gateways there is constant assessment of the level of need and urgency. What the projected figures do not take into account are any vacancies that come up through our system. We have a range of homes and there are vacancies that come up from time to time. We have a process with the service providers in the Gateway to match the right client into

UNCORRECTED PROOF ISSUE

those vacancies. Through that urgency and need we go through our process, and that is where the Gateways and their active monitoring role comes in. They can look at interim brokerable solutions to put in immediate respite, if that needs to take the pressure off the situation, while we look for alternative accommodation options.

CHAIR - So you cannot give me an average time frame that someone would wait?

Ms O'CONNOR - It is very individual.

Ms GANLEY - It is. If it is seen as urgent and there is a suitable vacancy it can be a matter of days, or they can be waiting for a month or two months.

Ms BRESNEHAN - Accommodation is fairly broad. It is group homes, in-home support, personal support, brokerage - it is not just a group home. The capacity in a group home is very limited. Often you have to wait for someone to pass away before that becomes free. It is more in that other area.

CHAIR - Just like the nursing home scenario.

Mr FINCH - Is there a waiting list for accessible housing?

Ms O'CONNOR - Yes, 72.

Dr GOODWIN - You just mentioned the range of different facilities available. Is it possible to give us a total number of units, beds, places in group homes available for people with disabilities?

Ms GANLEY - In terms of the numbers for supported accommodation, it is 1 280. That is people living in group homes.

Dr GOODWIN - So the units the minister mentions, the ones in the backyard, are they in addition to those places?

Ms GANLEY - To those places they are, yes.

Dr GOODWIN - What would be the total of other facilities, if you are talking about the units and any other accommodation?

Ms O'CONNOR - I think we should take that on notice because there is a range of different accommodation options and some of it filters into the Housing Tasmania space - modified properties and independent living properties.

[12.00 p.m.]

Dr GOODWIN - You mentioned that there has been some capital investment up to this point. Will there be more going forward?

Ms O'CONNOR - We do not have significant capital funds in disability. The units in the backyard project were funded to \$3.4 million and that is a combination of state and federal funds. I do not know if you want to elaborate on that, Ms Ganley. There is no extra allocation for capital works in this year's budget.

Ms GANLEY - No, not at this point in time, but the only thing that has occurred is there is a safe supported accommodation innovation fund which was a commonwealth-run program that organisations could independently apply to, and Tasmania was successful in two organisations. Centacare in partnership with Devonfield in the north-west is looking at a group home; and the Uniting Church in partnership with Optia in Kingston is looking at building new facilities for 12 people. They have the funding to advance those projects.

Ms O'CONNOR - They secured the funding about a month ago. It is a \$3.4 million commonwealth allocation to both organisations and it will establish 15 new units of accommodation around the state. The Kingston Uniting Church development is really interesting because they are talking about establishing an integrated community so there will be people living with a disability there and other low-income earners there. It is a community or a township almost that they are creating and they have plans to grow beyond the initial 12-unit allocation.

Mr GAFFNEY - A quick one, minister, on the Disability Advisory Council. How many times a year do they meet, what numbers do you have on it, and what advantages or disadvantages are to be found, or what input have they had into some of these projects that you have been looking into, so just a quick run-down on that for us?

Ms O'CONNOR - I have a marvellous Ministerial Disability Advisory Council which is chaired by Robin Wilkinson, a well known advocate for people living with disability. The group which was re-established last year meets four times formally a year but they have a different approach from the previous council in that they are doing a lot more community outreach. They have been to the north-west and advertised for people with a lived experience of disability, whether it is clients, families, carers or service providers, to present to MDAC. We have regular meetings. MDAC feeds that information back to me about what the public response to the services that are or are not available is.

In terms of the discrete membership of the committee, we have Robin Wilkinson, whom I love dearly; Garry Sims; Marette Corby and Belinda Smith - and Belinda Smith works for Parkside and Marette Corby is vision impaired and an advocate for people living with disability; Mr David Cawthorn is a paraplegic who works with Paraquad Tasmania and is the vice-chairperson; Glenda Ratcliffe is a person of short stature and a huge heart and a great advocate for people living with disability; Wendy Gilson is an educator with a range of experience working with disadvantaged children; Fiona Redgrave has devoted her life to teaching, supporting families, coordinating services including for people with multiple sclerosis and Parkinson's disease and has done a masters degree in disability services study; Mr Chris Vanneson, an advocate for people living with disability; and Kim Handley.

The next outreach meeting of MDAC is, I believe, in September in Glenorchy and maybe at the Civic Centre where again we will go through a process of advertising the forum and MDAC members will be there to answer questions. I plan to be at the September meeting because there is nothing more useful in understanding how your service system is functioning than direct listening contact with users of the services.

Mr GAFFNEY - The budget implications of that committee will minimal?

Ms O'CONNOR - It costs

UNCORRECTED PROOF ISSUE

Ms O'CONNOR - The out-of-pocket budget expenses are \$30 000 per annum. That is a very small price to pay for the advice that MDAC provides. We have developed a work plan, they are working on the NDIS, they are providing advice on self-directed funding models, the application of the Disability Services Act and so there is a whole range of policy issues that MDAC provides advice on, and we publish MDAC's feedback on the DHHS website as well. It is a very good source of advice to me.

We do not pay sitting fees for MDAC members, which is problematic really because it is a lot of volunteer time given by people who are really passionate and dedicated in this space. There are no plans to fund them at this point, to provide sitting fees, which is a source of disappointment to me.

CHAIR - Minister, I believe that has completed the area of Disability Services - no, I was of the wrong assumption there.

Mr FINCH - In respect of children, please, minister - respite for children: how are they supported and what programs are there?

Ms O'CONNOR - Through a range of programs and organisations like Star, but I will get some more detailed information on that.

Mr FINCH - Perhaps therapy services as well for children specifically.

Ms O'CONNOR - The children's therapy services were the last to be outsourced to the community sector; is that right?

Ms GANLEY - Children's Therapy Services from disability is funded through the St Giles organisation and they provide it in the south and in the north of the state. In the north-west of the state it is actually provided through the health service system.

Ms O'CONNOR - Are you also interested in children's respite services as well?

Mr FINCH - Yes.

Ms O'CONNOR - As you are aware, the reform of the disability sector outsourced the provision of those services to the non-government sector. Following the outsourcing process centre-based respite services for children and adults are now managed by Star Tasmania in the south and Optia Inc in the north-west of Tasmania. New community-based recreation and respite options for children are provided by Cosmos Recreational Services in the south and Baptcare Family Services in the north and north-west. Children's respite services were transitioned to the community sector in two parts: centre-based respite services on 2 August 2010 and recreational services in September 2010. The age range for respite services is zero to five years.

We believe that children five and under benefit from a more family-based, individualised and nurturing environment, so the Gateways work very closely with families of children with disabilities under the age of five, and the services in their local areas to provide appropriate respite alternatives in family-based community or host-family environments.

DCS funds Family Based Care North West, Community Based Support South, Langford Support Services and St Giles Society to provide these services. St Giles is the largest respite

UNCORRECTED PROOF ISSUE

provider of these services for children and youth receiving funding for in-home respite in the north and south, and they are funded to provide centre-based respite having one respite house in the south and one in the north of the state. Did that answer your question, Mr Finch?

Mr FINCH - Yes, and just the add-on to that is: how stretched are those services? Can I get some sort of view as to whether the services are meeting the requirement, or do we have a situation where children are perhaps missing out?

Ms O'CONNOR - I believe we are doing quite well in the children's respite and therapy space, but I will ask Ms Ganley to go to the detail.

Ms GANLEY - Like for a lot of our services there is a pressure for access to respite services, but sometimes it is about working with the individual and the family because respite might be the immediate solution, but it is actually looking for a longer-term ISP package. We do look at a range of flexible options that provide a respite effect as opposed to just true centre-based respite or recreational respite. We meet the demand as it presents, but people do need to book and have access on a rostered basis. People have indicated to us they would like to look for additional respite, particularly in that recreational respite experience area rather than the traditional centre-based. They are always full and they are meeting the demands at this time.

Dr GOODWIN - I have a question on the children's therapy services. Does that fall under this area?

Ms O'CONNOR - Yes.

Dr GOODWIN - What is the level of funding for children's therapy services? What are the waiting lists around those services, and is the level of demand being met?

Ms O'CONNOR - Are you talking broadly about all children with disabilities, or children who are on the autism spectrum therapy services?

Dr GOODWIN - I am not entirely sure what is covered in this area, under disability services.

Ms GANLEY - We would probably need to take on notice the St Giles funding level, because I do not have it here. They are the largest provider; they provide a therapy service through a range of disciplines. We also fund Autism Tasmania, not so much to deliver therapy but to provide information. Many of our services cross over. You might be going to St Giles therapy for some speech therapy but you might also be looking for an individual support package to help you live at home with family, so we match them up.

Ms O'CONNOR - We made an extra allocation in the 2010-11 budget of \$1 million over four years towards early intervention and support for Tasmanians living with autism and their family. In 2010, Autism Tasmania was funded \$125 000 recurrent for four years to deliver early outreach support to children and their families and to coordinate professional learning opportunities across the state. A further recurrent allocation of \$70 000 was made to Autism Tasmania after we worked with them to understand the level of need and service gaps to make this extra allocation to improve information, referral and access to respite for families of children on the autism spectrum, and to augment current services and projects. The total funding to be received by Autism Tasmania in the 2011-12 financial year is \$199 151, excluding GST. The funding this year will be at a similar level.

CHAIR - I want to clarify that you are only looking for the information in relation to the funding of St Giles?

Dr GOODWIN - Yes, because the minister has just answered a different question as well.

Ms O'CONNOR - We will bring that information back to you.

3.3 Housing services -

Ms O'CONNOR - I would like to introduce committee members to our marvellous Director of Housing Tasmania, Mr Peter White, who was formerly the head of the Housing Innovations Unit and has very significant experience in the provision of social and affordable housing in Tasmania.

What we are aiming to do in social and affordable housing in Tasmania is a reform process that recognises that housing is a continuum. At some point in your life you may need public housing as a continuum. At some point in your life you may need public housing but there might be another point in your life where you are able to, through a scheme like Home Share, for example, work with the government to own your own home. It is a continuum that we are talking about here, from homelessness or being at risk of homelessness, through to home ownership.

[12.25 p.m.]

What we are working to do in projects like Clarendon Vale, for example, is to break through that intergenerational disadvantage. I know Ms Goodwin is very familiar with the Clarendon Vale area and there is so much strength and capacity in that community. What the people of Clarendon Vale need is a hand up, basically, not a handout. That is why we are working with community housing providers to make sure we are changing the dynamic of some communities that for decades and through generations have been subject to cyclical disadvantage.

We recognise that the provision of social and affordable housing, the prevention of homelessness is a whole-of-community responsibility. We all have a responsibility to tackle homelessness and prevent homelessness, but also to support communities that have experienced significant disadvantage. In Clarendon Vale, for an example, we are making available subsidised lots of land that will be part of the reform package so that we are encouraging home ownership within Clarendon Vale which is a suburb of very low home ownership. This is part of the reforms that we are undertaking in housing.

CHAIR - Thank you, minister. I will invite Mrs Taylor to commence the lines of questioning.

Mrs TAYLOR - My apologies in advance, minister, that some of these questions have already been partly answered in the previous two bits, so I am not asking you to repeat the bits you have already done. But I do want to drill down a little bit more into some of the housing services area and then I have some specific questions about specific projects.

You may remember that last year there was a line that said you were going to do strategic re-prioritisation of asset-related expenses. You translated that to say that you were going to spend your maintenance dollar smarter and that the maintenance budget last year had been trimmed, at least in this current financial year, but you have brought the maintenance liability down. As I

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recall, the maintenance liability was then about \$98 million. This year you have said two things. The increase in housing services in 2012-13 primarily reflects additional funding for maintenance, including energy-efficient works. I would like to take those two separately because they are the maintenance thing that is longstanding, as you say, with old housing stock and whatever. Then there is the energy efficiency. Has the maintenance liability decreased from \$98 million, as you were hoping it would do, which was backlog stuff?

Ms O'CONNOR - My advice is that the current maintenance liability sits at about \$90 million. The maintenance budget for this year is \$36.1 million and we are still spending the money smarter because we undertook a proactive maintenance audit of our stock and identified basically what the maintenance issues are across the portfolio, which enabled us to do much more proactive maintenance. While we had the opportunity to have a more detailed understanding of the quality of our stock, we re-prioritised part of our maintenance budget, so that when we go into a home to do maintenance works, we are also able - of course not in every instance - to undertake energy-efficiency upgrades.

In the previous year we used part of our maintenance budget, re-prioritise it, so that we were doing, in some cases, basic energy-efficiency upgrades. We have also funded the Energy Champions program where we are doing solar hot water and insulation upgrades for some homes.

Mrs TAYLOR - I understand. That is why I was trying to separate the two though, because you did have a backlog of \$98 million. You are telling me that is now down to \$90 million, which is good. This current financial year your maintenance budget was \$35.8 million and this year it is \$36 million?

Ms O'CONNOR - It is \$36.1 million. My understanding of last year's maintenance budget is that it was just over \$34 million.

Mrs TAYLOR - That was your figure, \$35.8 million.

Ms O'CONNOR - Okay. As part of the savings we needed to apply last year, the maintenance budget was trimmed by around \$2 million because, again, it is part of an objective to try to diffuse the impact of the need to find savings. In theory, it would have an impact on the level of maintenance we are able to provide but because we have done the groundwork to understand the nature of the stock, we are spending the money we have a lot smarter and we are able to do more works within that process.

There is significant pressure on our maintenance budget because we are dealing with some pretty daggy old buildings that were built to one-and-a-half star, if that, made out of the cheapest possible material at the time. That is why our maintenance liability still sits at the level. We are re-profiling stock as we go. We make available some houses for sale, for example three-bedroom properties.

Mrs TAYLOR - That should take it down by natural attrition almost, one would think. When you get rid of some of the old stock your maintenance budget on that old stock should drop. But you are spending it on energy-efficient stuff and that is great.

Ms O'CONNOR - We are still dealing with an incrementally ageing stock, so even as you re-profile and build new homes that have, hopefully, in the first instance very little maintenance

UNCORRECTED PROOF ISSUE

liability, our 13 000-plus public housing properties have maintenance issues because of the age of the vast bulk of the buildings.

Mrs TAYLOR - Of that \$36 million you are telling me is in the maintenance budget this year, and is obviously now for maintenance and measures, can you split that?

Ms O'CONNOR - Ms Bresnehan has advised me that \$3.5 million out of the maintenance budget is going directly towards energy efficiency. Just to clarify, out of the existing maintenance budget, \$2.5 million goes onto energy efficiency, but we have secured an extra \$1 million this year in the budget so we can continue our rolling upgrades in our housing stock, bringing down power bills for our tenants to some significant degree.

In terms of homes, for the extra \$1 million investment we can provide upgrades to around 550 Housing Tasmania properties. In terms of the breakdown of the planned maintenance work, we did the independent review in March 2010 and went through a pilot program that started in January last year - this is the proactive maintenance - involving internal painting, kitchen replacement, bathroom replacement and replacing floor finishes. There are 220 properties that have had this significant planned maintenance upgrade in the financial year 2011-12, at an average cost of \$30 000 per property, representing a total cost to the maintenance budget of around \$6.6 million. Planned maintenance involves a strategic approach to non-urgent works that restore, improve and extend the asset life. This initially incorporated a small preventative maintenance component, which has not continued in the latest pilots.

The spend is a separate bucket of money to the \$36 million, but there is \$2.5 million

Mrs TAYLOR - Sorry, in the \$36 million?

CHAIR - So if you count the energy efficiency and the planned capital maintenance, it would be around \$40 million?

Ms O'CONNOR - Yes - the \$3.5 million is on top of the \$36 million.

Mrs TAYLOR - But is it still within this housing services budget?

Ms O'CONNOR - Yes.

Mrs TAYLOR - That is really good. Can you tell me what kinds of energy efficiency measures we are talking about in these 500 homes?

Ms O'CONNOR - There is a range of works that we do. There is an audit process that happens and Sustainable Living Tasmania is part of that audit process where we determine what the best energy efficiency upgrades would be. They can be anything from energy efficient light bulbs to draught stoppers, to water-saving shower heads, right through to the provision of solar hot water and increased insulation or improved floor coverings to a property.

Mrs Taylor - You are doing that, I think you said, to 500 properties? Are you talking mostly about new or existing ones?

Ms O'CONNOR - For a \$1 million investment, we can provide energy efficiency upgrades to around 550 properties. But the hundred energy champions is a program we undertook. We

UNCORRECTED PROOF ISSUE

communicated with our tenants and said, 'Would you like to be part of a major energy savings program that the department has funded?'. One hundred tenants came forward and it is their households that have had the most significant energy efficiency upgrades because we needed to determine the value of the investment in improving the quality of the asset and, most importantly, in helping tenants manage their energy costs. The energy champions received the solar and insulation upgrades, but there has been a much broader application of quite minor energy efficiency upgrades that can bring down a tenant's power bills by up to \$300 a year just through quite simple measures. With those upgrades goes an education component that also helps our tenants manage their energy use.

A little bit more detail on the winter energy efficiency program which comes under our maintenance budget. The initial winter energy efficiency programs saw approximately 300 households receive one or more energy efficiency upgrades. This includes replacing old electric and wood-burning heaters with heat pumps, natural gas and heat transfer systems in houses that are prone to mould and mildew; replacing old steel or timber windows to reduce draughts; upgrading roofs, including insulation, underfloor insulation in poorly performing properties to improve thermal performance; and ceiling insulation was upgraded to the current Builder's Council of Australia standard, if needed. The hundred energy champions installed 100 solar hot water systems across the state, 26 units in the north, 24 units in the north-west and 50 in the southern region. Participants also received an energy audit and other energy savings measures, including light bulbs, shower heads, insulation and draft-proofing.

A recent report by Sustainable Living Tasmania indicates that the average tenant has saved \$600 each year as a result of the hundred energy champions program.

Dr GOODWIN - \$600 a year?

Ms O'CONNOR - \$600 a year.

Mrs TAYLOR - It is a lot of money; it is great. Can I ask you whether those hundred champions and maybe even the 300, is that 300 extra to the 100?

Ms O'CONNOR - Yes.

Mrs TAYLOR - Is that old or new stock? I know it is not your new build because your new build does have good energy efficiency measures already in them, but is it older stock?

Ms O'CONNOR - Is it standard stock.

Mrs TAYLOR - That is really good. I do want to compliment you, minister, on the Hopkins Street project -

Ms O'CONNOR - Isn't it beauty?

Mrs TAYLOR - Yes, it is fantastic. I think you said last year that Colony Housing was going to manage that for you. Is that still being done?

Ms O'CONNOR - Yes.

Mrs TAYLOR - Is it going well?

[12.30 p.m.]

Ms O'CONNOR - It is going extremely well. I went out to a little event at Hopkins Street four or five months ago and spoke to the tenants. Because of the need in the housing system in Tasmania, some of them feel like they have won the lottery because these are outstanding examples of contemporary housing. We visited one tenant who is very proud of her home. She said she had to use the heater for half an hour that morning and then she turned it off and we walked into a beautiful warm cosy unit. The beauty of the design of Hopkins Street is that the units encompass an internal courtyard, a recreational area -

Mrs TAYLOR - As I recall, we fought hard for that.

Ms O'CONNOR - It is a marvellous development.

Mrs TAYLOR - As you will remember, it wasn't the original plan that TAHL (Tasmanian Affordable Housing Unit) designed; you redesigned it and did a much better job. It is really good and I am very happy with that.

Ms O'CONNOR - We did.

CHAIR - We have a couple of more maintenance questions, so it might be useful to do those while we are talking about maintenance.

Mr DEAN - On your maintenance program and your kitchen and bathroom replacements, is that all done by contract?

Ms O'CONNOR - We have a head contract arrangement and they subcontract. I might ask Mr White to answer this detailed question.

Mr WHITE - Thanks, Minister. Yes, we have two head contractors across Tasmania. In the north and north-west of the state it is Lake Maintenance and in the south it is Hazell Brothers. Those contractors use a lot of local subcontractors for joinery, plumbing, electricians, et cetera, for the work they do.

Mr DEAN - Those head contracts - do they come up annually, or how long are they in place for before you go back out to assess the contract value?

Mr WHITE - The current contracts do expire on 30 June 2013 and they were for a four plus two year period, so a total of six years with a two-year option, which Housing Tasmania exercised approximately a year and a half ago. We will be calling tenders later this calendar year for new head contracts across the state.

Mr DEAN - How do those contracts work? Explain to me how this works? Is it done on an annual basis which will cost you so much?

Mr WHITE - Basically, it works under what we call a schedule of rate items. There are literally hundreds of items of work we would ask to be done and they are priced as a result of the tender. The tender process went through a detailed pricing mechanism done by quantity surveyors. In the tender the proponents had to nominate a percentage variation for those prices and that was part of the value-for-money assessment of the tender process. For example, if you

had to replace a door, there is a scheduled rate item for the replacement of a door as a fee. What happens then is that tenants have responsive maintenance needs - toilet leaking, et cetera - and those works are ordered up, the head contractor is given an order and goes out and does those works in accordance with that. Their charging then reflects that schedule of rate items.

In terms of budget risk, which is I suppose is where you are getting to, that is held by Housing Tasmania and that is why we have to manage our programs across both responsive and planned maintenance in accordance with our budgets. If we are, if you like, over budget, we would have to cut back on some of the work we would order and, in some cases, that may be planned maintenance or whatever in order to maintain or retain within budget.

Mr DEAN - The other question is, how much work was done last year and how many homes received the support in relation to the draught stoppers and showerheads and so on? There was a budget last year for it; did you achieve what you set out to achieve last year with that budget on the number of houses?

Ms O'CONNOR - I will just get the detailed information for you there. I have asked for hard numbers on this. It is a little bit difficult to disaggregate what was an energy efficiency upgrade and what was an incidental upgrade that went with another job. I have tried to get the hard numbers there; we might take that one on notice. The mission was to provide energy efficiency upgrades to around 3 000 households. I am not sure that we exactly met that target, but it is an ongoing program and, as you are aware, we have another \$1 million this year and then \$5 million also, with \$2.5 million this year and \$2.5 million in the following year to keep continuing our energy efficiency upgrade.

Mr DEAN - That is good.

Ms O'CONNOR - We have set a target for this year of 2 000 properties to undergo an energy efficiency upgrade.

Mr DEAN - That is on notice and that will be good to come back.

Ms O'CONNOR - Sure, and I have the answer to your question on the Housing Tasmania staffing as well.

Mr DEAN - How do you assess those homes that will be first to receive attention - in other words, do you do it on the age of the home? This year you have set aside a target of 2 000, so what 2 000 houses will be identified for the upgrade in energy and all of those things? Is it the oldest houses you currently have on your list that have not been upgraded, or do you identify an area? How is actually done?

Mr WHITE - To be honest, it is a combination of both. We obviously look at those properties that are older. We obviously also have to make judgments, though, when we are investing in stock about whether it is stock we would want to retain for the long term, so it is the appropriateness of those homes for the client groups. We can obtain some economies by targeting certain areas and suburbs of streets. For example, in Warrane if we went down Bligh Street we could pretty much do most of the homes there and get a saving by having the contractors in the one area. There are those considerations given.

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Mr DEAN - The reason I asked that, minister, is because of complaints I have received from people living in Mayfield and residences there, an older Housing Tasmania area where they say they are not getting the same level of support for those issues as other areas are. They say that more modern homes are being given preference over some of their homes. That is the point I am making.

Ms O'CONNOR - I am not sure about the Mayfield situation, but I am actually really glad to hear that tenants are aware of our investment in energy efficiency and keen to be part of it.

Mr DEAN - There is not much point them being aware if something is not being done about it.

Ms O'CONNOR - Mr Dean, the issue that we have here is a quantum of money that we need to spend in a staged way. We have not stopped spending on energy efficiency. It is a core objective in the housing portfolio now and there is in the forward years over this coming two years an extra \$6 million going towards energy efficiency. Now that you have mentioned Mayfield, I am sure it is lodged in Mr White's mind and we will take that up.

Mr DEAN - My other question is whether the money is being apportioned equally around the state in your Housing Tasmania homes.

Ms O'CONNOR - Yes.

Mr WHITE - Yes, that is the case. It is certainly spread around the state.

Ms O'CONNOR - We do not play regional favourites in housing.

Ms BRESNEHAN - May I add to the conversation. There are two components and one is responsive and the other is planned. The responsive is all that emergency stuff and the majority of our money goes into that. The bit where you can plan where we will go and what is the priority is in the smaller plan maintenance bucket.

Mr DEAN - When you say 'responsive', what do you actually mean by that?

Ms O'CONNOR - That is when a tenant rings up and says, 'My tap is leaking. It's been leaking for a week', or 'my window is broken, could you please come and fix it'; that is responsive or reactive maintenance.

Mr DEAN - If someone says that their heater is not working properly you would then do the full assessment on that house for everything?

Ms O'CONNOR - Not necessarily, no. I remember us having this discussion last year, Mr Dean, about how long it takes us to respond to maintenance issues.

Mr DEAN - That is right, and that was going to be my next question.

Ms O'CONNOR - I am very glad to be able to answer proactively. For priority of maintenance requests it is determined on the basis of what information is provided to us by tenants. Priority one is an emergency and we respond to that within four hours. An emergency might be something like a smashed window or -

Dr GOODWIN - An electrical wire.

Ms O'CONNOR - an electrical wire -

Dr GOODWIN - A blocked toilet maybe.

Ms O'CONNOR - A blocked toilet would come close to being an emergency, Ms Goodwin. Broken water pipes would fit into the emergency or urgent category. Priority two is urgent and we respond within 24 hours. Semi-urgent we respond to within 48 hours. Special repairs for specific client needs we will respond to within a week. Priority five, general repairs within 28 calendar days and for a vacation maintenance, which is a vacant property, within eight working days.

Mr DEAN - I raised this question, minister, as a result of a house in Mayfield where, I think, three rooms were covered in mould throughout. That is where the issue came up about maintenance and heating.

Ms O'CONNOR - Did that constituent of yours communicate with Housing Tasmania?

Mr DEAN - I presume she has because she has not got back to me.

Ms O'CONNOR - Hopefully we have a satisfied customer.

Dr GOODWIN - I had a constituent who had a similar issue who is a very satisfied customer, so I place on the record my thanks to Housing Services for getting onto that. She was absolutely thrilled with the response she received.

My question is around that urgent/non-urgent situation with the maintenance issues. Ms Bresnehan, you pointed out the different categories. Do you have a breakdown of how many incidents fall into that urgent category?

Ms BRESNEHAN - Not with us here, but we have data we can provide.

CHAIR - Do you want the number and quantum?

Dr GOODWIN - Probably just the number would be useful, if there is a comparison over a couple of years, to see whether there has been an increase in the urgent. With ageing stock, you might expect there to start to be increasingly more urgent matters. I am curious as to whether that is the case.

Ms O'CONNOR - We will take that on notice.

CHAIR - Over a three-year period, would that suffice?

Dr GOODWIN - Yes, that would be useful.

Mrs TAYLOR - We were in Hopkins Street a little while ago and said all those lovely things about Hopkins Street, but one of the things you said in your opening address, minister, was that this is green housing and has been addressed as 'liveability', all of which is true. However, you

UNCORRECTED PROOF ISSUE

mentioned there had been consultation with the State Architect and that is one of the reasons why this project is so good - and projects you now have planning, and Brent Street comes to mind.

I am a bit concerned about the future. We currently do not have a state architect and I have not heard that there are plans to replace him. What are you going to do instead? How are you going to get the expertise he has provided in the past?

Ms O'CONNOR - We contracted the State Architect to deliver the residential development strategy to us, which applies the most contemporary design and liveability standards. That is our green print for social and affordable housing in Tasmania. In terms of our requirement for the State Architect's expertise, that was effectively a one-off job.

That said, I think there is a need for a state architect in Tasmania. I am very disappointed in the Liberals' policy, which is to abolish the position. The cost to the state on an annual basis of the State Architect was around \$265 000 a year. Peter Poulet, who was our previous state architect, provided a whole range of advice across agencies on the capital cities program and planning. I would love to have a state architect available now to guide us around some of our housing developments and reforms. There has been no decision, as I understand it, not to reappoint a state architect; there is no formal decision, it is that it is not funded, as I could find it in the budget papers, but I think that is a temporary situation. I hope it is a temporary situation because if we are going to improve the quality of our housing, and the liveability of our communities, and the look and feel of our social fabric, a position such as the state architect is very important.

I think it was low politics on the part of the Liberals to identify, as part of their budget savings, a \$265 000 position which is a very good investment in improving the look and feel -

[12.45 p.m.]

Dr GOODWIN - Minister, you have had a go at the Liberals on that and it is in fact the government which hasn't funded that State Architect position for this year, I think to be fair -

Mrs TAYLOR - Chair, we do not want to get into politics here.

CHAIR - We won't be getting into politics.

Dr GOODWIN - We did get into it and it is fair enough for me to respond on behalf of my party.

CHAIR - We won't be continuing it, and I will ask the minister that we keep those comments to ourselves. They are not very helpful here.

Mrs TAYLOR - My question is certainly not about politics, but personally I did see great value in a state architect. As I see it, that position has not been abolished, but for you, you are quite right in that you say you had him do a particular job and got a contemporary, up-to-date - what was your word?

Ms O'CONNOR - A 21st century housing strategy.

Mrs TAYLOR - But contemporary changes, but while it is terrific now and for the projects you now have mind, there are future projects that are going to need that same sort of advice. As

you have said already yourself, there are future projects coming on board that you would like that sort of advice for.

Ms O'CONNOR - I would like there to be a state architect available to talk about specific developments and projects, but I would say that the Residential Development Strategy that he delivered is a living document and it guides us in Housing Tasmania and the Housing Innovations Unit in how we plan and develop housing. One example of it is Brent Street, the former Brent Street Primary School site, where we made sure that in the tender process for Brent Street it was very clear that we expected applicants to apply those liveability standards that were embedded in the Residential Development Strategy. We in Housing live and breathe the document that the state architect provided to us.

Mrs TAYLOR - Excellent. Thank you.

CHAIR - Minister, before you leave that state architect, can I clarify: did you infer that Housing Tasmania actually paid for the State Architect's service?

Ms O'CONNOR - We had an allocation to -

CHAIR - Why? Why would you need to do that when he was already contracted by the State of Tasmania?

Ms O'CONNOR - No, there was a whole range of work that he undertook as part of that. It wasn't a very significant cost. I might ask Mr White to talk a bit more about that.

CHAIR - Can we have that cost?

Mr WHITE - I believe the cost was \$40 000, but it reflected the additional time and effort that his office had to put in and research, et cetera, to be done to produce that work. It did take almost a year to complete the work. It was paid by the Housing Innovations Unit out of the Housing fund to his office to support that work and the people he needed to have on board to assist him with doing that project.

Ms O'CONNOR - He drew in extra resources - sorry, Madam Chair - but the State Architect was one person with, I think, he had a part-time telephonist support and he did work with other architects and designers to develop the strategy. He needed to pull in extra resources.

CHAIR - Effectively, that office did not cost \$265 000, it cost \$305 000 from government sources, from government funds. I am just clarifying that in my mind.

Ms O'CONNOR - I think it is an excellent investment personally.

Mr GAFFNEY - Madam Chair, it is like if any organisation within the government uses the expertise for another one, they have to cost their time and allocation out, so it is extra.

CHAIR - I was just getting an answer clear in my mind, thank you.

Mr GAFFNEY - It is not an extra \$40 000.

CHAIR - I am getting it clear in my mind, my question.

Mrs TAYLOR - Can I go back to then, please, to Brent -

Ms O'CONNOR - Hopkins Street.

Mrs TAYLOR - No, no, we have finished Hopkins Street - Brent Street Primary. I would like to hear how that is progressing, but also there are other sites and I think you have a number of school sites - I am talking about school sites now that have been found surplus to requirements by the education department and a number of which you have indicated in the past at least are being considered if not agreed to as housing. There are three in the Burnie area, Spreyton, North Burnie, Somerset.

Ms O'CONNOR - There are some very appealing properties that are available through the education department.

Mrs TAYLOR - Can I just ask about progress?

Ms O'CONNOR - I am going to ask Mr White to talk about the specifics of this because we have a finite pool of funds that we can allocate to the purchase of land or property, and Mr White has more information -

Mrs TAYLOR - You mean Treasury is not giving it to you?

Mr WHITE - Thank you, minister. With Brent Street Primary we are in the middle of a tender process. We sought initial expressions of interest from private organisations together with not-for-profit partners and they provided some initial concepts, some idea of what they would get out of it and what sort of affordable housing mix we can achieve on the site, which will include a mixture of some community-based housing as well as affordable home ownership. We have short-listed some proponents out of that process and they are now preparing final submissions as part of tender to come back to us, that we would then select one of those organisations to go forward with and, with community consultation and into council, to seek rezoning and development approval.

Mrs TAYLOR - Do we have a plan yet?

Mr WHITE - We have had plans put in front of us but the tender process to select someone is still happening until we complete that process.

Mrs TAYLOR - They might not be the plans that are the final plans?

Mr WHITE - That will depend on council's interpretation. There is consultation happening with council officers from the proponents. That was an expectation of us that they have conversations and discussions with the planning officers the merits of what they are proposing. It is fair to say that the proposals we are getting are different, which is great. People are approaching the problem or the project from different perspectives. But, as the minister alluded to previously, they have to be done in accordance with the residential development strategy that we have developed.

As you would clearly understand, when you put the challenge to someone to say we want to see this site developed in a responsible manner with sustainable development, three or four

UNCORRECTED PROOF ISSUE

proponents will look it from very different viewpoints on the type of housing they will provide and the fabric and the layouts, et cetera.

Mrs TAYLOR - You do not yet have that clarified as to what that mix will be?

Ms O'CONNOR - We are waiting to see what comes through the tender process.

Mr WHITE - No, not while the tender process -

Mrs TAYLOR - Minister, my question is related to the fact that how long have you owned this now? Four years, five years?

Ms O'CONNOR - Brent Street? Two years.

Mr WHITE - Brent Street? No, we acquired the site, I believe, just over 12 months ago from the Department of Education. I believe it was May last year, is my recollection.

Mrs TAYLOR - That astounds me because you and the minister have talked about plans for this site for some years and there have been pictures of what we might do, certainly more than a year ago.

Ms O'CONNOR - I can only take Mr White at face value because he has a much more detailed memory for these things than I do. But I would say that it has been part of - we know that because Brent Primary School came up basically three years ago as part of the big-picture school development and the movement in the northern suburbs to consolidate schools. Brent Street did not come onto the market any more than a couple of years ago. If we have had conversations about it, and I am sure we have, it is because I would have known that Housing Tasmania saw it as a highly desirable site to own. It is one of two school sites at the moment that we are working to develop. The other one is the Somerset Primary School site on which we are working with the trustees of the Diocese of Tasmania to develop new affordable housing and a community hub at Somerset under round 4 of NRAS.

I have just been advised here that the church has withdrawn from this project but we are master-planning the project for Better Housing Futures reforms.

In terms of land that we are developing, are you interested in finding out which land we have purchased?

Mrs TAYLOR - Yes.

Ms O'CONNOR - We have been through an extensive process of master-planning Huntingfield, which I think is 76 hectares. It is a massive site. It is an excellent site for social and affordable housing, and Sinclair Knight Merz is doing the master planning for us. One of the issues that we have identified is that, along the rivulet are some significant Aboriginal cultural deposits. We are working with the Aboriginal community to make sure that is managed through, so we can protect those areas of cultural significance and develop Huntingfield around the site.

Lindisfarne is another area of land, how many hectares, Mr White, of the top of your head?

Mr WHITE - I think it is around eight hectares, minister.

Ms O'CONNOR - We will not hold you to that. We have sold a site to Roland View Estate Trust Inc., which is a not-for-profit aged care organisation at Penguin. On 12 October 2010, the then-Treasurer approved the allocation of \$6.4 million from the housing fund for the acquisition and release of land for residential development, including the acquisition of school sites. That is how we purchased Brent Street and Somerset primary schools.

CHAIR - Thank you, minister. We have one more question in relation to this and then we will break for lunch.

Mr DEAN - I want to know what the position is in relation to St Michaels? Has that ever been resolved?

Ms O'CONNOR - I believe it is resolved.

Mr DEAN - Is it? I have not been advised of it because that purchase commenced about five years ago. Where are we at? Did Housing Tasmania purchase it? Is there going to be a development there?

Ms O'CONNOR - I think it was an issue with the Department of Education.

Mr WHITE - Correct. It is really a question for the Department of Education. Housing Tasmania advised them some time ago it had no interest in purchasing the site. We really had other priorities and it did take a long time to get to the point where education were able to assemble the land, if you like, into a title and I still do not know if that has been achieved, to be honest. They were advised, I would suggest, almost 12 months ago, if not longer, that Housing Tasmania did not have an interest in purchasing the site.

Mr DEAN - At the time, that was deemed by Housing Tasmania to be a supreme site for development. So has Housing Tasmania now looked at any other sites in the Launceston area for development, or any other land for development? Or is there no further consideration in that area? What is the position?

Ms O'CONNOR - What I do know is that with our developments in the north of the state and in Launceston particularly, there is Time House and York Street which were major capital investments from our point of view delivering a total of about 50 or 55 units.

Mr WHITE - Yes, we had quite a number of projects under the nation building program in the north of the state, Launceston in particular, including those from both the not-for-profit sector and ourselves. One of the things that happened in the process around that St Michaels site was that we were able to buy, for example, the Wentworth Street site in Newstead which has now been developed into units. We bought some land in Watchorn Street, South Launceston, which has approval now for seven units as well. There is other land acquisition, if you like, that took place that was land that had title and was ready to go.

Mr DEAN - And you have no interest, minister, in the Rocherlea site, I take it?

Ms O'CONNOR - Whether I am personally interested in it or not is irrelevant, but Housing Tasmania -

UNCORRECTED PROOF ISSUE

Mr DEAN - I am asking whether Housing Tasmania has an interest or expressed an interest in it?

Ms O'CONNOR - Which particular Rocherlea site are we talking about?

Mr DEAN - The old primary school site which is, once again, a very good land area.

Mr WHITE - It is not a site that is especially suitable for our requirements. The problem with that primary school site is that it is on the wrong side of Lilydale Rd to really integrate into a residential area. My read on that area would be that that site is possibly better as a light industrial or commercial-type site, and we really did not have any plans. We are obviously looking at some master planning of the Rocherlea area to occur and we have approximately 38 or 39 hectares of land in Rocherlea that is already there and vacant.

CHAIR - Thank you, minister, and the last question on Brent Street is from Mrs Taylor.

Mrs TAYLOR - I am sorry; it was just to finish off that bit on Brent Street. You told us, Mr White, that it is now out for tender and whatever. When do you expect to have a development application ready - the time, please?

Mr WHITE - We would be anticipating that the tender process would be completed, say, over the next six weeks.

Mrs TAYLOR - And then?

Mr WHITE - From there, we obviously have to enter into development agreements with the preferred proponents and I would expect there would be some consultation. It would probably be a two to three-month process beyond that for plans to be submitted into council. I suspect it would be done as a 43A application with combined rezone and seeking development approval for the development that will proceed on the site.

Mrs TAYLOR - This calendar year?

Mr WHITE - I would anticipate, yes.

Ms O'CONNOR - But the sod would not be turned, do you think, until towards the end of the year or early next -

CHAIR - Not with an application for a 43A.

Mr WHITE - A 43A with a rezone does hold it up.

CHAIR - Thank you.

The committee suspended from 1 p.m. to 2.00 p.m.