

CORRECTED PROOF
GENERAL PURPOSE STANDING COMMITTEE NO. 2

Monday 8 October 2012

Examination of proposed expenditure for the portfolio areas

AGEING, DISABILITY SERVICES

The Committee met at 9.00 a.m.

MEMBERS

The Hon. M. A. Ficarra (Chair)

The Hon. J. Barham
The Hon. D. Clarke
The Hon. J. A. Gardiner

The Hon. A. Fazio
The Hon. P. Green (Deputy Chair)
The Hon. H. Westwood

PRESENT

The Hon Andrew Constance, Minister for Ageing, and Minister for Disability Services

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: I declare this hearing of the inquiry into budget estimates 2012-13 open to the public. I welcome Mr Andrew Constance and all the accompanying officials to this hearing. This morning the Committee will examine the proposed expenditure for the portfolios of Ageing, and Disability Services. I need to make some comments about procedural matters. The first is the broadcasting of proceedings. In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of the Committee, members of the media must take responsibility for what they publish or what interpretation they place on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available on the table by the door.

Any messages from advisers or members of staff seated in the public gallery should be delivered through the Chamber and support staff or the Committee clerks. Minister Constance, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. A transcript of this hearing will be available on the web from tomorrow morning. Minister, the House has resolved that answers to questions on notice must be provided within 21 days. I remind everyone to turn off their mobile phones, or put them on silent. All witnesses from departments, statutory bodies or corporations will be sworn in prior to giving evidence. Minister, you do not need to be sworn in as you have already sworn an oath to your office as a member of Parliament. I ask all other witnesses to state their full names, job titles and agency, and swear either an oath or an affirmation. I declare the proposed expenditure for the portfolios of Ageing, and Disability Services open for examination. As there is no provision for a Minister to make an opening statement before the Committee commences questioning, questions will begin once witnesses are sworn in.

JIM MOORE, Director General, Department of Family and Community Services,

MAURA BOLAND, Deputy Director General, Strategy and Policy, Department of Family and Community Services,

ALASTAIR HUNTER, Deputy Director General, Corporate Services, Department of Family and Community Services, affirmed, and

JIM LONGLEY, Chief Executive, Ageing, Disability and Home Care, sworn and examined:

CHAIR: I now declare questioning time open.

The Hon. HELEN WESTWOOD: Minister, we are hearing concerns from the sector about the way Stronger Together Two money is being spent. Given the recent failure of the Ability Links tender and the subsequent set-up of the task force to look at Ability Links delivery, how have you delivered the Stronger Together 23,900 places for decision support services for 2011-12 and part of the 3,900 places for 2012-13?

Mr ANDREW CONSTANCE: Thank you for the question. First of all, I would not mind getting some further information as to who is expressing the concerns to which you alluded, because from my perspective we are injecting record levels of money into the system; we are injecting a record number of places into the system. The Stronger Together program, as you would all know, was commenced due to the efforts of John Della Bosca in 2006. That is a program that the O'Farrell Government has continued, and has strongly supported since it commenced back in 2006. I note that we have increased funding by 33 per cent above the first five years in which the former Government set funding levels. That means that there is some \$2 billion in growth moneys associated with this Stronger Together program. So I am obviously keen to hear where those concerns are coming from, because we are doing our level best at a time when there is enormous pressure on the system, and that is why we have argued strongly for a National Disability Insurance Scheme.

Specifically in relation to decision supports, we have just undertaken probably the most comprehensive consultation ever undertaken in the sector around Living Life My Way, which is very much about moving the system to one that is based around the individual. Of course, the concern resides in the degree and capacity that might exist within an individual or within the service system to enable, for the first time in many people's lives, people to make decisions, as opposed to being dictated to by government, as to what supports and services they will have. Partly as a result of that consultation, it became very clear to us that we needed to inject more in our decision-making capacity. At the end of last financial year I announced a \$5 million Consumer Development Fund, which is being administered by the NSW Council for Intellectual Disability, involving the whole sector in looking at that capacity. I see that as a very important step in building greater capacity amongst individuals.

In relation to Ability Links, we issued a tender, it went to the market and a market failure was associated with it. I was not prepared, and neither was the agency, to spend millions of dollars—it was an \$82 million tender, if I remember correctly—and have the non-government sector respond in a way that we felt would not deliver the best outcomes for people with disabilities. So we held it up. I then instigated a task force which involved a number of key people from across the sector—Jim Longley might add to what I am saying—and a report is being undertaken to look at ways in which we can achieve capacity within the sector to be able to meet this need.

I cannot emphasise too much the importance of Ability Links and local area coordination, because ultimately that will be one of the building blocks associated with the National Disability Insurance Scheme, and of course it also underpins our reforms as they relate to a person-centred approach. For the benefit of the Committee, what we are after is local area coordinators—people who will be in the community and there to support people with disabilities by linking them with particular support services. But, more importantly, they will be about community capacity building. So they will be advisers supporting community organisations, making sure that those organisations can better cater for people with disabilities. What we will see as we turn to the choice of control model is people moving beyond what have been the traditional supports and wanting to engage more broadly in the community, and they have to be supported in that process.

Local area coordinators are the way to go; there is no doubt about that. As I said, it has been identified as a key building block with the National Disability Insurance Scheme. The problem we had is that when the tender came back we felt that those who bid were not able fully to meet the requirements of what we were

seeking and, as a result, we commissioned a task force to look at that. Overall, we are looking at about 248 local area coordinators around the State by 2014, and 27 of those places will be specific for the Aboriginal community. But we just felt that rather than expend tens of millions of dollars it would be better to hold it up and to work through the process properly. I might get Jim to add something about the task force process. A report has been completed, which I received a week ago and which I am considering at the moment.

The Hon. HELEN WESTWOOD: Mr Longley, you might also be able to tell the Committee what it is that you put in place or how you will be able to meet these places, given that the Ability Links coordinators are not there. Can you tell us how those places will be delivered without the Ability Links coordinators?

Mr LONGLEY: The important issue around Ability Links is, as the Minister has indicated, that there was a market failure with regard to that. The Minister acted very quickly in setting up the task force and in appointing me as chairman, but it did have a very distinguished membership. I think New South Wales is very fortunate that we had people like Peter Shergold on that task force—the insight and experience that he brought to bear on that was significant—as well as Ken Baker from National Disability Services, John Walsh from an industry perspective, who not only is with PricewaterhouseCoopers but also is a consumer representative, as was Cain Beckett. So we had some very distinguished and experienced people forming the recommendations that are now part of the substance of the report that is with the Minister.

The important point is that after that process is gone through the task force will be making recommendations for this critical part of the overall structure of delivering person-centred approaches in New South Wales. It is important, indeed critical, for Stronger Together Two because this is the part of the overall process which will ensure that the community is closely linked with the needs, wants and aspirations of individual people with disabilities. As those come together the role of the task force will be to ensure that that whole system works. If this part is not working well together the whole system is in trouble. That is why this was so critical and that is why the Minister's quick action in setting up this task force was important.

So the nominal places that were scheduled for that part of that process—and those recommendations have gone to the Minister—the timing around them is about making sure we have something in place. Our first target, critically, is about the Hunter area. We are making sure that there is good alignment between Stronger Together Two and the National Disability Insurance Scheme. Stronger Together Two sets the framework and architecture for the whole system. Ability Links and the Ability Links coordinators are pivotal in that and so our focus, overwhelmingly, is to ensure that we have that system in place for the Hunter region as it gets established from 1 July or in July next year. That is what we are working towards at this point in time. So our focus is on getting those delivered; our focus is making sure that those places are up and running.

The Hon. HELEN WESTWOOD: Given that they are not though, how will you deliver those places? Where has the money gone that was allocated?

Mr ANDREW CONSTANCE: It has not gone anywhere; the money will still be allocated. We have to remember though that we are talking about preparation for 1 July as it relates to the Hunter and the National Disability Insurance Scheme launch site. We are talking about 1 July 2014. So we still have time available to us to deliver the Ability Links coordinators as part of the building blocks for the new systems and the new model. I add that we also have invested in a better way to support individuals. That is why I announced the Consumer Development Fund. We recognised that we have to get on with the job of building capacity.

The time frame is still there and, of course, the funding is still there because it is all part of the Stronger Together program. As I said, we issued the tender and the non-government sector did not come back to us in the way that we had hoped. We have to be very careful here; we do not want to appoint local area coordinators to be based with a particular service provider and then all of a sudden feed all the work into that individual service provider. This has to be done properly. I make no apologies for delaying the process because we are talking about building a system that for decades will have ramifications for people with disabilities and we need to do it right.

The Hon. HELEN WESTWOOD: Has the money for decision support services been spent?

Mr MOORE: As the Minister indicated, we are looking at this in two bits. The money for Ability Links has been rescheduled to take account of what would come out of Mr Longley's work with the committee and, as the Minister indicated, that money is still there. Referring to the cash usage in 2011-12, where money that had been expected to be provided to Ability Links successful tenderers was no longer required, we

recommended to the Minister, and he agreed, that we also respond to the market failure not just by continuing to persist with trying to find appropriate non-government providers but also by recognising that we need to broaden our approach in supporting people to make decisions.

So the so-called spare funding was used to build a Consumer Development Fund with the NSW Council for Intellectual Disability, to which the Minister alluded earlier. In trying to ensure that we were not putting all our eggs into one basket so to speak, we also recommended that some additional funding be pumped into early intervention services on the grounds that they are people who are working with families at the moment when they are beginning to deal with having a child with a disability and that they would be tasked with trying to further enhance the decision support capabilities of those individuals. So the dollars were not lost to the disability system; the failure was used as an opportunity to not just simply recast how you approach the market to supply the service but how we might try and get a couple of different strands of consumer development built into the forward system.

The Council for Intellectual Disability initiative, which is important, is an initiative that flowed out of the extensive consultations around the person-centred approach. We have always worried about ensuring that there is a sufficiently robust market to supply the services that people want and some very substantial funding has been put in for industry development over a number of years now to work on the sector side. What was emerging out of the consultations was a very strong view that there needed to be some direct expenditure that would correspond with the client choice side of things and that the Council for Intellectual Disability initiative is, in part, trying to get a development fund that will enable people who can support individuals to make decisions, champion individual funding, champion person-directed resources, give people the confidence that they can make choices for themselves or for their family members, and that that descends out of something very distinct from the service provider system.

The Hon. HELEN WESTWOOD: Has the \$7.2 million that was allocated for the first year all gone to the Council for Intellectual Disability? Where else has it gone?

Mr MOORE: As I said, it went to the Council for Intellectual Disability and it would have gone to early intervention prevention services.

Mr ANDREW CONSTANCE: Five million dollars went into the Consumer Development Fund. We are talking \$7.5 million here in a \$2.7 billion budget, to put this into complete context.

The Hon. AMANDA FAZIO: But that is what we are here for—to see where the money has been spent.

Mr ANDREW CONSTANCE: Yes, I would have liked to have thought that the non-government sector could have met the requirements for tender. But that did not happen. Rather than compounding the problem, we have held it back and we have done other things to obviously assist in that process—the early intervention spend and the \$5 million Consumer Development Fund which I think is very important. No-one in the sector would argue about the importance of the Consumer Development Fund because this is about specifically helping individuals in terms of greater capacity when it comes to moving to individualised supports.

As I have said, and will keep saying, we are moving to a very bold new world in terms of people being in a position where they can make decisions in relation to the supports they want instead of being put into a program, or pigeonholed into a program, which is block funded by government. People will need support as we move into this new system, and that is the great benefit of the Consumer Development Fund. Also, as part of that, we will work to ensure that we have the local area coordinators in place in terms of the Hunter, with the start of the National Disability Insurance Scheme launch site on 1 July 2013 and, more broadly, we will have those 248 positions in place come 1 July 2014, which is the start date for the new system.

The Hon. AMANDA FAZIO: We understand that in the last financial year, your department lent \$25 million to the Department of Community Services. Is that correct?

Mr ANDREW CONSTANCE: In terms of lent?

The Hon. AMANDA FAZIO: Lent.

Mr ANDREW CONSTANCE: Lent?

The Hon. AMANDA FAZIO: Lent. That is right. You transferred \$25 million that had been allocated to your department to the Department of Community Services. I would like to know where the money came from. Was any other money, allocated originally to your department, lent to any other agency?

Mr ANDREW CONSTANCE: First of all, can I just say more broadly that across government, government now has nine clusters. Ageing, Disability and Home Care [ADHC] is part of an integrated cluster with the Department of Family and Community Services. In terms of that, part of the reason why we have that integration is to make sure that we are not duplicating functions across particular agencies, which of course is part of that. What I might do is hand over to Jim Moore, as the Director General of Family and Community Services, to talk about that \$25 million to which you refer.

Mr MOORE: I am not clear exactly what \$25 million you are referring to, but I am aware of a range of discussions within Family and Community Services as we worked our way through management of the budget of 2011-12—and these sorts of conversations are normal, regular conversations. There were discussions about numbers, including \$25 million. In the end, \$25 million—and I need this to be heard very clearly because it is not a straightforward point—worth of cash out of the Ageing, Disability and Home Care component of the bank account was made available to the Community Services part of the Family and Community Services bank account, but at no point were the appropriations/the expenses that we would focus on—that were the subject of, for example, the Stronger Together Two discussion that we had in the previous question—transferred to Community Services.

At the headline number, Ageing, Disability and Home Care had a budget allocated to it of \$2.753 billion. Its expenditure in 2011-12 against that was \$2.753 billion. Notwithstanding things à la the previous question where there was included in that \$2,753 billion budget \$7 million for what became Ability Links NSW, that money was not expended under the Ability Links banner, but it was still spent within the Ageing, Disability and Home Care component of Family and Community Services, and it was spent, as I described earlier, to bolster alternative things.

The Hon. AMANDA FAZIO: Surely you can understand, though, when there is such a high level of unmet need for services in the disability sector that there is concern that \$25 million went out of the disability area of your cluster of departments into the community services area. Even though you say that you have spent all the money that was allocated to you, where did the \$25 million come from? Is it coming back to your department?

Mr MOORE: Well, I want to be clear.

The Hon. AMANDA FAZIO: Otherwise it just looks like rubbery figures.

Mr MOORE: I agree entirely, which is why I say that this is a point that needs to be heard very clearly and precisely. We are talking about how you would manage cash within bank accounts. It has nothing to do with how you manage the degree of funding that flows to particular people outside of Family and Community Services. In no way did those movements of money within bank accounts, which is all they were, impede decisions as to what degree of funding would be allocated to various people.

The Hon. AMANDA FAZIO: So was the \$25 million that was moved out of your bank account ever moved back into your bank account?

Mr MOORE: I do not have a bank account. It is the Family and Community Services bank account and it has a number of subcomponents to it. With the Ageing, Disability and Home Care bank account, we adjusted the money. An amount of \$25 million of cash was made available to manage within the whole of Family and Community Services. In this case it was within the Community Services component, and that money will come back. It has not in any way impacted on two things: it neither impacted on decisions as to how much would be allocated, either internally to services or externally to providers, nor did it result in any reduction in the degrees of capacity that we acquired.

It in no way was detrimental to the issue that you quite rightly point to, which is concern about ensuring that as much unmet need is met as possible. It in no way impacted on all those. It was internal. It was purely financial management in terms of how you manage cash, which is not how you manage the business of government these days. It is managed through the business of expenses. I do not want to hide the fact that we

have moved cash around. That is entirely a management issue. It is not related in any way to the allocation of service places, service capacity or the funding.

Mr ANDREW CONSTANCE: We can also of course get the Committee those figures for over the past five years which show significant moneys in years gone by that have been used for the purposes of cash flow management. But we are talking about a budget of over \$5 billion in terms of the whole Family and Community Services cluster. We have a centralised corporate area in that regard. We are talking in terms of the Ageing, Disability and Home Care budget of \$2.7 billion. In terms of that cash flow management within the agency, again I draw attention to the fact that it is a very, very small percentage of the overall Family and Community Services budget.

The Hon. AMANDA FAZIO: We will hold you to account for every small percentage. That is our job.

Mr ANDREW CONSTANCE: I reiterate that we are fully accountable in terms of the delivery of places and the delivery of funding, particularly as that relates to the performance report on Stronger Together Two, which report is made available to Parliament towards the end of this year.

The Hon. JAN BARHAM: In relation to an estimated 3 per cent last year of people who are Ageing, Disability and Home Care service recipients accessing self-directed funding, could you explain how things are tracking in terms of meeting the 10 per cent by July 2014?

Mr ANDREW CONSTANCE: Sure.

The Hon. JAN BARHAM: I have a particular interest in what is happening with the \$17 million Industry Development Fund.

Mr ANDREW CONSTANCE: Sure. First of all, I indicate to the Committee that obviously we are working towards a 1 July start date in terms of the new model, which is about individualised funding. We have indicated that it will be available to everyone, but the target is to have 10 per cent of clients on the individualised funding, come that start date. We of course also have already commenced the process of some clients starting to access these types of new models of support. We have a Supported Living Fund which has been made available. That is part of providing people the opportunity of choice and control over the nature of supports and services they want by having control of the funding. In simple terms, I see this as a fundamental human rights issue—the ability for people with disabilities to be able to choose the supports and services they want, as opposed to being told what they are to have.

We are confident, having just conducted a comprehensive consultation process. I will get the exact information on the number of people who were consulted. Over the past 12 months we have engaged in forums right across the State—I think from memory it is around 240, but I will get that exact figure—to engage thousands of people over the new model as to what it should be about and how it should work. We are very confident, as we do the technical work around the model at this point in time, that early in the new year we will be going back to the sector in terms of the model and how it is to work. Certainly to that end, I am very, very confident that we will have a new system up and going that really changes the complexion of disability services.

By doing this work we are preparing the State for a National Disability Insurance Scheme, which is important. To run through the 12-month consultation strategy, on 7 and 8 July 2011 we conducted a Living My Way summit which was attended by 474 people with a disability, their carers and families. Between the months of August and December 2011 there were 186 independently facilitated focus group discussions in which 2,116 people with disabilities, their carers and their families participated. There were 38 workshops involving 1,206 service providers and other stakeholders. We also targeted additional sessions of development around the Supported Living Fund. We also conducted further consultations over the first half of this calendar year. Again more consultations involving individual people with disabilities and their carers were undertaken. As I said, without doubt we conducted one of the most comprehensive consultations ever undertaken in the disability sector. If we are to build a new model that relates to disabilities we have to engage people in its building, which is why the nature of that consultation is incredibly important.

We are expecting to see growth in the demand for services of around 9 per cent to 10 per cent per annum. The bottom line is that the State system cannot cope; we are struggling. That is why we need a National Disability Insurance Scheme. As part of that we also want to see greater capacity, particularly in the service

system, which is why the Industry Development Fund was put into being by the former Government and continued under this Government. The Industry Development Fund is managed by National Disability Services. The first commitment of funding to that announced by the former Government was \$17 million. Under Stronger Together Two there will be an allocation of a further \$25 million to that fund. It is about supporting the non-government sector to get ready for the individualised funding environment. Instead of government block funding non-government organisations, as has been the case traditionally, in essence those organisations, in a more competitive environment, will attract the dollars through the client. That will ensure that the Industry Development Fund will have a greater capacity in relation to workforce constraints, assisting organisations with the necessary back-office changes, that is, cash flow management and those sorts of things, and ensuring that the sector is ready as we move to the new system.

The Hon. JAN BARHAM: I refer to the related issue of compliance policy and where that is up to. I think the policy was to be available in late July or early August. Did that happen and when will it be up and running and available for access?

Mr ANDREW CONSTANCE: As we move to new systems, particularly as they relate to the National Disability Insurance Scheme and the individualised funding role, we will look at all the policies across the agency. The Department of Ageing, Disability and Home Care currently is undertaking a complaint process improvement project. I think that is what you are referring to. As part of that, its complaints handling management system is in the process of being investigated. The project is expected to report its outcome in October 2012. It will deliver a new complaints policy and supporting processes. That project is considering a centralised approach to the complaints management intake potentially across the cluster as well. Obviously a complaints policy currently is in place. I am keen to ensure that all those policies are constantly reviewed, particularly as we move to new models.

The Hon. JAN BARHAM: My next question relates to the Attendant Care Program and the high needs pool. How do you determine which program people are directed to? What fee is associated with that and what criteria are used to determine which of the two services people are put into, considering there is only one application?

Mr ANDREW CONSTANCE: The Attendant Care Program and the high needs pool are critical in supporting people to stay at home and not move into residential aged care prematurely or other inappropriate settings. The program provides an average of 32 hours a week of personal care and related support for people with physical disabilities to assist them to live as independently as possible in the community. An attendant care pilot has been run specifically around individualised funding which has been incredibly successful. In 2011-12 the budget for the program was \$91 million. There are 1,278 available places with 1,395 client accessing services within the financial year. The Attendant Care Program funded 868 places, including 320 Stronger Together and 56 Stronger Together Two places, with 932 clients accessing our services.

The high needs pool funded 410 places, with 463 clients accessing services. Stronger Together Two includes 300 new Attendant Care Program places—\$60 million over five years in new money—including 113 new places to be allocated by the end of 2012-13. As we move to the individualised funding environment, in particular for people with physical disabilities—I imagine they will be the ones who will take up the new individualised funding regime—we are dealing with a system where the growth in demand is expected to be around 9 per cent per annum. We are investing \$2 million in growth money and we will provide an extra 47,000 places. We are under enormous strain as it is which emphasises why we need a National Disability Insurance Scheme.

The Hon. JAN BARHAM: Will you take on notice my question as to how that is determined?

Mr ANDREW CONSTANCE: Yes, sure.

Mr MOORE: I will give you a little more detail to see whether it meets your needs. They will be allocated on the basis of available vacancies. The main reason that the two programs exist is that something has just changed. They have existed because of the historic involvement of the Home and Community Care program, the Commonwealth funding around that, and the role played by Home Care Services NSW. Now that we have moved under the hospital and health reform agreement, there is a separation of funding for those aged under 65 and those aged over 65. The distinction between the attendant care program and the high needs pool will disappear. That high needs pool would be where anyone over the age of 65 would have been directed. Now they will be directed through to Commonwealth-funded programs. The State Government will be responsible

exclusively for those under the age of 65 and the distinction between high need and attendant care will disappear. At the moment it will be managed around some of the fliers. If a suitable vacancy is available through the high needs pool that is what will be offered. I can obtain a lot more detail but it will form a part of that.

The Hon. PAUL GREEN: My question relates to dementia. The number of people with dementia is expected to triple by 2050. Given that around 70 per cent of people with dementia live in the community as opposed to being in nursing homes, and given the important role that professional carers play in the community, what incentives is the Government providing to encourage more people to become professional carers and to retain those already in the industry?

Mr ANDREW CONSTANCE: Thank you for that important question. Dementia currently is the third leading cause of death in Australia. By 2030 it is going to become the leading cause of death. Obviously, that is reflected with the ageing of the community. Without doubt it is one of the most insidious diseases. Fingers crossed, we will see a medical-based outcome. We support Alzheimer's Australia and the work being done by John Watkins through that organisation, particularly as it relates to good community-based support. Alzheimer's Australia runs a program where it has a number of outreach offices around the State with wonderful people who work within those offices to provide support to family members and carers in particular who, obviously, are dealing with the changes associated with the diagnosis of a loved one. More broadly, we are very conscious of the issues with workforce capacity, certainly the need for more professional or paid carers to work in the field. We most certainly need a significant increase in the number of people who work not only in the aged care sector but also in the disability system.

We run a number of programs designed to attract people into the workforce. Certainly with the work being done through the National Disability Services with a particular focus in western Sydney, we are hoping to see a massive injection of staff. Of course, we all know about workforce constraints—the same old issues around levels of income, workplace conditions, et cetera. As part of the work being done, I was excited to see the program targeting school-aged kids, 16- and 17-year-olds, and encouraging them to do work experience in the sector. It is an incredibly rewarding career to be able to assist someone professionally with their vulnerability. We have enormous challenges ahead in attracting the workforce. We are going to see that challenge particularly come to the fore with the launch of the National Disability Insurance Scheme in the Hunter and more broadly across the State. To that end, it certainly is a concern. I do not know whether anybody else wants to add specifics.

The Hon. PAUL GREEN: Someone else may want to provide some further comment. In light of the expected tripling of people with dementia in the next couple of decades and after seeing the significant reduction of capital expenditure for rehabilitation extended care services from about \$103 million in the 2011-12 budget down to about \$31 million in the 2012-13 budget, can you explain that disparity?

Mr ANDREW CONSTANCE: Is that within Home and Community Care?

The Hon. PAUL GREEN: Rehabilitation and extended care services are being reduced.

Mr ANDREW CONSTANCE: Unless it is under the HACC program—

The Hon. PAUL GREEN: I am quite happy for you to take the question on notice.

Mr ANDREW CONSTANCE: More broadly, we had worked with the Commonwealth in building specific dementia day care services and a number of programs are run through the Home and Community Care Program. Of course, on 1 July that became the sole responsibility of the Commonwealth. I will take those questions on notice and come back to you on it. We just want to make sure we get you the right information.

The Hon. PAUL GREEN: That is fine. Diverting from that, but the same initial question on the reduction of budget, what sort of provision has been made to reduce finding placements for disabled young people in aged care facilities?

Mr ANDREW CONSTANCE: Yes.

The Hon. PAUL GREEN: And perhaps outline some initiatives?

Mr ANDREW CONSTANCE: Without doubt this is one of the most important programs in which the State Government is involved. In 2007 a joint five-year program was announced with the Howard Government in response to concerns relating to young people at risk of entering residential aged care. That was an \$81 million program with a particular focus targeting the under 50s. In 2012-13 that funding has continued under the National Disability Agreement with a \$25.3 million allocation. I note, and again this is going to be part of the National Disability Insurance Scheme development, that we must see significant growth money in this area. Currently, 281 young people are residential aged care program participants and 1,334 services have been provided through the program to date.

To give the community an update on the number of people concerned, and this is from Federal Government data, as of 31 May 2012, 245 people up to 50 years of age are living in residential aged care compared with 381 in 2007; 1,948 people aged 50 to 64 are living in residential aged care; 121 people were provided with supported accommodation by 2012-13, and 73 people as of 18 July 2012; and 119 people were diverted. In the early years back in 2007, 2008 and 2009 there were some delays in part of the program as it related to some administrative functions, but now, of course, we are seeing some much improved outcomes. It is still not right. I am still uncomfortable about the high numbers. There is nothing more heartbreaking than seeing someone who does not want to be in this type of care setting. That said, in recent months I have been involved in soil turnings and opening new premises that have been funded under the program, which have led to people being diverted from or actually moving out of residential aged care. The quality of life outcomes associated with those individuals is incredibly heartwarming.

The Hon. PAUL GREEN: In respect to fires in aged care facilities, I am interested to hear what assistance the Government is providing with funding for sprinklers and similar systems. What is the Government's commitment to achieving that outcome in New South Wales?

Mr ANDREW CONSTANCE: We all know that the tragedy in November last year at Quaker's Hill resulted in a change of the building code, which will now see the mandatory retrofitting of sprinklers in all aged care facilities. We had a situation where there were different requirements, depending on when the facility was built. The Government took a decision to put in place an appropriate transition period designed to give those providers opportunity and time to retrofit in a way that we did not think was going to—touch wood—lead to the closure of facilities.

The Hon. PAUL GREEN: What period is that?

Mr ANDREW CONSTANCE: In the first instance we have said that we want people to retrofit within 18 months. If they cannot meet that requirement, we will require them to produce a business plan and then they will have a three to four-year period to be able to do that—three years is the cut-off. Where there are examples of hardship, the Government obviously is going to be able to provide some exemptions. Of course, we have the community-based sector. The not-for-profits in regional communities typically run these types of facilities and the cost of being able to retrofit obviously is an issue. But in the first instance we are keen to see the industry do this. Again because the State is not responsible for funding and administering aged care in this country, we feel that the Commonwealth should come to the table. The Government has made that clear to the Federal Minister the Hon. Mark Butler. There have been previous programs run by the Commonwealth to improve fire management systems in residential aged care. Back in the early 2000s the Howard Government offered half a billion dollars in that regard. We are keen to see some improvements.

The Hon. PAUL GREEN: Have you written to the Federal Government to ask for assistance and if so have you received a reply?

Mr ANDREW CONSTANCE: The Minister for Planning and Infrastructure and I wrote separately to the Federal Government. We have not been happy with the response to date because it has indicated that it is not willing to do so. We are hopeful that as time progresses we will see the industry soak up the cost, which is expected to be in the order of \$160 million statewide. We have seen, as a result of the fire, a number of service providers immediately retro-fit sprinklers into some of their homes. The industry is starting to do it. At this stage I have not had many concerns raised with me by the industry in terms of what the Government is doing and the way it is handling it.

CHAIR: Minister, given you have stated that the disability sector is a growing sector for this State, and you mentioned growth of approximately 9 per cent, there is a lot of interest in how we are launching into the National Disability Insurance Scheme and in particular the preparations you have in place for the launching of

the National Disability Insurance Scheme in the Hunter region for 2013. You have touched on it in answering some of the questions, but could you outline what you are doing to prepare?

Mr ANDREW CONSTANCE: This is without doubt one of the most significant social reforms that has happened in Australia since Medicare. We are seeing a system at the moment run by the States, which the Productivity Commission identified as unfunded, a system that is, in essence, broken. We are doing our part in terms of growth money. We are the only State or jurisdiction, including the Commonwealth, that has unprecedented growth money going into the system. I have had no-one complain about the \$2 billion we are putting in. What I am particularly concerned about is that we have a high level of unmet need in the community and we have a lot of people in crisis.

We have seen a lot of families working through daily challenges that the remainder of the community would not appreciate exist. What we are expecting to see in terms of the National Disability Insurance Scheme is a comprehensive no fault social insurance model that is designed to move the entire disability system from one based on rationing to one that is based on entitlement. There is no doubt—if you consider the fact that we are experiencing growth in the demand for services of around 9 to 10 per cent per annum, particularly driven by ageing parent carers in terms of no longer being able to support their loved ones due to the ageing process—we have some very significant challenges to overcome.

We are about to enter a period where negotiations with the Commonwealth will step up in terms of the overall funding of the national rollout. Earlier this year there were negotiations through the Council of Australian Governments process as they related to the launch site. Pleasingly New South Wales is the only jurisdiction which has 10,000 participants in its launch site, in line with the Productivity Commission recommendations. As part of the negotiations I was involved in some tremendous outcomes were secured as they relate to people particularly in the Hunter. For instance, although not widely reported at the time 100 per cent of the risk associated with the implementation of the launch is going to be with the Commonwealth. In terms of moneys that are going into the launch site, the New South Wales Government is contributing \$585 million and the Commonwealth is contributing \$300 million. We are conscious that this funding split does not set a precedent for the national rollout of the scheme.

The scheme in the Hunter is due to commence in the middle of next year. What is particularly pleasing about it is that 6,800 existing clients will go into the scheme and 3,200 new clients will come into the scheme. We are going to see those with psychological illness form part of the National Disability Insurance Scheme, which is a welcome move going forward. The Hunter local government areas that are going to form part of the launch site include Newcastle, Lake Macquarie and Maitland. We will see the establishment of a transition agency in the Hunter that will involve Federal and State officials and experts in the disability sector. They will come together and start to work with people to build what will be the new model.

I would note there is an enormous amount of work that needs to be done. I am not 100 per cent happy with the Commonwealth in terms of the degree of information as it relates to all the building blocks, particularly in areas such as eligibility. There is a concern across the sector as to who is in and who is out as it relates to the National Disability Insurance Scheme and we are awaiting further information in that regard. The New South Wales Government's view on governance is in line with the Commonwealth. This varies from other jurisdictions such as Western Australia and Victoria where there is variation as to what the Government structure should look like. We believe there should be a single national risk pool associated with the fund. We believe that there should be one agency that is in place, and obviously Western Australia and Victoria have different views that relate to a more federated model.

At this stage officials are still meeting. They are meeting daily at the moment and are still working on the necessary policy framework. I am expecting the select committee on disability reform to meet later this month and we will see the legislation come into place at some point later this month or early next month. The important Stronger Together Two reforms are going to dovetail into the National Disability Insurance Scheme. The work we are doing around disability links, individualised service packages or capacity building will be the fundamental building blocks behind the National Disability Insurance Scheme. There is no doubt that as we move through these major reforms to a person-centred system we are going to see remarkable and enormous transformation in the lives of people with a disability in this country. In relation to funding the national scheme, the O'Farrell Government is very happy to contribute existing disability funds plus growth money towards the National Disability Insurance Scheme.

The bottom line is that the Commonwealth must underwrite the scheme. With the growth and demand for services at the level we are experiencing, the Commonwealth is the only tier of Government that has the capacity, through its income tax system, to underwrite the scheme. In the order of \$7 billion to \$8 billion per annum will be required. We await with interest an announcement from the Commonwealth in relation to this. The Government does not have the capacity to provide any additional dollars to disability services. We believe, given there is no other jurisdiction putting \$2 billion of growth money towards disabilities in the country—coupled with the existing base funding that we have to offer—it is only right that the Commonwealth step up to the mark in terms of its contribution towards a national rollout of the National Disability Insurance Scheme.

The Hon. JENNIFER GARDINER: Minister, you referred to the record \$2 billion program for disability services. Will you give the Committee an outline of how the Government is going about implementing that gigantic program?

Mr ANDREW CONSTANCE: I know there have been questions as they relate to disability links, but again I point out that it is a relatively small component of a large budgetary spend in terms of disability services. This year's budget provided \$2.7 billion for Ageing, Disability and Home Care with an increase of 9 per cent for disability funding to continue without doubt the single biggest reform to disability services in the State's history. By 1 July 2014 anyone receiving disability services will have the option of using an individualised and portable funding arrangement. It will transform the lives of people with a disability and their families. In 2012-13 the reform of the current service system will continue to focus on and include further work on integrating information services, supporting independent advocacy, looking holistically in terms of needs assessment, support planning, service brokerage and purchasing support, and training and capacity building for people with disability, their families, staff and providers.

There is no doubt that with the \$2 billion in growth moneys and seeing an additional 47,000 places being provided up until the year 2016 we are going to see enormous change. This year alone we are providing \$336 million, including \$106 million in capital expenditure for the second year of Stronger Together Two, which incorporates the investments that were undertaken by the former Government. This will fund the continued increase in existing services including therapy, respite, supported accommodation, case management, post school programs and the development of new programs to help support people with a disability, their carers and families.

The budget will continue to provide funding for a range of community support services for people with a disability, their families and carers. In 2012-13 the Commonwealth will directly fund non-government organisations to provide home and community care services to people aged over 65 years, or 50 for Aboriginal people. That means that the \$460 million that was allocated to New South Wales to administer the program will now be delivered directly from the Commonwealth, showing a reduction in the 2012-13 budget paper. The New South Wales Government is committing \$231.6 million for community care services for people under the age of 65 years, or 50 for Aboriginal people, that were formerly a part of the home and community care target group. In 2012-13 this will include an increase of \$12.9 million over the previous year.

As part of the Stronger Together Two strategy \$230 million will be invested recurrently in disability support in 2012-13. This will include the delivery of an extra 1,827 new ongoing community support places throughout the year, which is in addition to the 1,745 new places created in 2011 and 2012. These new places include 860 flexible respite options to ensure people with disabilities and their carers are able to have greater choice in the type of respite they receive. As we all know, in terms of the flexible respite program we are seeing that type of in-home support being provided which gives carers that much-needed rest. There will also be an additional 300 places to increase community engagement for adults. This again will increase employment opportunities for people with disabilities. There will also be 500 opportunities for people with disabilities to take part in a community participation program allowing them to improve skills and be active members of the community.

The Stronger Together Two budget allocation for 2012-13 will also ensure funding for short-term interventions to deliver 6,770 new ongoing places on top of the 6,620 new places delivered last financial year. These include 3,900 additional decision support service places to improve access to local services and programs, 710 more skill development program places for children and young people, and 70 additional Aboriginal and family intensive support places. Supported accommodation will again be strongly funded with 530 additional places to be delivered in 2012-13 creating extra capacity within the accommodation system. Funded supported accommodation initiatives in 2012-13 will include 140 leaving care places to assist vulnerable young people to

find accommodation that meets their needs, 250 other specialist support services places, and 100 extra places to allow people with disabilities to access the Supported Living Fund.

At a time when the Commonwealth Government has failed to fully fund and support the National Disability Insurance Scheme [NDIS] and during a period when global economic issues necessitate tough financial decisions the Government has shown that it is committed to maintaining its programs particularly as it relates to funding and places to people with disabilities. As I said, there has been absolutely no cut as it relates to disability services in New South Wales. This Government's commitment under Stronger Together Two is focused on getting New South Wales NDIS ready and providing greater choice to people with a disability as well as ensuring that their basic rights as members of the community is at the heart of all support services across Government.

There is no doubt that as increased funding goes into the system we are seeing more innovative approaches taken in terms of service programs. I am particularly pleased at the way in which the non-government sector is adapting to these changes and the leadership that has been shown by the non-government sector as it relates to these programs. We are starting to see innovations come to the fore which are not restricted by the guidelines that have existed for many years. There is no doubt that the current disability support system in this country acts as a barrier in terms of people being able to achieve their life goals and their aspirations. I am very keen to ensure that we break down those barriers as we move to the new system of support as they relate to the State-based reform in terms of Living Life My Way and of course the National Disability Insurance Scheme.

The Hon. DAVID CLARKE: Minister, how is the New South Wales Government protecting vulnerable people living in boarding houses?

Mr ANDREW CONSTANCE: Thank you for that question. There is no doubt that with both the unlicensed and licensed sector in New South Wales the legislation and the regulatory requirements in place have very badly failed some people across the State. We are on target as a Government to deliver a major reform as it relates to boarding houses with the introduction of legislation before the end of the year. We have obviously two fundamental aims here. They are to maintain the viability of the sector given its importance in terms of low-cost accommodation for people within our community, but at the same time put appropriate protections in place to ensure that the individuals are safeguarded.

As the new Minister I have worried enormously about some of the circumstances in which people have found themselves across the State. I have had to act in relation to a number of issues as to other senior officials which in some circumstances have been absolutely unacceptable. We have seen Ombudsman report after Ombudsman report over the past 10 years calling on Government to act. It was brought to a head with the coronial inquest earlier this year in relation to a boarding house in Marrickville, and I think that shed significant light on the sector.

On 29 June 2012 an exposure draft of the legislation detailing the reforms was released for consultation with key stakeholders. A lot of this work took place over the winter recess of Parliament but I might add that the consultation around these reforms has been going on for a very long time, so it is not as though the sector was not expecting Government to make the necessary changes. The process was conducted jointly between Aging, Disability and Home Care and NSW Fair Trading to in essence inform the final details of the bill. The final day for the submissions was 17 August. Submissions were received from 127 individuals and organisations as part of the process. They have been analysed by my agency and a report on the consultation process and final reform proposal will soon be provided to Cabinet. The majority of submissions demonstrated widespread support for the overall direction of the reforms as detailed in the exposure draft. The feedback from peak bodies, advocacy groups, service providers and key stakeholders recommended further enhancements.

These changes will provide important enhancements to the current regulatory regime to improve protections for residents in both the licensed and unlicensed sector. Just going back to the Ombudsman, there have been three reports in particular in the past seven years that have been critical of the slow pace of legislative reform in the sector. They have highlighted issues such as the lack of regulation of the unlicensed boarding house sector, inadequate right of entry for Aging, Disability and Home Care officers for monitoring purposes, residents' lack of occupancy rights and people's limited access to advocacy services. As I said, I have seen circumstances which are completely unacceptable in terms of some operators in this State. We have seen the relocation of residents from Grand Western Lodge in western New South Wales. There is also another boarding house where action has been taken at this point in time.

Under the new proposals, I will continue to administer the authorisation and monitoring of boarding houses that accommodate two or more persons with a disability who also require support. Of course, this will be under a significantly strengthened legislative framework, which will include a requirement that all licensees and staff employed in licensed boarding-houses be subject to periodic criminal record checks, increased powers of entry, and increased penalties for non-compliance. This is a whole-of-government response to the regulation of the boarding house sector. The Minister for Fair Trading will establish and maintain a centralised register of New South Wales boarding houses and administer the new occupancy rights provisions, while the Minister for Local Government will oversee local councils' role in identify registrable boarding houses and in monitoring and enforcing accommodation standards across the boarding house sector.

I note that the introduction of the legislation is a first step in the reform process and that Ageing, Disability and Home Care, through the Minister for Family and Community Services, will be required to report back to Cabinet on the impacts of the new provisions, changes in supply of accommodation, and the need for any additional incentives or assistance. I look forward to working closely with the respective Ministers in this regard and making sure that we put in place the necessary whole-of-government approach in terms of the reform. I am very conscious that organisations such as the Property Owners Association have expressed concern as it relates to the reform. But we have worked through a consultation process and have taken on board some of their concerns.

The Hon. AMANDA FAZIO: Minister, your Government was elected on a strong commitment to transparency and accountability. Why was it that we only found out today about the transfer of the underspend in Stronger Together 2 to the Consumer Development Fund and also the transfer of the money to the early intervention schemes? Was there any consultation with the sector before you decided to transfer this money?

Mr ANDREW CONSTANCE: In terms of consultation with the sector, there is no doubt about the consultations within the sector; and, as a result of those consultations, the Council for Intellectual Disabilities and other organisations were very keen to see the establishment of the Consumer Development Fund. So attacking that fund is not the best suggestion.

The Hon. AMANDA FAZIO: I am not attacking the fund, Minister. I am asking you whether there was consultation with the sector before you decided to transfer funds that were underspent in Stronger Together 2 to both the Consumer Development Fund and to early intervention services.

Mr ANDREW CONSTANCE: These were the results that came out of the consultation. You are talking about transfers of money as if the places and funding are not being delivered to the sector. They are. The member talks about transfer of funds. I will provide the Committee with information about the allocation of money under the former Government, year in and year out. So, in terms of the suggestion—

The Hon. AMANDA FAZIO: Minister, I am not asking you about that. I am asking you about the \$7.2 million.

CHAIR: Order! If a question is asked of the Minister or one of his advisers, the Minister should be allowed to answer. The member can then ask a further question. But allow the Minister to answer.

The Hon. AMANDA FAZIO: I do not mind if he answers my question, not his own question.

Mr ANDREW CONSTANCE: The basis of your question is actually wrong. You imply that we have underspent money in the disability system. That is not the case. You imply that we have not delivered the places. That is not the case. We have spelt out this morning the issue of the tender, which we have been completely open about. The sector is fully aware of the Ability Links tender process.

The Hon. AMANDA FAZIO: Minister, I was asking you about your Government's commitment to accountability and transparency, and whether there was consultation with the sector before you transferred that \$7.2 million from Stronger Together 2 into those other two funding areas?

Mr ANDREW CONSTANCE: We are acting in a responsive way to the callings of the sector. As I said, the establishment of the—

The Hon. AMANDA FAZIO: In that case, Minister, can you do two things for me? Can you undertake, on notice, to give us information about each of the early intervention services that were funded and the amount of funding each one got?

Mr ANDREW CONSTANCE: Sure.

The Hon. AMANDA FAZIO: Can you also explain to us, if the Consumer Development Fund is so important, why you have allocated only \$5 million non-recurrent to that fund? What is going to happen to that service when the \$5 million is exhausted?

Mr ANDREW CONSTANCE: For starters, it is being currently administered, and I suspect it will be a fund that will only grow because of the way in which the fund will assist individuals with disability. We have been responsive to the sector, and we consulted with the sector.

The Hon. AMANDA FAZIO: So, will you be giving ongoing funding to the Consumer Development Fund?

Mr ANDREW CONSTANCE: As I said, we have allocated \$5 million of a \$2.7 billion budget to a Consumer Development Fund. I will be watching very closely how successful that fund is, given that it is being administered by the Council for Intellectual Disability. Of course, it is also going to involve a number of other peak organisations in the implementation of the fund. The premise of your question that somehow we have not consulted and have just gone and done this is incorrect. We have worked hard to ensure that we are responsive to the needs of people through Living Life My Way. If the concern is about the fund, I have had only glowing comment and feedback about the fund.

In terms of accountability as it relates to the budget and in relation to Stronger Together 2, we are required to, and will, produce an annual report as it relates to places and expenditure. I can assure the member that, with the \$2.7 billion budget in place, we are delivering the places and we are delivering the expenditure; and we will be accountable to Parliament in that regard in terms of the report. I am happy to provide the Committee with a list of the early intervention services that have benefited from this; but I can assure the member she will be very happy when she sees the organisations that have benefited, because those organisations are worthy of support.

The Hon. AMANDA FAZIO: I am always happy to support early intervention. Minister, can I now follow up some issues raised in questions asked by the Hon. Paul Green in relation to young people in residential aged care? You stated that you were spending \$25.3 million to transfer people out of inappropriate aged care into more appropriate accommodation settings. How many more young people could you have transferred out if you had used the \$25 million that was loaned to the Department of Family and Community Services?

Mr ANDREW CONSTANCE: Nice try! The answer is none, because, as we explained to you before, the budget is managed centrally within Family and Community Services. It is a \$2.7 billion budget. As I have said, in terms of cash flow management, we saw all places delivered and the budget maintained. The implication in your statement that we have underspent is incorrect. But now trying to link it to individualised programs is a little disingenuous. We have delivered the programs that we have said we would, and we have certainly delivered the funding and the places. In terms of the Younger People in Residential Aged Care Program, that \$25 million has come about because of the national disability agreement. So there is Commonwealth and State money in that \$25 million, I think at the ratio of 50:50, from memory. But I can get specific details for the member in that regard.

The Hon. AMANDA FAZIO: Minister, you might think it is a bit disingenuous, but I am sure the people in the community waiting for services do not.

The Hon. HELEN WESTWOOD: Minister, I will return to the National Disability Insurance Scheme in the Hunter. As you are no doubt aware, the Hunter region has many people with disability residing in institutional forms of accommodation. How will those residents benefit from direct self-managed funding arrangements and person-centred approaches to service planning and the National Disability Insurance Scheme?

Mr ANDREW CONSTANCE: That is a very important and very good question. The residents who are in the Stockton Learning Resource Centre will form part of the National Disability Insurance Scheme

launch. We, as part of the launch site, will be able to incorporate the needs and aspirations of those residents who are currently residing in Stockton. I think that is very pleasing and terrific news because anyone who has visited Stockton, and some of the other large residential centres in this State, would realise that many of the buildings, the physical structures—and this in no way reflects on the care role that is provided by the wonderful support staff—are incredibly outdated, and the model of care is not modern. Institutionalised care, as we all know, is a thing of the past in that sense. So I am pleased in that regard that that cohort has been brought in. But, at this stage, we are still waiting on more information around how the processes can work for those residents. The launch site was put together on a per client costing basis.

The Commonwealth required the State to provide \$20,770 per client and the Commonwealth has agreed to put an extra \$14,000 in per client, and I think there is a \$4,000 administrative cost, which the Commonwealth will also pick up. Obviously there will be a ramp-up over a three-year period in relation to the clients. We will not start with 10,000 clients on day one, but there will be a gradual ramp-up. What will happen in this regard—and I imagine this to be the case—is that the transition agency will be involved in assessment and planning around each of the individual residents who are in the LACs and work with them to achieve their life aspirations through the application of both an individualised plan and, of course, an individualised service package attached. Again, at this stage it is unclear. We are waiting on more information from the Commonwealth in this regard. Because we are moving to a new system we are in uncharted territory but, as I said, very pleasingly those clients will form part of the scheme.

The Hon. HELEN WESTWOOD: Will they be prioritised? How will you identify what proportion—

Mr ANDREW CONSTANCE: Again it will be a question for the transition agency, once it comes into being, as to how that process will work. We are working through a process with Stockton like we have done in relation to Westmead and Rydalmere where obviously we want to consult particularly with their welfare association and the individual residents and staff as to what is possible in the future as it relates to Stockton. I went there straight after the election. During the election period I was fairly concerned that there was a lot of apprehension around what the future held. We started a consultation process and provided people with a lot more information around the type and nature of accommodation models which the new disability support system is putting into train and that, I think, provided some degree of comfort.

As with all these changes, they are never easy. I know, certainly from the parents and friends of Stockton residents, that there is ongoing concern and apprehension as to what the future may hold. That said though, we do know that for some of those residents the nature of their surrounds is restricting their opportunities in life. That is something that ultimately we do not want to see. That is why I am very keen to see what is feasible through the NDIS launch site relating in particular to potentially new accommodation options.

The Hon. HELEN WESTWOOD: Are Kanangra and Riverview hostels within that Hunter catchment for the NDIS?

Mr ANDREW CONSTANCE: I need to check on that one. Can I come back to you on that one?

The Hon. HELEN WESTWOOD: If you could take that question on notice and come back to us. Just a continuation of the same issue with the NDIS in the Hunter, a significant number of boarding house residents—around 25 per cent—live in the Hunter. How does the Government envisage assisting people who live in those licensed boarding houses to move across to the NDIS launch site and into those self-directed funding models of support?

Mr ANDREW CONSTANCE: Referring to the new model, as I indicated, 3,200 of the 10,000 clients will be new clients. There will be people who live in boarding house settings who have never accessed a disability support service who may very well be eligible. We have to be guided, to a degree, by the Commonwealth in relation to eligibility, the application of the national assessment tool and how that might work in that regard. We are at a point where a lot of the technical work is still being administered. The great benefit, of course, with the National Disability Insurance Scheme is that you will have a single point of entry as it relates to the support system because you will be guided through the national disability insurance agency—in the interim it will be the transition agency—and it obviously will guide people.

Coming back to the point though, which is part of the importance of the system, one of the great challenges we have to overcome is the lack of information. My biggest concern about the reforms at both a State and a Commonwealth level is that people at this stage do not understand what those changes may very well

mean. That is why we have done an enormous amount of work as it relates to consultations around Living Life My Way because it is part of the education process. So we do have an enormous amount of work that will need to be done reaching out to people, making sure they are well supported, which comes back to why the local area coordination model needs to be done right as opposed to in a haphazard way, which could have been done if we had rushed the tender through. I am very keen to ensure that with all those residents, regardless of whether they are in a boarding house or in an LAC or in the community under the care of an ageing parent that their entry product is done through the transition agency in the first instance and the NDIA in the future.

The Hon. AMANDA FAZIO: I think Mr Longley said earlier that you were going to be recruiting the Ability Links coordinators in the Hunter first so it will fit in with the NDIS. The current local area coordinators are paid around \$80,000 per annum and also receive a car. You are proposing to pay the Ability Links coordinators only about \$53,000 per year. Are you confident that you can recruit enough qualified people to make this successful if you are paying them only \$53,000 a year?

Mr ANDREW CONSTANCE: The Commonwealth will be doing the employment in relation to that. We will work with the Commonwealth. One of the surprising things that came through the discussions around the National Disability Insurance Scheme related to a \$62 million allocation from the Commonwealth towards local area coordination in the Hunter. One of the benefits of the tender not working out in the way that it has is that it has given us a bit of a reprieve to work with the Commonwealth to establish what local area coordination will look like under a National Disability Insurance Scheme. While we are waiting for that technical work to be worked through we await more information before we can proceed down that path specifically as it relates to Hunter-based local area coordinators.

The Hon. HELEN WESTWOOD: I wish to tease that out a bit further. Perhaps Mr Moore or Mr Longley may be able to assist. Has there been any negotiation or discussion around that amount because, realistically, given the role of these coordinators, \$53,000 seems to me to be a pretty low level of salary? Are you going to attract people with the qualifications that you are going to need? As you said, the success of this is absolutely dependent on these coordinators and their competencies and capacities, and that is a very low level of salary.

Mr LONGLEY: The point you raise is quite a significant one, and indeed it was a matter of a bit of discussion in the task force, because remuneration is an issue and, as was pointed out in the previous question, local area coordinators are paid a different amount at this point in time. In fact, the budgeted amount is a higher amount at a global level per Ability Links coordinator, and the notional budget that you are referring to is, in fact, a notional budget. So there is flexibility around whatever precise model is eventually adopted and decided upon by the Minister and how that is given effect to in the Hunter and, indeed, by whatever mechanism is finally approved as the one that is going forward. That amount should not be read as a definitively hard amount because it would lead, as you have rightly noted, to the issues you have raised there. In fact, it is a more flexible amount and it is done within a more global budget. How an individual organisation might give effect to its employment approach will vary presumably by region, but it is a much more flexible approach than the one that is being contemplated.

The Hon. JAN BARHAM: On the issue of ageing and information that was revealed in the 2000 report Access to Justice and the need for additional funding for legal services for older people, can you advise what funding there is and what action will be taken for services, particularly in rural and regional areas?

Mr ANDREW CONSTANCE: First of all, thank you for the question. I will get some specifics as it relates to legal services. One of the reasons we developed the whole-of-government strategy around ageing was to try to minimise any duplication that might go across government as it relates to some of these programs, particularly in the area of Attorney-General's and work that might be done through the ageing grants program run under the Office of Ageing. There is no doubt that if you take an issue, for instance, elder abuse, that there have been countless examples of separate programs having been run across various agencies in that regard. I can take that question on notice and come back to you.

The Hon. JAN BARHAM: I was going to ask whether you have numbers on complaints about elder abuse and whether there has been an increase.

Mr ANDREW CONSTANCE: The latest figure that I saw was one from the Australian Institute of Criminology, which had this extraordinary figure of 50,000 people over the age of 65 being subjected to elder abuse annually in New South Wales. This is unacceptable. The community needs to look at and reflect very hard

on this issue. We are seeing a lot of psychological abuse and a lot of financial abuse within family environments, particularly as it relates to issues around future estate management planning, inheritance, and what have you. We have issued a tender to establish a centralised elder abuse hotline, which we think will provide a much better avenue for elderly people to be able to come forward. Of course, it is very, very difficult if you are in a family environment and you have a loved one who is abusing you. The last thing you are going to want to do is report them to authorities. We have an unacceptable level and it is very concerning.

The Hon. JAN BARHAM: I will put some further points in relation to that in questions on notice. In relation to the ageing in place impacts on the ageing accommodation service, a report was due for completion last December. Is the report available? Were there outcomes from that?

Mr ANDREW CONSTANCE: I gather this is a report that was commissioned by the former Government and has been released. The recommendations are being considered by the Office of Ageing at this point.

The Hon. JAN BARHAM: Something will come forward on that?

Mr ANDREW CONSTANCE: It should do. I am yet to receive the recommendations back from the Office of Ageing, but once I do, I am happy to make them available.

The Hon. JAN BARHAM: I am hoping you can clarify the concerns that have been raised with me, not from workers but from families, about outsourcing of disability care workers, particularly in the regions. Can you advise where that is up to and what is happening, particularly in relation to children?

Mr ANDREW CONSTANCE: In essence, this relates to more services being provided by the non-government organisations [NGOs]?

The Hon. JAN BARHAM: Yes, rather than the established providers, such as Ageing, Disability and Home Care providers.

Mr ANDREW CONSTANCE: Government provider versus non-government organisations.

The Hon. JAN BARHAM: The concern is for relationships that are so important for young people with disabilities who are perhaps being moved around.

Mr ANDREW CONSTANCE: Sure. In that regard, we have 13,847 employees in the agency. We are seeing, obviously with the growth of the non-government sector but more broadly, that the whole sector is growing. We have enormous levels of unmet need. The specific issue to which you refer is that traditionally in the past a lot of families have been more comfortable with a government provider as opposed to a non-government organisation, but over the past 10 years we have seen a very significant increase in the percentage of services being provided by the non-government sector. Families more generally have become a lot more comfortable, particularly with the established relationships that exist.

As a country member of Parliament, I know what you are talking about when you refer to local relationships and having those. One of the great advantages with individualised funding is that it is totally portable. People will be empowered to be able to make choices as to where they want to spend their money and on whom they want to spend their money in providing support. Into the future, if people are unhappy with their relationship, whether it is a government or non-government provider, they will be able to make a decision which would result in them potentially going to another service. I hear what you are saying but generally overall I think there is an increasing comfort in the nature of non-government supports in this State, given that the Government just simply could not do it alone.

The Hon. JAN BARHAM: I suppose it rests on whether or not there is choice available and the fact that people can have that mobility with their service. But is there support available? As the Hon. Paul Green asked earlier, what is being done to support young people particularly going into what is very low-paid work? In my area you can get more being a barista than you can get working in a care area, whether it is ageing or disability. It is that area in which there is such great concern. How are we to plan for the future to have all these services if we are not paying people well enough?

Mr ANDREW CONSTANCE: This is where the Australian Services Union [ASU] has been so important in that regard. Obviously the Government supports the outcomes of that wage case. At the moment, we are seeking clarification through the Commonwealth and through the Prime Minister directly in relation to the Commonwealth's contribution, how it sits, and how the State contribution works in that regard. But you are absolutely right: this is one of the great challenges we have in workforce capacity—the ability to be able to attract the workforce—and pay and conditions obviously are part of that. Anyway, the Australian Services Union wage case was a significant and important step in moving forward.

The Hon. JAN BARHAM: Has there been an outcome or response from the Federal Government? Is that an ongoing discussion?

Mr ANDREW CONSTANCE: The Premier recently wrote to the Prime Minister about it. We want to work collaboratively with the Commonwealth in relation to this because we recognise its importance in being able to deliver the services and the programs, not only across Ageing, Disability and Home Care but also across other areas in the family and community service space. We are very keen to work with the Commonwealth collaboratively in this regard. We note that the Prime Minister has made some significant announcements at this stage, but we have the issue of a lot of the funding associated with these wages cases being outside the forward estimates at both Commonwealth and State level. We will see a very significant ramp up in years five, six and seven in that regard.

The Hon. PAUL GREEN: In regard to mandatory sprinkler systems, how many facilities exist in New South Wales that need retrofitting?

Mr ANDREW CONSTANCE: Let me get you the exact number. I think the figure was around 600, but let me get the exact number for you. Are you talking specifically about the broader number of facilities?

The Hon. PAUL GREEN: Yes. Across New South Wales how many will need to retrofit their aged care facility to comply?

Mr ANDREW CONSTANCE: In relation to the aged care facilities I can get you the exact numbers, if you like, and I will come back to you.

The Hon. PAUL GREEN: Even roughly would be good.

Mr ANDREW CONSTANCE: From memory, what happened was that, when the fire event took place, Fire and Rescue NSW undertook an audit of all residential aged care facilities around the State. I do not want to purport to be giving exact numbers, but I think roughly it was 600 or 620-odd, from memory, that did not have sprinklers. As I said, the figure that the industry was talking about was between \$160 million or \$170 million in costs.

The Hon. PAUL GREEN: How much was the New South Wales Government going to contribute to subsidise some of that?

Mr ANDREW CONSTANCE: We are not contributing in relation to subsidies. Obviously, we are managing the process. We have asked the Commonwealth to put funding into it.

The Hon. PAUL GREEN: You are not going to match Commonwealth dollars if they do?

Mr ANDREW CONSTANCE: No. As I said, we have asked the Commonwealth to do it. At this stage, we are hopeful that the industry, given the time frame that we have provided to it, will be able to meet the need. Remember also that within the past decade it received half a billion dollars nationwide for fire management systems and the like. Ultimately we have extensively worked with, and want to work with, the aged care sector to make sure that the transition is right. That is why, in the establishment of a process that enables business plans to be developed and what have you, we are quietly confident that we will get through the process without any facility having to close, unlike Victoria and Queensland where facilities closed. We simply do not have the financial capacity to be able to put the money in at this time.

The Hon. PAUL GREEN: What about a low interest scheme to help? You mentioned a lot of not-for-profit organisations who will find this extremely tough. Will the Government look into low interest subsidy schemes to help?

Mr ANDREW CONSTANCE: Obviously we will work through this process and find out what the situation is once we have a greater handle on it. To give you those exact numbers, 24,000 beds in the State need to be fitted with sprinklers. Almost 600 facilities contain that number. As I said before, obviously the Commonwealth is responsible for funding and regulating residential aged care facilities. The cost is estimated to be \$172 million. The Howard Government undertook its obligation in relation to nursing home facilities by providing \$513 million in 2003-04 to assist nursing home providers with their fire management systems. We would like to see the Gillard Government do the same thing. That is why we have approached it in this regard. There is no doubt that some facilities will struggle.

The Hon. PAUL GREEN: How is the Government looking to enforce compliance with this system?

Mr ANDREW CONSTANCE: Again, regulation of the residential aged care system is the responsibility of the Department of Health and Ageing, which is a Federal department. It has changed the requirements in relation to reporting as it relates to sprinkler systems. Every facility is required to adhere to the building code of Australia. Local government is involved in the policing and monitoring of the code. We saw the situation change when providers were required on an annual basis to provide a statement to the Commonwealth. Now they are required to provide a statement of non-compliance to the Commonwealth should they not be compliant.

There is a need, particularly in light of what happened and to improve the overall system, for the Commonwealth to review its regulatory process of reporting on an annual basis as it relates to fire safety. The other thing we will require from providers is that they publish where they are up to in their retrofitting and require them to notify families should they not have sprinkler systems within their facilities. We do not have the capacity, unfortunately, at the moment to fund residential aged care, which is the responsibility of the Commonwealth. We will monitor the situation closely and present to the Commonwealth the necessary information as it comes to hand should it warrant it.

CHAIR: Given the important role of carers and the great number of unpaid carers that exist in our community, together with the increased needs of the sector and with the disability sector alone increasing by 9 per cent to 10 per cent, what is the Government doing to support carers during Carers Week?

Mr ANDREW CONSTANCE: Carers Week is coming up. The bottom line is that one in 10 of us in New South Wales is a carer. We have in the order of 850,000 carers in New South Wales alone. The economic contribution of unpaid care is significant. I think it is in the order of about \$14 billion per annum. Overall, we are very keen to ensure that carers are well supported in the work they do across our community. The former Government, in a bipartisan way, supported the Carers Recognition Bill, which did two things: It established the ministerial advisory council on carers and it put in place a charter for carers' rights. We know that the plight carers all too often find themselves in is difficult. For too long the Government has seen carers in the capacity of merely an extension of the service provision to a vulnerable person and has not recognised that they themselves have individual needs and individual aspirations.

All too often we have seen, as a result of the difficulties around carers, that carers face marriage breakdown, high levels of depression and obviously social isolation. Carers do not enjoy the same financial benefits afforded to the rest of the community such as superannuation, annual leave, weekends and those sorts of things. We are very cognisant of the fact that we must do more to support carers, particularly in light of the fact that if those 850,000 carers walked away from their care role the enormous challenges that would be left for the taxpayer would not be worth talking about. We are keen to recognise the enormous contribution carers make to our community through Carers Week. In 2012 Carers Week has a national theme: Be Care Aware. The week runs from Sunday 14 October to Saturday 20 October 2012. The aim of Carers Week each year is to educate the broader community about the role of unpaid family carers—who they are, what they do and how they can be supported.

We have provided funding to Carers NSW for Carers Week. Obviously there is a raft of initiatives, including Carers Day Out, which will run this year from 8.00 a.m. to 2.00 p.m. at Martin Place. It is run by the City of Sydney, Carers NSW and the Babana Aboriginal Men's Group. I encourage all members of Parliament to attend. A grants program is also associated with Carers Week. That is designed to provide funding to groups to hold Carers Week events. There will be approximately 350 community events—outings, information events—within local communities across the State. An awards ceremony will be held on 15 October. Again, highly committed carers will receive awards, and one will receive the award of Carer of the Year. Highly

committed carers are those who have made an outstanding contribution within their communities. They may have acted as an advocate of carers, led the development of a local carers support initiative or demonstrated an extraordinary commitment to carers.

I am also launching the young carers website and elearning tool. It is www.youngcarers.nsw.gov.au. This will assist professionals to identify the needs of and support young carers. I know, certainly within our school system, there is a need to better support young carers in particular. We are very keen to make sure we give that support to professionals to identify needs so support can be given to young carers. Seven highly commended carers will be receiving awards along with three carer support groups, and there will be two leadership award recipients. Carers Week will be an important week and one that is celebrated annually. Again, I cannot but reiterate that carers need to be incorporated in all this reform work that is happening at a State and national level, given that they often have the greatest understanding of what are the needs of the individual who has a vulnerability.

The Hon. JENNIFER GARDINER: Earlier there was some discussion about dementia. Have you anything more broadly to advise the Committee on how the Government is assisting people to age well and how the Government is planning for the ageing of the population from your perspective?

Mr ANDREW CONSTANCE: One thing I observe is that the transfer of the Home and Community Care Program to the Commonwealth has given us greater capacity to put greater focus on a whole-of-government approach towards ageing. We want to ensure that all government departments and agencies are mindful of the needs and the changing demographics we are experiencing in New South Wales. The NSW Ageing Strategy was released on 9 July after a 12-month consultation process. We have already made some good progress in some of the initiatives highlighted in that strategy document. At the moment a million people in New South Wales are aged over 65 years. In the next 20 years that figure will grow to 1.5 million and by 2050 we will have over two million people over the age of 65, which means that our focus regarding support services, infrastructure, the very nature of business and the types of products and goods and services the business community will provide will change significantly as community demographics change.

Only the other week we held a public-private partnerships forum with 50 of the State's business leaders looking very closely at the changing nature of ageing in our community. We are going to see generations of Australians live significantly healthy and active retirements, considering that last year was the first time the baby boomer generation started to turn 65. Obviously, there will be an enormous shift and change in approach particularly towards retirement, volunteerism and, in some circumstances, people wanting to return to the workplace. With the change in mortality people are using their extra years differently. As a Government, obviously we have to start to get people thinking a lot more differently.

The strategy, for instance, targets those in their forties and fifties to start to plan differently for their later years, particularly as it relates to preventative health strategies. Of course, we are keen also to make sure that we remove any barriers or impediments restricting people in volunteerism or the workplace. For instance, barriers exist relating to workers compensation insurance and WorkCover for those over the age of 65. We have to recognise, particularly in areas such as volunteerism, that barriers are in place restricting people from participating in volunteerism. For instance, people used to pay a \$50 charge to get a police check in order to participate as a volunteer in a residential aged care facility.

The strategy highlights 12 new initiatives, in particular elder abuse on which I touched earlier. We also have established a funding program through local government to help it create age friendly communities. That particularly relates to issues around the built environment looking at how facilities and public spaces impede people's participation in the community. We are offering also a program called Tech Savvy Seniors that particularly targets people in their sixties and over who do not yet necessarily have those technical skills in using technology, but which we want to advance. Using Skype, email, the internet, you name it, we are keen to utilise these courses through our community colleges so that seniors can participate across the State.

At the moment we are developing also an implementation plan for the strategy. We will involve deputy directors general across all agencies in the implementation plan so that we can start to get all agencies thinking more about the needs of the community as they relate to ageing. Of course, we have also the Ministerial Advisory Council on Ageing, which, with its new chair, Kathryn Greiner, is doing a lot of work to ensure the strategy is implemented. No doubt the strategy has worked incredibly well to date. Certainly peak organisations from the Council on the Ageing through to National Seniors have welcomed the strategy. The Federal Age

Discrimination Commissioner, Susan Ryan, has supported the document and promoted it wherever she can, including overseas.

The Hon. DAVID CLARKE: Earlier I asked a question about protecting vulnerable people in boarding houses. Did I hear you correctly say that several reports from the Ombudsman going back 10 years called for urgent reform in this area?

The Hon. HELEN WESTWOOD: You are so consistent, David.

The Hon. DAVID CLARKE: Unfortunately, time ran out. Would you like to provide the detail on that because it is something in which I am particularly interested?

Mr ANDREW CONSTANCE: For the benefit particularly of those Labor committee members, no doubt everyone in this place, regardless of political leaning, shares the concern regarding those residents who have been exposed to unacceptable environments. As I said, we need to strike a balance between maintaining the viability and sustainability of the sector and protecting residents. No doubt, given the callings of the Ombudsman and the State Coroner, action needs to be taken. That said, we want to work with the boarding house sector so that it is fairly comfortable with what is being proposed, particularly as it relates to occupancy principles, and make sure occupancy agreements reflect the principles. We have developed principles that I think strike that balance.

There will be two tiers of boarding houses. One is loosely known now as the unlicensed sector. All boarding houses will be required to register with the Office of Fair Trading. We have an ad hoc process across the State where some boarding houses have been registering with local government. Under the Youth and Community Services Act 1973, the definition in essence will remain the same regarding two or more residents with disability who require support. I do not want boarding house owners to start screening out seniors and people with vulnerabilities on the basis that they might have to fit a tier two requirement. We are trying to ensure that we support boarding house operators in this regard, but we are specifically talking about people who have a disability, mental or chronic illness et cetera who require additional support for their needs.

Tier two boarding houses are those facilities where additional supports are required—for example, administering medicine, helping with feeding. We will need also to strengthen the powers of entry, particularly as they relate currently to the licensed sector. Ultimately, we want to ensure that people are provided with clean and safe environments. The reason the Government decided to do this holistically in one bill is that issues exist also with students in some circumstances being forced to live in unacceptable situations—that is, in illegal boarding houses. We are keen to make sure that we do not have circumstances where deaths should have and could have been prevented.

This is significant reform. As I said, the Property Owners Association of Australia has been fighting the change, but it is about striking a balance. All we are asking is for boarding houses to register. Currently, boarding houses across the State enjoy land tax benefits. We want a greater handle on what is happening within the sector because at this point in time we simply do not know what is happening. I have seen conditions within the current licensed sector that I regard as completely unacceptable, as does everybody else in the sector. This regulation is designed to strike a balance; it is not designed to be overly burdensome. Having undertaken consultation, and given the work done prior to the election of the O'Farrell Government through the IDC process, a lot of information has been drawn out that will inform the proposed legislation. I reiterate that the legislation will undergo a review process in 18 months time. We will have the flexibility to make any changes needed down the track.

CHAIR: Thank you Minister and to your office for attending the hearing this morning.

The Committee proceeded to deliberate.