

CORRECTED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into 2003–04 budget estimates

Melbourne – 27 May 2003

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Witnesses

Mr J. Thwaites, Minister for Victorian Communities;

Mr Y. Blacher, Secretary;

Mr R. Judd, Executive Director, Community Building; and

Ms J. Rumble, Acting Finance Manager, Department for Victorian Communities.

**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — I welcome this afternoon Mr Blacher, Secretary of the Department for Victorian Communities, Ray Judd, executive director, community building,, and Joanne Rumble, acting finance manager, Department for Victorian Communities. I call on you to gave a brief presentation on this portfolio, Minister, after which we will have approximately 55 minutes for questions.

Overheads shown.

Mr THWAITES — The Department for Victorian Communities was established on 5 December to further the government's agenda in relation to community strengthening and better service delivery. The department has three main aims. The first is to create active, confident and resilient communities through the establishment of partnership and collaboration with local government and community organisations and business. The second is to join up services, particularly government services, at the local level. The third is to showcase the Commonwealth Games as an event with maximum benefits and legacies for Victorians.

In terms of strengthening communities, we do have evidence that shows that strong social networks and connections are linked to economic prosperity, health and wellbeing, and a concentrated effort to build resilience and strength of individuals is a form of prevention and early intervention. We know that if we can support stronger communities we can reduce some of the demands on services such as child protection and juvenile justice. To give an example of the type of research, Vichealth did research that shows that strong social networks can improve the health status by up to 20 per cent of at-risk populations and reduce mental illness among young people. Having those connections actually does work.

In terms of strengthening communities, in the past 12 months we have set up and implemented the 10 community-building demonstration projects. These demonstrate the potential of the partnership approach to community strengthening. Those projects are, for example, in Geelong and East Gippsland and a number of other areas. They are bringing communities together now, getting the communities more active, and we are hoping to learn from that experience how we can strengthen other communities around the state.

The Community Support Fund is a key part of the department's aim to strengthen communities. Since its inception substantial funds have been distributed from the CSF. You will see that over the past few years the total amount distributed has been around the \$100 million to \$120 million mark. Some of the community-strengthening projects recently approved were, for example, late last year the Fitzroy Adventure Playground Association funding grant in partnership with the community, local business and local government for the redevelopment of the playground; and the capacity-building hub for women and women's organisations across Victoria at the Queen Victoria Centre. In terms of the CSF, this graph highlights the existing government commitments to be made through the CSF.

Mr FORWOOD — Perhaps we could have figures on it?

Mr THWAITES — Okay. I do not have the precise figures here, but they can be provided. Essentially it shows the CSF provides to a number of key areas — obviously gambling, sport and recreation, the arts, healthy communities, community centres, drugs et cetera.

In terms of priorities for strengthening communities in the future, there is a program that I will be responsible for, which is the Community Centres program, with \$2.5 million a year for four years. It facilitates local communities in establishing community centres and bringing programs together in those local communities.

An important issue for the department is volunteering. You, Chair, would probably be more aware than most because you initiated the research report on Victorian communities, which is one of the most interesting research reports sought in recent years. It shows that volunteering is alive and well in Victoria, with more than a third of Victorians volunteering. They do so in an enormous array of organisations. We need to think of ways to provide more support for volunteers and to increase the capacity of volunteers to support our community-strengthening activities. That is one of the key objectives that the department is undertaking.

As to 'Joining up government' — the heading on the overhead — it is fair to say that there are a lot of different government agencies and government programs, and it can become confusing for the public. In terms of outputs, we inherited many objectives from other departments when we were established. Really this year will be a year where we seek to consolidate and attempt to join up some of these programs. Looking at grants alone, there are numerous grants programs within our department. One of our objectives is to try to bring them together and have more common applications and funding rounds for community groups. These things are easier said than done, but it is something that ministers in all departments are committed to. This framework is being looked at with a view to getting a more strategic grants framework to facilitate a more strategic approach.

Another important factor in joining up government programs is the regions. As a government we deliver many of our programs through regions, not just through the Department for Victorian Communities but across health, education and Sustainability and Environment. Our department is keen to lead the process at government level at integrating programs in regions. That means not just our own departmental officers but working with other regional directors in regional offices to achieve that.

The CHAIR — You talked about strengthening communities and how the Community Support Fund is assisting in this role. Can you give the committee some concrete examples and the funding allocated to allow the committee to have an understanding of what is a cost-benefit analysis?

Mr THWAITES — As a practical example, the week before last I was in Bairnsdale where there is a community strengthening project for East Gippsland which is targeting youth. There is a big issue in East Gippsland, where a relatively low percentage of young people finish school — much lower than in the city but also lower than many other country areas. When they finish school employment opportunities are pretty thin and a great number of them end up having to leave East Gippsland and go somewhere else. The community strengthening project has targeted this whole area. This is our biggest issue. They conducted a large forum where they invited all the employers, many of whom were government agencies, and as a result were able to get some 80 work experience placements in place. Other examples are the Reach for the Clouds project based on the Atherton Gardens high-rise estate. I might say a lot of good projects have been done around ministry of housing projects.

There are a number of projects where we are supporting small country towns such as Trafalgar, Korumburra and San Remo and also using the community capacity initiative. We are working with smaller towns and groups such as the Victorian Farmers Federation, councils and others to achieve stronger community. We are seeing a lot of programs around the state. Probably the next step is to gather our learning from these projects to try to get a more strategic and consistent approach.

The CHAIR — Do you have any effectiveness and efficiency measures of a general nature or do they apply to each specific Community Support Fund initiative?

Mr THWAITES — The answer to that it we do not have enough, which is part of the reason for setting up the department to try to get a better idea. Of course it is difficult to get simple performance indicators for community strengthening, but we can look at some of the overall outcomes, whether it be unemployment, new jobs, rates of school drop-outs and these sort of things. One example I can give is from Bairnsdale, where the number of kids leaving school early from Lakes Entrance High School, which stops at year 10, has decreased in the last year. Through this program and through the Victorian certificate of applied learning they are getting more support to go on with their schooling. So it may not be that there is one common test around the state, but the big issue is to identify what the key issues or core problems are, the improvements you want to make and see how community strengthening can get you there.

Mr DONNELLAN — Obviously funding is coming from the Community Support Fund. Will you look at reviewing the guidelines of the fund or leave them as they are?

Mr THWAITES — We are looking at the guidelines for the Community Support Fund because we want to ensure that the guidelines are promoting the objectives of the department. As I said, we have two key objectives: one is strengthening communities and the second is the join up approach. Increasingly we are looking for projects to exhibit those characteristics. If we can show, for example, a project that joins up kindergartens, local government, business and state or federal agencies it would be the sort of thing that would be encouraged.

Mr FORWOOD — My question is also about the Community Support Fund. Can you advise the committee what balance was in the fund at 31 March this year, which I guess is the last quarter you would have accounted for; the anticipated income for the forthcoming year; and I guess the section 138 receipts from the Gaming Machine Control Act, plus return on investments and the anticipated allocation for the forthcoming year?

Mr THWAITES — The revenue is around the \$120 million a year. We cannot say exactly because it depends on what we get out of the gaming machines, but that is about the general level.

Mr FORWOOD — I am surprised that you do not have a budget for what you will receive this year.

Mr THWAITES — You asked me what it would be and it will depend on what — —

Mr FORWOOD — What is the budgeted revenue anticipated to be received?

Mr THWAITES — For 2003–04 it is \$121 million, so I was not far out.

Mr FORWOOD — That includes the total amount plus the return on investments?

Mr THWAITES — Yes.

Mr FORWOOD — What would be the most recent balance, perhaps yesterday?

Mr THWAITES — About \$120 million.

Mr FORWOOD — How much do you expect to allocate?

Mr THWAITES — Next year, about \$200 million

Mr FORWOOD — You are thinking of the guidelines and you have made the decision now that you will allocate \$200 million or does it depend on the projects that come in?

Mr THWAITES — Of that \$200 million, a very large pot of that is already committed through the government election commitments or ongoing programs.

Mr FORWOOD — Could you make that available to the committee?

Mr THWAITES — For example, approximately \$45 million for the drug program, the recreation programs and the swimming pool programs.

Mr BAXTER — If you could make that available that would be very useful.

Ms ROMANES — We have heard through the media and through other means that gaming operators are saying that their profits are down due to the ban on smoking. Can you tell the committee what impact that is having on the Community Support Fund?

Mr THWAITES — Okay. The implementation of the smoking bans in gaming venues in September of last year did have an immediate impact on the revenue that the Community Support Fund received. In rough terms it was nearly 20 per cent in terms of decline. So the total reduction compared to our first projection was around \$20 million less this financial year than would otherwise have occurred without those smoking bans. It is hard to predict into the future what the effect will be. I think we have been surprised by the extent of the drop. When there were smoking bans introduced into restaurants there was marginal effect. But clearly there does seem to be a link between smoking and gaming; so the extent in terms of time of that, we cannot be sure about how long that will last.

Mr CLARK — I am trying to get a bit more information about what is happening to the Community Support Fund following on from Mr Forwood's questions. You mentioned that a large part of what is going to be spent in the forthcoming year is for projects that were announced during the course of the election campaign. It was not quite clear whether those were ones that had been pre-decided within government and then announced during the campaign or whether they were promises made during the course of the election campaign and the funding would be procured from the funds. Perhaps you can clarify that.

If you look at budget paper 3, on pages 409 and 410, which is the relevant output group, you see that for next year you are only expecting to receive 90 applications compared to 220 expected this year, but you are still expecting to approve a third of them, or 35 per cent, so does that imply that you are proposing to spend more per project than you have been? Particularly when you look at the second page, page 410, you see that the output cost has gone from \$24 million to \$65.2 million, and a footnote says that is due to a higher level of funding of initiatives from the Community Support Fund. That does that mean that you are putting more money into departmental projects from the CSF next year? If that is the case, is there any inconsistency between that and the Auditor-General's ruling in his report on ministerial portfolios that ongoing programs should not be funded out of the CSF?

Mr THWAITES — There are about 12 questions in that lot.

Mr CLARK — Tell us everything and you will be all right.

Mr THWAITES — In relation to the election commitments, we made a number of commitments to funding certain projects out of the Community Support Fund — and we will be implementing those commitments.

They are not necessarily departmental-type commitments; they are things like pools, soccer centres, sports facilities, a range of the arts projects — a range of things that were committed in the election; so we will be implementing them.

The reason there is an increase next year is largely a product of two things: one is that a number of those commitments, together with commitments made in previous years, have come to fruition in terms of spending next year, so 2003–04 will be a big spending year, but not such a big commitments year. That is why we expect the number of applications to reduce — because there is going to be less spending in the year after and the year after that, and we are also going to be encouraging people to put in applications that are based more around joining up government and these strategic approaches. We will not be going out in quite the same way and saying to people to just all put in claims and we will consider them. We will be more narrowcasting.

Mr FORWOOD — Is that in relation to the \$41 million through the output group on page 410?

Mr THWAITES — This is about the difference between \$24 million and \$65 million? That is exactly the point I am making: that next year is a year when we are spending more, but that a number of those commitments were made in previous years and they come to be spent next year.

Mr CLARK — Out of the total spent of the 200, it is only 65 in the output cost group. How do you work out which ones affect the output cost for that group and which ones do not?

Mr THWAITES — They are the community building ones. That would not apply, for example, to the swimming pool ones, to the arts, to the drugs.

Mr MERLINO — My question is about government grants and how crucial they are for local projects. I know from my previous involvement with community houses and township groups that people would often spend a huge amount of time searching for government grants, producing the submissions and then lobbying local, state and federal representatives. You mentioned the grants framework in your presentation. Can you expand on what the government is doing to make it easier for small organisations to access government grants?

Mr THWAITES — As you say, grants are critical for small organisations. Many community activities can only proceed because of those government grants. We are aware that a number of community groups find it pretty hard to access that grants system and there have been reports of some groups seeking up to 50 different types of grants across federal, state and local government. One of the key objectives of our department is to try to simplify the grants process. We will be working to make it easier for community groups to know about and access the grants. That is about providing information about grants and when they are available.

We will also be seeking to facilitate those groups in supporting their applications — so that means more simple application forms. We will also seek to link those applicants to other departments and providing some support so that where there are a number of departments involved applicants can get that support. That will be particularly so at the regional level where we will use our regional joining-up approach to do that. We will also provide help through our web site having a list of the grant programs. We will ensure that the regional staff in our department who come from other departments are able to use their links in other departments to assist those applicants.

I hope we get a consolidated application form for a number of the grants, and even look at perhaps online applications, which we have not got yet but is something we are having a look at. We are looking at having an online application approach. So, when you put all that together, I would hope we could start to support some of those community groups — who are doing a great job — in navigating their way through the morass of programs that we have.

The CHAIR — Minister, have you a performance measure in relation to directing people elsewhere? And if you have, how are you going to assist people with online applications? Will you have an interactive online site where they can be directed elsewhere?

Mr THWAITES — We do not have a performance indicator on that. Once again it may be the sort of thing that, having performance indicators are not always the best way. You know whether something is simple or complex, and we know it is complex now. I hope we can make it simpler. We could have a performance measure along the lines of reduction in grant programs, or numbers of people assisted or something.

The CHAIR — My point is about assisting them to find a more — —

Mr THWAITES — We can consider that. Our objective is to make it simpler and to support them. We are now looking at online interactive applications.

Mr BAXTER — Regarding the Community Support Fund, what is the situation where a project has been approved, has not proceeded for whatever reason but has not been abandoned? Is there a cut-off point when the CSF says that that money is available, or is it being held in your bank account, so to speak, pending the project either proceeding or being abandoned?

Mr THWAITES — The answer is that it is held, although you cannot hold it forever. While there is no strict cut-off date, the formal position is that grants last for 12 months; however, we have talked to applicants and provided support for some periods that go beyond that.

Ms GREEN — I refer to budget paper 3, page 392. In 2002–03 the social programs branch continued to provide active leadership of the Rural Women's Network. What specific the initiatives, if any, are planned for 2003–04 to support the Rural Women's Network?

Mr THWAITES — I will take that on notice.

Ms GREEN — I have a specific interest in this because I used to work for the Rural Women's Network.

Mr FORWOOD — I would like to go back to the Community Support Fund at page 410 of budget paper 3. Of the total output cost of \$65.2 million, how much is being funded through appropriations and how much is coming from the CSF?

Mr THWAITES — It is \$1.5 million through appropriations and the rest through the CSF.

Mr MERLINO — What is the difference between the community capacity building initiative and the community building demonstration projects, and have there been any early success stories?

Mr THWAITES — The difference is more in how they started up and the departments that were responsible for them. The community capacity building initiative was originally an initiative through the Department of Innovation, Industry and Regional Development and what was then the Department of Natural Resources and Environment, whereas the community building project was initially through the Department of Premier and Cabinet. They essentially followed the same principles about local communities being given support to come up with strengthening activities to help their local community.

They also have the other characteristic where local control is critical — that is, local communities working out what their issues are and how to solve them. They are not dissimilar in relation to actual dollars. The community capacity building initiative is the \$3 million, three-year project whereas the community building project is \$500 000 each — that is, it is a \$5 million project. The focus of the community capacity building initiative is for small country towns. It works with local leaders and organisations, Regional Development Victoria and the Victorian Farmers Federation to provide action in those small towns to meet the particular issues that they have.

Most of the towns will have a community planning meeting where they agree on the direction that they want to take. They have support from a project team leader to do that, and then they establish agreed community projects — for example festivals, events, skate parks, streetscaping and so on. A number of pilots have actively involved youth counsellors or young people, such as in St Arnaud. They have also involved leadership programs, like in Lismore and Violet Town. One thing we have learned from these community projects is the need to encourage local leaders so that those leaders can train up and help other local people to become leaders themselves. The community capacity building initiative has been successful. It is also being evaluated at the moment, and with what we learn from that, together with the community building project, we will work out what we do at the next stage.

Mr CLARK — I refer to the Victorian electronic records strategy, which I assume comes within your portfolio area. It was announced in the May 2002 budget an allocation of \$8.2 million was provided to build the Victorian electronic records strategy repository at the Victorian Archives to the tune of \$5.5 million, and to establish a centre of excellence to support the Victorian public sector in implementing the VERS solution. What is the current status of the project to build the electronic records repository?

Mr THWAITES — We are committed to doing this, because it is quite a difficult problem we face with changing technology where we go from one form of technology to another, and in the process if we are not careful

we lose the ability to read information from initial technology. A classic example is the old floppy disk which we all had a few years ago and which I do not think any of the current machines we have on the table would read anymore. The project is about preparing a strategy to record and keep those electronic records into the future. We are funding, as you have indicated, a centre to drive our adoption of this project and funding principally the intellectual property to get that together. I think that will take about five years all up to do. We have commenced the project. We still have a fair way to go, but we have commenced carrying out that intellectual property work that is required to do that.

Ms ROMANES — I understand another of your responsibilities is the Registry of Births, Deaths and Marriages. Given the global concern with terrorism, how is the office guarding against potential identity fraud?

Mr THWAITES — It is a problem if people turn up and pretend to be someone they are not and if they then get a birth or some other certificate and use that for some fraudulent purpose or, as you have indicated, make some other potential use of that. It is also worth noting that identity fraud is a growing problem. Obviously we know that with credit cards and the like it is a major problem.

Given all of that, the Victorian registry has introduced a proof-of-identity requirement system for people who are applying for certificates over the counter and ensuring that that also applies if you make a mail application, so they are toughening up on proof of identity. There is also a service available that enables people who subscribe to it to check online the details on certificates issued by the Victorian registry, so that if people are using birth certificates and the like, those who subscribe to the system can contact the registry and have those details checked. That is an additional way in which we can minimise identity fraud. That service is also being provided by the New South Wales registry and it is hoped other Australian registries will introduce a similar system. In that way, when you have a system where interstate licences and those sorts of issues are being used, we can check across the state boundaries. That service has been adopted by the passport office and the New South Wales road traffic authority too.

Ms ROMANES — Is that a cost to the users of the service?

Mr THWAITES — If you subscribe you pay a fee for that.

Ms ROMANES — So it is not per use?

Mr THWAITES — It depends upon their usage.

Mr DONNELLAN — Has there ever been consideration to centralising it or having a central registry for the whole of Australia, so that in a sense if someone goes into one state they might be able to register their birth there; and if they do not have the checks like we do, has any thought been given to that?

Mr THWAITES — I am not aware of that.

Mr BAXTER — Just in passing, I say to the minister in response to his remarks earlier about identifying community leaders, I attended a launch of the Dookie plan on Sunday, and I agree that if you can find a local leader and encourage them and give them a bit of support the whole community can work wonders. I am still trying to get to grips with what is in your grab bag of responsibilities in this portfolio. Is the rural addressing initiative within your bailiwick?

Mr THWAITES — No, I do not think so. Basically I have the Community Support Fund, community strengthening, community capacity building, births, deaths and marriages, the Public Records Office, Information Victoria, and responsibility for volunteers.

Mr BAXTER — I do notice that part of your prepared information talks about the government information services. I am just wondering whether that entitles you to encourage your ministerial colleagues to respond to the letters of members of Parliament more quickly.

The CHAIR — That is not part of the ministerial portfolio. After the comments on Dookie and your general comments, was there a question in any of that?

Mr BAXTER — No, I have established that the rural initiative is not in the minister's basket.

Mr THWAITES — To respond to the last comment made by Mr Baxter, I can assure him that there is no discrimination in the timing of our replies.

Mr BAXTER — I am not alleging discrimination, I am alleging some slowness. Timeliness, Minister, was what I was actually referring to.

Mr DONNELLAN — In my electorate we have Lions Clubs, and so forth, and we have the business community involved in taking their corporate responsibilities seriously. What is the department doing to engage businesses to work with the private sector to strengthen local communities; how does it plans to involve the Lions Clubs and those groups to be together with one focus?

Mr THWAITES — I believe involvement in the private sector in community strengthening and volunteering is one of the great opportunities we needed to tap. It is something that is done variably around the state. It is fair to say that traditionally in country and regional communities the business community has been more tied up with local community strengthening projects of one sort or another than in the city. That is not what it is always formally called. If you go to country towns and see projects that have been undertaken, it is very rare that they have been undertaken without the involvement of the Lions Club, football club or some group like that. But also increasingly we are seeing in country communities companies are getting involved in opportunity programs involving young people and that is very important. What we have not perhaps seen enough of is our major companies on a statewide level or in the city getting as involved in some of these community projects as perhaps has occurred in some places overseas. In the United Kingdom, for example, there has been a great involvement of some companies in youth projects and community projects and in giving their employees time off work to act as volunteers and the like. I hope through the department we can encourage and facilitate that. That is really good for communities, but it is also good for the companies because they then improve their reputation, and it is also very good for the morale of their staff if they get an opportunity to work on community volunteer-type projects.

We are seeing a number of companies taking this on now. There is the Good Company project involving young people where they take time off work to do all sorts of things — for example, they might be accountants and they can provide their accounting skills for charitable organisations and those sorts of things. As a government and as a community I think we need to do more to encourage that.

Mr DONNELLAN — Has any thought been given to linking into, say, Volunteering Australia and groups like that which obviously provide funding to train volunteers for community groups? Would there be a link in to that type of thing?

Mr THWAITES — I think there certainly is. That is part of what we are developing now with the volunteering strategy: to find some formal ways to support that. It is also about going out to companies themselves and getting them to find a niche where they can get involved in and support a particular endeavour and allow their employees to do that.

Mr FORWOOD — Just to go back briefly to page 410 of budget paper 3 and also page 252 of budget paper 2, in relation to last year's \$24 million expected outcome, perhaps you can tell us how much of that was funded through appropriation and how much was funded through the Community Support Fund; and in relation to page 252 of budget paper 2, which shows the general efficiencies in government administration for the Department for Victorian Communities at \$1.2 million for the forthcoming year, I wonder if any of that relates to output groups within your responsibility as the lead minister?

Mr THWAITES — I will check on the other one, but in relation to the general efficiencies, that would be across the department.

Mr FORWOOD — So you do not know which bits — —

Mr THWAITES — They have not been finalised yet, but as the lead minister obviously it affects me, yes.

Mr BLACHER — So you are referring to the \$24 million?

Mr THWAITES — Six hundred thousand dollars was from the output appropriation.

Mr FORWOOD — Of last year, \$600 000 was from the appropriation?

Mr THWAITES — And the rest from the CSF.

Mr FORWOOD — So I guess the question is — —

Mr BLACHER — Sorry, part year. You need to read the \$24 million as a part year because the department was only established at the end.

Mr FORWOOD — Forty-eight equivalent full year, so in fact in essence it is 1.2 last year. Comparing like-like, it is 1.2, 1.5?

Ms RUMBLE — It is actually 1.5.

Mr FORWOOD — One point five?

Ms RUMBLE — That is right.

The CHAIR — Thank you very much, Minister. That concludes the budget estimates for the portfolios of environment, water and Victorian communities. I thank you, your departmental officers and also Hansard. It has been a very useful session, and we will be forwarding correspondence to you, Minister, in relation to matters that you have taken on notice.

Committee adjourned.