

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into Budget Estimates 2018–19

Melbourne — 31 May 2018

#### Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Mr Steve Dimopoulos

Mr Tim Smith

Mr Danny O'Brien

Ms Vicki Ward

Ms Fiona Patten

#### Witnesses

Ms Jenny Mikakos, Minister for Youth Affairs,

Ms Kym Peake, Secretary,

Ms Anne Congleton, Deputy Secretary, Community Participation, Health and Wellbeing,

Mr Greg Stenton, Chief Finance Officer,

Mr Phil O'Meara, Director, Diversity, Community Participation, Sport and Recreation, and

Ms Jill McCabe, Assistant Director, Office for Youth, Department of Health and Human Services.

**The CHAIR** — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2018–19 budget estimates.

All mobile telephones should now be turned to silent.

I would like to welcome: the Minister for Youth Affairs, the Honourable Jenny Mikakos, MLC; Ms Kym Peake, Secretary of the Department of Health and Human Services; Ms Anne Congleton, Deputy Secretary, Community Participation, Health and Wellbeing; Mr Greg Stenton, Chief Finance Officer; and, in the gallery, Phil O’Meara, Director, Diversity, Community Participation, Sport and Recreation; and Jill McCabe, assistant Director, Office for Youth.

Any witness who is called from the gallery during this hearing must clearly state their name, position and relevant department for the record.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege.

The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, any PowerPoint presentations and handouts will be placed on the committee’s website as soon as possible.

Witness advisers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee’s proceedings in any way.

Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

I invite the witness to make a very brief opening statement of no more than 5 minutes. This will be followed by questions from the committee.

**Visual presentation.**

**Ms MIKAKOS** — Thank you very much, Chair. Thank you for the opportunity today to talk about how the Andrews Labor government is ensuring all young Victorians have the opportunity to reach their full potential. Through our youth policy and delivery of core and new programs the Andrews Labor government has increased its investment in initiatives that support and empower young people in Victoria. Since 2015–16 we have invested over \$80 million in programs in the youth affairs portfolio that have enabled young people to participate in community and economic life. Under the Andrews Labor government investment in youth affairs has almost doubled since 2014–15, to a total output of \$28.5 million in 2018–19.

The *Youth Policy: Building Stronger Youth Engagement in Victoria* reflects our government’s commitment to engage more effectively with young people when developing government policy, services and programs. The policy also includes a Youth Engagement Charter that guides the way government engages with young people. Through projects such as the Youth Summit, the Youth Congress and the first-ever Victorian Youth Week, this policy is creating new opportunities for government and young people to work together on issues that matter to them.

Hundreds of young people attended the 2018 Youth Summit, ‘Harmony through Diversity’, held at the Melbourne Park function centre on 20 April 2018, building on the success of the 2017 Youth Summit, where young people shared their views and ideas to shape the work of the first Victorian Youth Congress. In November 2017, 21 young people aged 12 to 25 were inducted into the Youth Congress, and they meet regularly to progress their work. Capability building activities have been developed in partnership with youth organisations and young people to share best practice and knowledge on youth engagement. For example, in October 2017 the Victorian government sponsored the Youth Affairs Council Victoria’s sector-wide

conference, 'Front + Centre: the role and future of youth work', bringing together youth service providers from across Victoria to discuss key issues affecting young Victorians.

We have implemented and built on a number of new programs in the youth portfolio to re-engage young people in some of our most vulnerable communities. These initiatives will strengthen the health and wellbeing of young people at risk of disengagement and enhance their pathways to employment, education and training, and community participation. Between 18–19 this includes expanding the Empower Youth program and initiatives to target youth offending.

Over the past two years we have delivered the Empower Youth program, a new and innovative program that has enabled a diverse range of community organisations to employ youth workers to support young people in reaching their goals. For example, the Empower South Sudanese Youth Wellbeing program is being run in Brimbank and Wyndham to support at-risk South Sudanese young people through mentoring, providing links to schools and training providers, and pathways to employment. In the 2018–19 Victorian budget we are expanding the Empower Youth program with an additional \$2 million over four years to increase the number of projects and support more young Victorians.

The 2018–19 budget also funds a new \$15 million whole-of-government initiative to target youth offending at its source. This includes \$5.6 million in the youth affairs portfolio to establish three new community support groups in Melbourne's west and south-east to provide a community-led local response to the issues facing communities with high needs. A program coordinator and project workers will staff each community support group, delivering coordinated programs and activities for young people and families. They will also provide linkages and referral pathways, other services and programs for these young people and their families. These community support groups are a culturally responsive approach to supporting communities to identify and address youth disengagement and barriers to social cohesion and community resilience. With a focus on both prevention and early intervention, the CSGs not only operate community engagement and foster a sense of belonging but they also build protective factors to protect young people from being drawn to antisocial behaviour. Importantly, the CSGs provide a structure and process through which young people at risk of antisocial behaviour and youth offending can be identified and action can be taken quickly to provide services and support around these young people and their families.

In conclusion, Chair, over the four budgets we have invested in Victoria's young people to ensure that each and every one of them has the opportunity to reach their full potential. Thank you for the opportunity to present to you today, and I look forward to responding to the committee's questions.

**The CHAIR** — Thank you, Minister, for your presentation. We have government questions until 2.56 p.m. I will lead off, if I may. Minister, the budget paper reference is budget paper 3, page 73. I am particularly interested in your comments about the Empower Youth program, particularly what that might mean for young African-Australians in our communities, particularly in the inner suburbs and the western suburbs of Melbourne. I am just wondering if you could outline the way in which the strengthening of these communities is occurring, and young people more broadly from diverse and disadvantaged backgrounds, please.

**Ms MIKAKOS** — Thank you, Chair, for your question. The Andrews Labor government believes that every young person should have the opportunities and support that they need to reach their full potential, including those who face disadvantage. As I highlighted in my presentation, the 2018–19 Victorian budget has provided \$2 million to expand the Empower Youth program over the next four years, which will support more young people to reach their goals. This builds on my announcement in January 2017 of \$4 million in funding to support eight organisations to deliver this innovative new program, Empower Youth.

This Empower Youth program is being delivered at the moment by community organisations in areas experiencing social and economic disadvantage. This includes areas such as Greater Geelong, Ballarat, Hume, Dandenong, Casey, Brimbank, Wyndham, Frankston, Latrobe and Whittlesea. There is a very diverse range of organisations that have been funded as part of this program. It includes — and I will not give you the full list — Barwon Child, Youth & Family, Centacare Ballarat, the Victorian Aboriginal Child Care Agency and the South Sudanese Community Association in Victoria. I should point out that this is the first time that the South Sudanese community has had the ability to directly employ a youth worker to support at-risk young people in their community.

Effectively each organisation has employed youth workers as part of the funding that they have received to provide intensive coordinated support to young people to strengthen their health and wellbeing, their connection to community, their engagement in education and training and their pathways to employment. Young people have been directly engaged in the development, design and delivery of each local Empower Youth program, giving them greater involvement in the program's activities and resulting in better engagement and program delivery.

This is really an innovative program. I should point out that when I announced that funding in 2017, that was the first time since the previous Brumby government that there was state government support provided for youth workers in our state. If we are serious as parliamentarians and as community leaders about tackling the issue of youth crime and youth disengagement, then we really need to be focusing on a broad suite of responses, including a focus on the prevention side of things. That is exactly what this program as well as the CSGs are all about.

**The CHAIR** — I think you made mention in your evidence just then of the importance of employing young people from these communities. Certainly in my experience dealing a lot with the Somali community — and I note that Jill McCabe is in the audience, and she has done some great work in Flemington — that it is one thing for a younger person to present themselves as being a youth worker, and they will be received a certain way by members of the particular community they are working with, as opposed to somebody who is from that community who is seen as almost like a younger elder in that community and can take that drive or that sense. Can you talk in a little more detail about whether some of these communities are employing members of their own communities in terms of trying to deal with these issues?

**Ms MIKAKOS** — As I explained, this innovative new program which our government established two years ago directly funds organisations to hire youth workers to engage with young people in their communities. It has allowed a diverse range of organisations including, as I mentioned, the South Sudanese association, to engage a youth worker for the very first time. What it has meant is that these organisations have the ability to also look at hiring people from within their community if they have the appropriate qualifications to be part of this program. They are providing a diverse range of activities to young people who are engaged in this program.

Just from March 2017 to January 2018, over 380 young people were engaged in the Empower Youth program through these eight community sector organisations in the areas that I mentioned earlier. Of these, over 140 young people were engaged in health and wellbeing activities, including sport and recreation activities, mental health and alcohol and drug counselling. About 125 young people were reengaged in educational training, and over 70 young people were placed in traineeships or jobs.

We are a government that is of course very focused on making sure that young people do get into employment. That is a particularly important aspect of this in that these might be young people who have disengaged who are being given new opportunities here. What it has meant in a practical sense is that young people have been supported to attend interviews for local employment. We have had two young people who have been employed in the hospitality industry since November 2017. There is one young person in the program who has commenced a 12-month hospitality scholarship with the Collingwood Football Club. It is a great team, I might add. Work has also been undertaken to support drug and alcohol education with young people in the community via an outreach model. We have seen successful engagement of local secondary schools with community service organisations, sporting clubs and faith groups. There are three local soccer clubs with a total of 65 players across three clubs involved in this program as well. So that is just an example of the types of highlights. I should have explained those recent highlights were just as a result of the South Sudanese association program, those particular achievements — and I could give you no end of similar achievements and highlights for every one of those eight organisations that have been funded.

This is a program that is really making a difference. We have got young people participating in community and cultural activities. We know that if we are going to tackle the issue of young people being disengaged in our community we really need to strengthen those links that they have, not just with family but with broader community networks, so that they feel they are part of the community, they feel that they have hope for the future and that they are engaging in school and looking at training and employment pathways. That is what this program is doing.

**Mr DIMOPOULOS** — Minister, I was just going to ask you quickly about your slide that talks about the inaugural Victorian Youth Week. Why is it inaugural?

**Ms SHING** — It is an ironic title; it has been going for 45 years now.

**Mr DIMOPOULOS** — I am surprised we have not had a Victorian Youth Week.

**Ms MIKAKOS** — It is a very good question that you have posed, and I think when I have spoken to young people about this at different events around our state, they too have expressed surprise that in 2018 we celebrate the first ever Victorian Youth Week in this state. That was because, sadly, we had 18 years of a National Youth Week, but the Turnbull government has decided that they do not value National Youth Week anymore.

**Mr D. O'BRIEN** — No, they value it every day, that's why.

**Ms MIKAKOS** — They have pulled their funding —

**Ms WARD** — Unless you're on unemployment benefits.

**Ms MIKAKOS** — In fact they have pulled all their funding from youth activities around the country. There is no national youth minister.

**Mr DIMOPOULOS** — Is this the same government that decided to enter the debate about youth supposed gangs? It's the same government, isn't it?

**Mr T. SMITH** — What has this got to do with the state budget?

**Mr D. O'BRIEN** — Not that that question does have anything to do with the —

**Ms SHING** — Oh, you're made of sterner stuff than this, aren't you? That is what you said last week.

**Mr T. SMITH** — Goose and gander, Ms Shing.

**Mr DIMOPOULOS** — I will just ask the question in relation to youth —

**Mr D. O'BRIEN** — I think you should rule the question out of order, Chair.

**Ms SHING interjected.**

**Mr D. O'BRIEN** — It was 'Is this the same government?'. I think that is a question.

**Ms SHING** — No, it was rhetorical.

**Ms MIKAKOS** — Well, I think we all know the answer is yes, that that was in fact Mr Dutton and the Turnbull government that had a lot to say about youth crime in this state, yet they have not been prepared to put a single cent into prevention strategies —

**Mr D. O'BRIEN** — Yes, and youth week would have fixed the youth crime issue —

**Members interjecting.**

**The CHAIR** — Order!

**Ms MIKAKOS** — I think the interjections just demonstrate the fact that the opposition does not value community engagement by young people. We have a range of programs — **Mr T. SMITH** — What a load of rubbish.

**Ms MIKAKOS** — across the state, like the Advance program, it involves volunteering by students —

**Members interjecting.**

**The CHAIR** — Order! We have got opposition questions now until 3.05 p.m. Is there a question?

**Mr D. O'BRIEN** — Minister, budget paper 3, page 72 lists the output funding for the department. There is no mention at all of the FReeZA program, which lapses this year, speaking of community engagement. You

announced \$7.2 million by press release two days after the budget was released. Why is that money not outlined in the budget?

**Ms MIKAKOS** — Well, Mr O'Brien, thank you for that question. The FReeZA program is not in fact lapsing this year.

**Mr D. O'BRIEN** — Well, it would have if it was not funded.

**Ms MIKAKOS** — It is a program that we value very much. FReeZA gives young Victorians aged 12 to 25 the opportunity to enjoy music and artistic and recreational events in their local community that are fully supervised and drug, alcohol and smoke free. Funding is provided to local governments and community organisations to support FReeZA committees of young people to plan and stage over 400 events each year —

**Mr D. O'BRIEN** — Minister, I know what the program is. The question is —

**Ms MIKAKOS** — attended by more than 150 000 young people. I make that point because earlier you were suggesting, you and your colleague, that somehow positive youth engagement and activities are somehow not important and we as a government take the view that —

**Mr D. O'BRIEN** — That's not what we suggested at all, Minister.

**Ms WARD** — That is exactly what it sounded like.

#### **Members interjecting.**

**Ms MIKAKOS** — We have got a very wideranging response, Mr Smith, from prevention and early intervention strategies through to the record investment in our youth justice system that I spoke about in my earlier presentation, record investment in our Victoria Police and many other investments. FReeZA is supported by ongoing funding of \$2.4 million per annum.

**Mr D. O'BRIEN** — Sorry, I missed what you said then. Ongoing funding of?

**Ms MIKAKOS** — FReeZA is supported by ongoing funding of \$2.4 million per annum. This includes funding of \$380 000 per annum for The Push to deliver FReeZA support service. Through this initiative The Push provides a wide range of activities and expert advice to FReeZA providers and young people that enables them to successfully deliver and participate in the FReeZA program.

**Mr D. O'BRIEN** — Sorry, Minister, can I ask you to come back to the question. I understand what you said, 2.4 million. Where is it in the budget papers?

**Ms MIKAKOS** — It is built into the base of the youth affairs output, Mr O'Brien. Not every single program is itemised individually in my portfolio but I explained in the presentation that we have almost doubled the funding in youth affairs during our term of government. I make the point, just for your benefit, that applications for the 2019–20 FReeZA grant program are currently open and will close in June of 2018. I will be announcing the funding recipients for that funding round in a few months time, probably sometime in August.

**Mr D. O'BRIEN** — So, Minister, the FReeZA program was previously funded in the budget from 2016 to 2018, so it was a lapsing program unless it is re-funded. So can I just clarify then the total output cost is 28.5 million. So you are saying that the FReeZA funding of 7.2 that you have since announced is actually in that total output cost on page 264?

**Ms MIKAKOS** — It is in the base for the youth affairs output, receiving \$2.4 million each and every year ongoing.

**Ms WARD** — We had a great FReeZA event in my electorate only a few weeks ago.

**Mr D. O'BRIEN** — So you have announced the \$7.2 million. That is presumably over a period of time. Is that just for 18–19 or is it over the next three years?

**Ms MIKAKOS** — Yes, it is a three-year funding round.

**Mr D. O'BRIEN** — A three-year funding round. Okay.

**Ms MIKAKOS** — That is what has happened in the past as well, Mr O'Brien.

**Mr D. O'BRIEN** — Okay. Well, you cannot say it is an ongoing program when you have announced it for three years. My next question is on page —

**Ms MIKAKOS** — No. So we are clear: that is the grant round and they will get funding for three years, but there is ongoing funding in the output built into the —

**Mr D. O'BRIEN** — Then your press release should say \$2.4 million a year, not 7.2. That spend is for three years. Anyway, it is a moot point, Minister.

**Ms MIKAKOS** — I think you are getting confused by the applications for the grant round process and the funding round for a three-year period and what is in the base for the youth affairs output, which I explained is ongoing funding of 2.4 million per annum.

**Mr D. O'BRIEN** — Minister, can I move on? On page 264 again there is a note on the total output cost — that the increase in spending this year is partly due to rephasing of funding from 17–18 into 18–19. There is only 2 million over the forward estimates of new money in the budget, so last year's programs were presumably dramatically underspent. Can you outline for the committee which of those programs were underspent and by how much?

**Ms MIKAKOS** — I am going to invite Ms Congleton to respond to your question in relation to the phasing of the funding.

**Ms CONGLETON** — Thank you, Minister. In terms of the output cost funding for the 2018–19 budget compared to 17–18, there is a difference there of around \$9 million, and that is comprised of this current year's component of the additional Empower money that the minister talked about earlier, so that is \$500 000 in each of the four years. There is also a component of the whole-of-government youth offending initiative that has been allocated to the youth affairs budget as well.

**Mr D. O'BRIEN** — What does that entail?

**Ms CONGLETON** — That entails the development of and support for community support groups. I think the minister alluded to that earlier in her presentation. That is to work in three locations across metropolitan Melbourne. Then the issue that you raised around an element that has been rephased, there is an amount of funding that is not anticipated to be spent in the 2017–18 year for the youth space in Morwell.

**Mr D. O'BRIEN** — How much is that?

**Ms CONGLETON** — That is \$2 million that was allocated for the purchase of a site, and there is a lot of activity in that space at the moment to work with young people in that location to identify what it is that they want and where it is that they want it. It has really been handed over to the young people in the Latrobe Valley to inform us about what it is that they want and where they want it.

**Mr D. O'BRIEN** — So that is why it has been delayed?

**Ms CONGLETON** — That is right.

**Mr D. O'BRIEN** — That is 4 million of 9. What about the rest of it?

**Ms MIKAKOS** — That centre will be opening later this year. Ms Shing has been very much involved in it.

**Ms CONGLETON** — I mentioned the \$500 000 for Empower, and then the other funding is about \$5 million for the youth offending piece.

**Mr D. O'BRIEN** — Sorry, the Empower is 2 million, 2 million for Morwell and then 5 million for the youth offending?

**Ms CONGLETON** — Well, 500 000 for the Empower because that is \$2 million over four years, so 500 000 —

**Ms MIKAKOS** — Just to explain, that was obviously subject to a procurement process. Obviously the money was in the 2016 budget. There was a procurement process. By the time that process was completed, I was able to announce the successful recipients. That took us through to January 2017. That is the reason for that, and that is pretty common for all of these types of programs where you have a new program being developed and you have got to go through a procurement process as well as working with the sector on what it might actually look like.

**Mr D. O'BRIEN** — I am just conscious of time. Quickly, 2 million for the Morwell project — 500 000 a year, which is 2 million over four years. Or it is only 500 for this year. So that is 2.5 million plus 5 million for the youth offending program.

**Ms CONGLETON** — Yes, and I think there is about \$300 000 of activities that were associated with Morwell youth space as well as that capital component.

**Mr D. O'BRIEN** — That leaves about 1.5 million.

**Ms CONGLETON** — I think the remainder there was around some indexation as well, which is always part of our budget builds from year to year.

**Mr D. O'BRIEN** — Okay. Minister, how much of the funding that you announced — the 12.3 million — for the Engage program is allocated to 2018–19 and 2019–20?

**Ms MIKAKOS** — In terms of the existing groups or in terms of those in the budget this year?

**Mr D. O'BRIEN** — I have just asked for the phasing for the 12.3 million.

**Ms MIKAKOS** — It is funding over four years, so it is 500 000 per year over four years.

**Mr D. O'BRIEN** — No, sorry, I am talking about the \$12.3 million for the Engage program that you announced earlier this year.

**The CHAIR** — Order! Ms Pennicuik until 3.10 p.m.

**Mr D. O'BRIEN** — If I could have that on notice —

**Ms MIKAKOS** — We can take that on notice and provide you with some information on that.

**Ms PENNICUIK** — Thank you, Minister, Secretary, Deputy Secretary and other staff. Thanks for coming. I just wanted to talk a bit more about the strengthening youth engagement program, which according to the budget papers will help young people to increase their participation in the community, education, training and employment. I just wonder, Minister, with regard to employment —

**Ms MIKAKOS** — I am sorry, Ms Pennicuik, which program were you referring to?

**Ms PENNICUIK** — Strengthening youth engagement — budget paper 3, page 263. I might have the wrong reference there.

**Ms MIKAKOS** — You are looking at the performance measures.

**Ms PENNICUIK** — Yes. If we could find the budget paper reference later, because we are eating into my five minutes of time.

**Ms MIKAKOS** — That is fine. Sorry.

**Ms PENNICUIK** — I have got the wrong one there.

**Ms MIKAKOS** — It is the Empower program.

**Ms PENNICUIK** — That is right.

**Ms MIKAKOS** — You gave the performance measures reference.

**Ms PENNICUIK** — Yes. Let us continue. My question really is about: in terms of the organisations that are engaging young people with regard to employment, does that include programs ensuring that young people understand their rights in relation to fair pay and conditions? I know that may go across Mr Carroll's portfolio, but in terms of youth and young people getting engaged — and particularly young people who are disengaged — they do need to know about these issues and what organisations are assisting with that.

**Ms MIKAKOS** — Thank you, Ms Pennicuik, for your question. Obviously if community sector organisations or community-based organisations are funded through this program and are assisting young people to get into the paid workforce, or engage in volunteering — unpaid work — for that matter, then they may choose to provide young people with advice around their employment rights, and that is certainly something that I would anticipate may well be something within their remit. It is certainly not prescribed in the guidelines in terms of exactly how they wish to approach these issues, but certainly we would encourage young people to be aware of their industrial rights. We know there is a degree of exploitation happening at the moment that has been highlighted in our community very recently.

**Ms PENNICUIK** — And particularly of young people and particularly of disengaged young people.

**Ms MIKAKOS** — Yes, exactly. That is exactly right.

**Ms PENNICUIK** — Perhaps I can encourage you to ensure it rather than encourage it — that young people are apprised of their rights. Just on this issue too, with regard to youth workers, obviously this program will engage youth workers. How many more youth workers will be needed than are currently available and when does the government think they will be engaged?

**Ms MIKAKOS** — Thank you, Ms Pennicuik, for that question. I will endeavour to get you the answer on that. We certainly have had about 15 youth workers recruited as part of the original rollout to the first eight organisations that were funded with the \$4 million, and you would anticipate that about half of that would probably be engaged again as part of the next rollout given it is half of that funding — it is \$2 million. I have opened a procurement process recently for the next funding application, so obviously it will be dependent on —

**Ms PENNICUIK** — So do you know how many you are going to need?

**Ms MIKAKOS** — We will be receiving proposals from community-based organisations about wanting to offer that program in the targeted communities, particularly, that we are prioritising, and that will be for them to put that proposal to the department, and obviously it is a merit-based selection process, but we would certainly expect that each one of those organisations would be employing about one to two youth workers.

**Ms PENNICUIK** — Yes. So how many organisations and workers is that?

**Ms MIKAKOS** — The funding round is open at the moment, so that will be something that we will determine off the basis of the strength of the applications.

**Ms PENNICUIK** — Perhaps if you have any further information, Minister, you could provide it to the committee.

**Ms MIKAKOS** — Sure — happy to.

**The CHAIR** — Order! I would like to thank the Minister for Youth Affairs and the other witnesses for their attendance: Ms Peake, Ms Congleton, Mr Stenton and Mr O'Meara. The committee will follow up on any questions taken on notice in writing. A written response should be provided within 10 business days of that request.

**Witnesses withdrew.**