

CHAPTER 12: DEPARTMENT FOR VICTORIAN COMMUNITIES

Transcript of Evidence

12.9 Aboriginal Affairs portfolio

The transcript for the hearing on this portfolio was included in the Report on the 2007-08 Budget Estimates – Part One.

Transcript of Evidence

12.10 Aged Care portfolio

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2007–08

Melbourne — 14 May 2007

Members

Mr G. Barber	Mr G. Rich-Phillips
Mr R. Dalla-Riva	Mr R. Scott
Ms J. Graley	Mr B. Stensholt
Ms J. Munt	Dr W. Sykes
Mr M. Pakula	Mr K. Wells

Chair: Mr B. Stensholt
Deputy Chair: Mr K. Wells

Staff

Business Support Officer: Ms J. Nathan

Witnesses

Ms L. Neville, Minister for Aged Care;
Mr Y. Blacher, secretary, Department for Victorian Communities;
Mr J. MacIsaac, executive director, youth, seniors, veterans and disability; and
Mr S. Gregory, chief financial officer, Department for Victorian Communities.

The CHAIR — I welcome today Mr Yehudi Blacher, secretary, Department for Victorian Communities, James MacIsaac, executive director, youth, seniors, veterans and disability, and Stephen Gregory, chief financial officer, Department for Victorian Communities. I call on the minister to give a brief presentation of no more than 5 minutes, or less, of the more complex financial performance information relating to the portfolio of aged care, and we will then have hopefully about 40 minutes of questions.

Ms NEVILLE — I will talk briefly about some of the achievements in this area over the 2006–07 period. Promoting seniors participation has been the big focus in the Office of Senior Victorians. We have continued our growth of the Seniors Card and the benefits it offers to Victoria's seniors. It is growing at the rate of about 60 000 new cardholders a year. We also have the maintenance of the seniors festival, which is one of our flagship events. Last year we had 313 events with an estimated attendance at our festival activities and events, including the use of the free public transport offer of approximately 375 000 seniors. This year will be the 25th year of the festival.

We also continue to acknowledge the contribution of significant Victorian seniors, men and women over 60, who have inspired us to make a contribution to our community, and we do this through the Premier's award for Victorian Senior of the Year and the Council on the Ageing Senior Achiever award.

We also place a big emphasis on better protecting senior Victorians. In 2005 we undertook some significant research in relation to elder abuse responses in Victoria and we committed last year to \$5.9 million over four years to initiatives, including establishing a statewide community education service and an older persons legal service. These initiatives will help develop our capacity to respond to this issue.

Mobility is also a critical quality of life issue for senior Victorians, particularly as people age and stop having access to driving. In 2006 we provided money over two years to a project to assist older drivers to maintain their mobility once they had lost their licence. We have also focused on mature age employment. Older workers are increasingly important for maintaining productivity as the population ages, and under our Positive Ageing program in 2005 we funded VECCI \$400 000 over two years to educate and inform the industry about the role older workers play.

Another important area for government has been investing in lifelong learning for older Victorians. Last year's budget contained a significant additional investment of \$1.2 million over four years to expand the University of the Third Age network and also to increase the membership base of the U3A program. As you can see from the graphs there, we have seen a natural growth up until 2006. We estimate a huge increase in the new U3A groups up to 2010, as well as in the second graph a huge increase in the membership of U3As, and we are expecting a growth rate of around 2000 new members per year.

Another significant achievement has been seniors Go for Your Life program activities which support local communities and relevant peak organisations to assist seniors in keeping active. A mid-term evaluation of the projects that we have run has found that we have had about 149 activity programs that have been conducted — walking, strength training, tai chi — and 11 000 people have participated in these projects. We have trained 200 fitness instructors to work specifically with senior Victorians. We have promoted the value of physical activity, and we have got over 300 organisations involved. This just points to some other areas that are the responsibility of other ministers but form part of an overall strategy to better support older Victorians.

Obviously we have some challenges in the aged-care portfolio in relation to the population ageing. For example, by 2051 Victoria can expect 125 per cent increase on today's figure — that is 2 million people aged over 60 years. The ageing of the population will be the most significant in the next 20 years. This, of course, provides some key challenges in terms of reaching out to socially isolated members, working with frail aged and how we continue to encourage senior Victorians to participate and be active in their community.

We will continue to provide a range of programs. A positive ageing program will run throughout the 07–08 financial year; an allocation of \$1.25 million will continue to promote seniors' participation through the Seniors Card and the seniors festival and also our support for U3A networking membership continuing throughout 07–08. We have also got a commitment of \$1.2 million to encourage and support seniors to continue to participate in physical activity through a range of Go for Your Life initiatives. And in the 07-08 period we will also have the statewide information education service under the elder abuse prevention project that will commence.

Some new initiatives in this year's budget include the men's shed; the government made an election commitment to fund \$2 million for an additional 25 men's sheds. DVC will be rolling out this program over the next four years

commencing in the 07-08 budget period. There will also be strength training, which is one of the best ways in which we can encourage older people to be active and also prevent falls and maintain their independence, with \$1.3 million from the Commonwealth Games surplus being available to fund the strength training in local areas. The money will be expended in the 07-08 budget. Also, there is just an indication of the other range of ways in which the government is responding to the challenge of an ageing population and ensuring that senior Victorians continue to participate and engage in our community.

Mr SCOTT — My question is in relation to Men's Sheds, which you just touched on in your presentation and it is also referred to in budget paper 3, page 247. What is the purpose of Men's Sheds and how do they support older men, Minister?

Ms NEVILLE — Many older men, particularly single men over 50, often lack places that provide opportunities for lifelong learning, for health and wellbeing opportunities, for volunteering and for social connection. A Men's Shed is a purpose-built, male-friendly environment; a shed where men within a local community can meet, participate in practical activities and support each other. Research indicates that there are currently about 73 Men's Sheds in Victoria that have been either established or are in the planning stages. Men's Sheds have a diverse range of origins but are generally linked to neighbourhood houses, to health services, to churches or local government organisations. Men's Sheds established in Victoria to date had been very successful in attracting older men who miss out on conventional health, employment, education and training initiatives.

Researchers in men's health have established that older men benefit from socialising and learning in settings that mainly comprise men and that have regular hands-on activities. Men's Sheds are ideal environments for programs for older men who may be experiencing health issues, social isolation, retrenchment or other life-changing experience. Research has also indicated that Men's Sheds play a very important role in drought-affected rural Victoria in assisting men who may be experiencing depression and isolation, to help them engage in health, employment and education initiatives.

The budget provides \$2 million over four years for an additional 25 Men's Shed programs. It will comprise infrastructure grants to construct the facilities which will improve older men's health. It will also fund capacity building and planning grants to establish a sustainable community-based Men's Shed that will be supported by community partnerships at the local level. Further detail on the application process will be available later this year.

Mr DALLA-RIVA — Minister, we had Minister Jennings appear before us the other week. We have received an email from Mr Ben Hart, chief of staff to the Minister for Community Services and Minister for Aboriginal Affairs, in terms of the ministerial responsibilities of Minister Jennings and Minister Neville, as requested by the PAEC chair, Mr Bob Stensholt. Minister Jennings was asked a question about how much within his portfolio of community services does he have of aged care. It was mentioned in the email, but he mentioned \$1.21 billion of direct budget responsibility.

I note in the email that there is a range of portfolios and you are the Minister for Aged Care. As a preamble, before I get to my substantive question, what is the total budget responsibility that you have as the Minister for Aged Care. If you do not know that, put that on notice, but I think you probably should have it on hand, as the other minister did? I also now refer you to budget paper 3, whilst you are looking at that calculation.

This is more a question on notice — you might be able to provide it in detail later on. Budget paper 3, pages 79 to 81, under 'aged and home care', and budget paper 3, pages 243 and 244, under 'seniors and veterans': Minister, can you explain in detail to the committee which areas of the aged and home care outputs and seniors and veterans outputs fall within your responsibility as the Minister for Aged Care, and what total amount of funding, as I indicated, is attributable to your responsibility?

Ms NEVILLE — As I understand it, the committee was provided with these details when the Minister for Community Services attended — —

The CHAIR — That is correct, and on an overhead as well.

Ms NEVILLE — However, I am very happy to again go through the list of the areas of my responsibility. It is very important that the committee distinguishes between responsibilities for delivering residential and community services for older people requiring care and support and representation with government on other major issues that affect senior Victorians.

For older Victorians who require assistance in the task of daily living, the policy directions are to improve the quality of government residential and community care services and to foster more integrated and flexible local responses to the support and accommodation needs of clients. This is the responsibility of the Minister for Community Services.

There are further significant related whole-of-government policy challenges regarding senior Victorians. The structural ageing of our population presents major challenges. There are going to be not just more senior Victorians proportionally to the rest of the population but more people reaching very advanced ages. An increasing proportion of these seniors will be members of culturally and linguistically diverse communities, who as they age will have particular needs.

We are already tackling some significant issues affecting senior Victorians. These include protecting senior Victorians from the risk of elder abuse, improving age-friendly qualities of our local communities, encouraging healthy and active living for seniors and promoting the inclusion of seniors in Victoria's economy and social life.

In my capacity as the Minister for Aged Care I am focused on the whole-of-government policy agenda for population ageing and seniors programs delivered by the Department for Victorian Communities and the Office of Senior Victorians. This delivers a range of seniors access and participation programs. We have the Victorian Seniors Festival, which is a major undertaking; we have a ministerial advisory council on senior Victorians; and I am in process of appointing a new council. I am delighted that we have had such a wide-ranging set of applications from right across Victoria.

We have got the Victorian Seniors Card, as I have said. This is growing at about 60 000 per year, and now there are currently 900 000 seniors who have a card. We have the elder abuse prevention policy, which is another key initiative that is coordinated through the Office of Senior Victorians. We also operate the positive ageing program, which is making considerable progress in meeting some of the challenges of an ageing population.

The labour market is a critical issue to the economy and all of us, particularly to seniors. So structural ageing means that the proportion of people of working age will decrease as a proportion of the population. We have already undertaken one project with VECCI, and the Office of Senior Victorians is now working with employment programs within DVC to help redress skills shortages by promoting improved participation by older Victorians in the labour market.

Also this program is focused on the liveability of our local communities, and we are supporting local government to develop plans and actions to improve the aged-friendly nature of their communities. We have also the healthy and active living for seniors programs. We support a range of initiatives, like the strength training and gentle exercise programs, and, as I indicated, around 11 000 people through the evaluation had already participated.

With have life-long learning programs through the U3A development. I have just spoken about the men's sheds, so I will not go through the details of the men's sheds again. Our ageing policy agenda will increasingly focus on the measures government can take to foster social inclusion of senior Victorians and better respond to the risks of social isolation. One of my major responsibilities as minister is to help to build a more age-inclusive society, where seniors are valued and have ample opportunities to participate in community life.

In short, again reiterating what the Minister for Community Services would have indicated to the committee, the Minister for Aged Care is responsible for statewide seniors-related policy and seniors access and participation programs delivered through the Department for Victorian Communities. The Minister for Community Services is responsible for all matters relating to the policy, planning, funding and delivery of aged-care services in the state.

Mr DALLA-RIVA — So the bottom line is, on my understanding, around \$9.1 million?

Ms NEVILLE — Yes, \$9.2 million.

Mr DALLA-RIVA — So 9.2 for this year.

Ms GRALEY — Minister, I want to talk about this broad and somewhat curious term for us baby boomers, 'positive ageing'. I refer the minister to budget paper 3, page 243, where it mentions 'seniors grants'. Can you just explain to the committee what kind of initiatives and projects the positive ageing program and the senior grants program cover?

Ms NEVILLE — This project was initiated in fact in the 2004 state budget with a four-year allocation of \$5 million. The purpose is to promote improved quality of life for seniors, and it has done so by promoting change in a whole range of important areas. It supports strategies and initiatives that maximise the quality of life and recognition of senior Victorians. The strategies promote a more age-inclusive society, opportunities for participation, access to information and better understanding of the challenges of positive ageing.

The first three years of the program have supported a range of initiatives to a total of \$3.5 million. The age-friendly communities project, which is our largest investment, provided \$1.3 million to the Municipal Association of Victoria, with a further \$100 000 for an evaluation project. The MAV works in conjunction with the Council on the Ageing and the Office of Senior Victorians to provide grants to local councils for demonstration of projects that promote positive ageing and age-friendly communities. It is also developing tools for local government to help them successfully respond to the ageing of the population in their particular municipalities.

A unique feature of the program is its emphasis on sharing information between funded municipalities and other municipalities. The MAV has day-to-day responsibility for managing this program. We have also funded, as I spoke about briefly before, a workplace employer education partnership project with VECCI, which is a \$400 000 project. There was an education project aimed at small-to-medium businesses, trying to encourage them to attract, develop and retain their older workers.

We have also had a joint initiative with VICNET, which is run through the state library, to improve the internet take-up rate of senior members of our community. We have also had an Images of Age program, which has attempted to redress some of the stereotypical images of older people in the media and some popular misconceptions about ageing. It has supported over 20 theatrical and film projects and provided sponsorship at a cost of around \$220 000. The program also supports a number of smaller initiatives, like the Premier's financial literacy project for older Victorian women, which provided seminars for women in locations around the state as well as support for conferences and workshops on issues affecting older Victorians.

In 06-07 the allocation for positive ageing was \$1.25 million. We have completed the project with VECCI, and we are continuing to fund the MAV/COTA age-friendly communities project as well as some mobility projects with the Department of Infrastructure. We have also got a number of other projects that are in development. This is an important program within the Office of Senior Victorians, and it really is about changing the way that we see older Victorians in our communities.

Ms MUNT — Minister, I recently had the great pleasure of being part of the panel to choose the Ministerial Advisory Council of Senior Victorians. I can see a couple of other members of the interview panel here today.

It was a great pleasure for me to see how many senior Victorians actually applied to be on this panel and give something back to their community. We spent quite a deal of time, those of us on the panel, ensuring there was representation from various age groups, regions and ethnic backgrounds as best we could, and I came to a much clearer understanding of the work of the Ministerial Advisory Council of Senior Victorians.

I think it is very important, as an advisory council, for the minister to put forward the needs and views of senior Victorians, so I was wondering if you could please explain to the other members of the PAEC, who might not have the understanding that I have been privileged to gain, what is the role of the Ministerial Advisory Council of Senior Victorians and what we are expecting from that body over the next few years.

Ms NEVILLE — The Ministerial Advisory Council of Senior Victorians provides very valuable advice to the Victorian government in relation to issues of interest to senior Victorians and has done so for a number of years. The previous council's term expired on 24 November, and it was one thing I was very keen to re-establish when I was appointed as minister, so we went through a process of advertising this right across Victoria.

It has certainly been overwhelming in terms of the interest we have received from senior Victorians really right across the board. We received a total of 124 nominations, and they really were from a range of ethnic backgrounds, a range of skills and also a range of geographical locations, from small rural to large regional to metropolitan nominations.

They were advertised right across both mainstream and ethnic media, in the *Age* and *Herald Sun* as well as through all the regional papers and radio. Information kits were also provided to Victorian members of Parliament,

encouraging them to look for leading seniors in their local communities. Media releases were issued, and again that elicited quite a lot of interest in this process.

Just to give you a sense of the value of the ministerial advisory committee it might be worth touching on some of the things that it did in its previous life back in 2006. For example, it worked on some important projects around volunteering and provided some advice to the minister responsible at the time, based on findings from four community round tables that it undertook to better understand what it is that encourages or promotes volunteering in local communities, particularly among senior Victorians.

We certainly all know that senior Victorians play a very fundamental role in supporting our local communities through their volunteer efforts. The report and recommendations for actions were published on the council website and provided to all who participated in the consultation.

The council also played an important role in the development of our elder abuse response. It continued to co-host community forums with the Office of the Public Advocate to encourage senior Victorians to protect their rights through enduring power of attorney, relating to both financial affairs and medical treatment. It held forums in Cheltenham, Geelong, Melton and Morwell during 2006. Special focus forums were also held in Morwell for indigenous elders as part of NAIDOC Week and in Broadmeadows for Arabic-speaking older women in collaboration with the Victorian Arabic Social Services.

Other ongoing issues and activities that they have been involved in and representations they have made to government include issues around: accessible housing; maintaining mobility, through the Department of Infrastructure; as I said, the elder abuse advisory group; advice around the provision of HACC services; participating in the VECCI mature-age workforce project; the age friendly communities project with the MAV; and also the financial literacy project. So you can see they have had a broad-ranging impact and provided a range of advice on issues that government is responsible for.

Mr WELLS — Thank you, Minister. I refer you to the government's state election commitment of \$5.8 million for elder abuse prevention. In the budget estimates of 06–07 Minister Jennings announced that the funding allocation for elder abuse totalled \$5.98 million under the Supporting our Seniors initiative, yet in March 2007 *Promoting the Safety, Dignity and Independence of Senior Victorians* consultation paper published by the Department for Victorian Communities stated that funding for elder abuse would only be 2.64 million.

Can you provide to the committee how much was actually spent on elder abuse in 06–07? Why has the funding decreased from 5.98 to 5.8 million and now, it appears, down to 2.64 — where is the other 3.34? How many cases were actually reported in 2006, and when would you expect the community education and older persons' legal service to be in operation, considering that Minister Jennings said it would be in operation by the end of 2006?

Ms NEVILLE — In the 06-07 budget the government allocated \$5.9 million, which is over four years, to support prevention of abuse of older people. The budget included \$0.3 million to the Department of Justice for the establishment of the older person's legal service, and \$1.23 million was allocated to the Office of Senior Victorians for the statewide education service, whole-of-government coordination, professional education and support, information and revision of the Department of Human Services elder abuse prevention guide. It is a key priority in improving community awareness of elder abuse, which will improve the capacity to identify and respond to instances of elder abuse, which is why we are establishing this service.

Since the allocation of the funds, which total \$5.9 million, significant work has occurred on these initiatives. The Department for Victorian Communities in collaboration with DHS, Victoria Legal Aid and also Victoria Police has prepared an implementation plan which identifies the timetable for implementation of the key initiatives over the next three years.

A consultation paper on how to effectively combine the community education centre and the older person's legal centre was recently released in collaboration with Victoria Legal Aid, and we have received more than 40 submissions in response to this, which will inform the tender documentation.

The consultation process leading up to the tender has been complex due to the decision to combine both the community education service and the older person's legal service, and the tender for the combined service is scheduled for June of this year.

In tandem with the establishment of the combined service, a three-year communication strategy is also currently being developed. The Department for Victorian Communities has been working with the Department of Human Services to review the elder abuse prevention guide, and this will be an important component of our community education process.

We are also currently investigating the most effective ways to promote the development of local area networks, including the use of existing networks such as family violence, the centres for sexual assault, and primary care partnerships, to provide more coordinated and collaborative approaches.

In relation to the expenditure in this financial year, we will take that on notice and provide details to you.

Mr WELLS — It sounds like a lot has been spent on the bureaucracy; we have not had any cases reported through this system yet?

Ms NEVILLE — As I indicated, this system has gone through a consultation because it was felt, after the initial consultation, that we needed to combine the services, that that was going to respond best to the needs of older people who are at risk of abuse, and that both through that process of submission and consultation, we are close to being able to release the tender documents which will be in June of this year.

Mr WELLS — So from June this year, will people be able to start reporting cases of elder abuse?

Ms NEVILLE — A tender is scheduled for June of this year.

Mr WELLS — The tender? So we are still not sure when older people will be able to report abuse?

Ms NEVILLE — The tender is scheduled for June, and the service will be up and operating following the awarding of the tender.

Mr WELLS — Okay.

Mr PAKULA — Budget paper 3, on page 243, makes mention of the Victorian Seniors Card program. I am wondering what achievements there have been and what benefits you see the card providing over the forward estimates period.

Ms NEVILLE — As I indicated, the Seniors Card is extremely popular. There are currently 900 000 Seniors Card holders in Victoria. This is 95 per cent of eligible applicants, so it is a very well supported program that the government provides, and each year it grows at a rate of around 60 000. It provides a number of benefits, for example public transport benefits, access to discount seniors day tickets on the metropolitan transport system, concession rate fares for shorter trips, 50 per cent off senior trips on V-Line services, and additional discounts of up to 65 per cent on off-peak travel three days a week.

Seniors off-peak travel vouchers for two return trips anywhere in Victoria on V/Line-ticketed rail and coach services are also provided if you are a Seniors Card holder. We also provide free public transport on Sundays within metro Melbourne, and on the bus networks in Bendigo, Geelong and Ballarat. Also free public transport is provided during the Victorian Seniors Festival, on both the Met and also selected regional and local bus services and V/Line. The free travel vouchers concession travel at any time on V/Line services and free public transport on Sundays was introduced last year and is funded by the Department of Infrastructure; again, those programs have been are extremely well taken up.

Other benefits provided if you are a Seniors Card holder in Victoria include discounts at over 3000 participating businesses, and free entry to Scienceworks, the Melbourne Museum and the Immigration Museum. We also have free fishing in Victorian waters for Seniors Card holders and many senior Victorians welcome that, as a lot of them are recreational fishing people.

The Seniors Card and its benefits are promoted to seniors through a whole range of mechanisms. Directories of discount providers are mailed on a regular basis to Seniors Card holders, providing them with up-to-date information on the benefits that they can receive from having a card: the latest edition of the Metropolitan Retail and Services Directory and also the rural and regional retail and services directory were mailed out to over 580 000 Seniors Card holders last year.

Also monthly listings of new businesses that are joining the program are in the two major seniors newspapers, which are very well-read papers — *50-Plus News* and the *Victorian Senior* — and we have a monthly calendar of events in the *Victorian Senior* newspaper, and also we have a website. As I said, the Seniors Card provides a lot of benefits to seniors and that is illustrated by the take-up rate and the participation rate in the Seniors Card program that we operate.

Dr SYKES — Minister, my question tends to follow on from the presentation you have just done. It relates to maintaining the mobility of aged country Victorians. I just pick up on public transport — and I have raised this with the transport minister. First of all, in relation to seniors travelling to Melbourne for example for the Seniors Festival, I had a lot of concerns raised with me last year, as did my colleagues, about the relatively low number of seats available on the trains to get to the festival. So in principle the offer was there but in reality it was difficult to take up.

Secondly, with people further away than, say, Seymour, Ballarat or Bendigo, the travel times are such that it is often necessary for someone, to attend a festival activity in Melbourne, to either come down the day before or return the day after. So there is a need to fill a gap, ensuring that those concessions consistently apply the day before and the day after, not needing to be put in place after there are clamours from the bush. Equally there were issues raised by me with the minister for transport in relation to the train scheduling and frequency that impact on the ability of country Victorians to take advantage of off-peak travel concessions.

One other issue that is causing concern is the issue of the multipurpose taxi program, which has been through some changes and generally, after a bad period, has come back to being better. Interestingly the lack of availability of public transport in country Victoria is not a criterion for the frail elderly being able to access the multipurpose taxi program. I would suggest if that was included, that would achieve your objective of enabling people to age and live independently for a much longer time.

I guess my question to you, Minister, is: will you take on board the issues that I am raising and ensure appropriate policy adjustments to ensure that what I believe you are intending to achieve is in fact achieved for country Victorians; and, if necessary, will you allocate what I would consider relatively minor additional sums to the budget to ensure that Victorians get the same deal as their city colleagues?

The CHAIR — Minister, insofar as you can answer, given several other portfolios are involved.

Ms NEVILLE — That is right. There are a number of issues that touch on other responsibilities. Those services are the responsibility of other ministers, particularly in relation to the minister for transport.

Dr SYKES — But there is an underlying principle in your portfolio of looking after the interests of the aged.

The CHAIR — The minister accepts that.

Ms NEVILLE — As I indicated earlier in my presentation, the Seniors Festival is a well-patronised event every year. I think about 370 000 people participated in events during that period. They were people from right across Victoria. So they are participating in local communities and sometimes also participating in Melbourne. Again, like in previous years, Senior Card holders last year were able to travel free on all metropolitan services and some selected regional bus services and V/Line services during those periods of time over the five-day period.

As I said, 375 000 people is the average attendance that we received last year. There were certainly some congestion issues because of the number of people who were participating in the Seniors Festival particularly on the V/Line network which is, in a sense, a good news story. People from across Victoria want to come together here in Melbourne and participated and enjoy their activities that we have on offer as part of Seniors Week.

This year we will be doing some work to emphasise to seniors intending to travel during Seniors Week that it would be advisable to book ahead where they can. Often people are planning their journeys so to book ahead and actually get — —

Dr SYKES — Are you going to increase the number of seats though or is it going to be first in, best dressed?

Ms NEVILLE — We are trying to encourage seniors to book as early as possible to ensure they get allocated a seat. This is the work that we are — —

Dr SYKES — So there are no new seats?

The CHAIR — So it is first in, best dressed, is it?

Ms NEVILLE — The Department of Infrastructure is aware of the capacity issue so it is something we have certainly raised with it and some of the challenges along Victoria's transport during the time of Seniors Week. We are trying to encourage seniors to take advantage of this free transport during that time and participate in a festival, but also make sure that they are able to book ahead so that they actually get a seat on the service that they require.

Broadly in relation to mobility issues, it is something that the government has taken seriously. I spoke a little bit about the projects that the Office of Senior Victorians has been involved in in terms of mobility issues. We have certainly contributed money to other projects like transport connections, which is a project that is jointly funded by the Department of Human Services and the Department for Victorian Communities.

This funding supported some pilot projects in rural and regional Victoria in local government areas, with particularly higher levels of an ageing population. This was about looking at alternative mechanisms to connect local communities to ensure isolated older members of our community were able to use a method of transport to bring them to social activities and recreational activities.

The pilot found that through the pilot process, it was able to develop and trial a whole range of different transport services. We were able to improve access to information about little local transport solutions and improve coordination between local agencies to improve their access for people who have poor transport options.

In relation to the broader projects that you referred to like access to public transport, it is the responsibility of the Minister for Public Transport. I suggest that the committee directs those questions directly to the minister responsible. However, I will say that obviously the Office for Senior Victorians will continue to be interested in the broader policy issues around mobility for older Victorians. We know that the more active and engaged older Victorians are in the community, the better their health and welfare outcomes are.

Dr SYKES — Can I take that as a yes? The issues that I am raising with you are currently — we will call it — fine tuning of some of the policies that you have in place. Will you take those concerns on board and if you need more information, will you come back to me or other members representing country electorates?

Ms NEVILLE — Certainly, we will continue to have an interest in these issues. Like I indicated, the ministerial advisory committee continued to provide advice on this matter last year and so certainly like the office responsible for senior Victorians, in all of these areas there are issues in which we have an interest.

The CHAIR — Thank you, Minister. It is good to see you have mechanisms for continuing to develop policy for aged care.

Just a few things: there is a question on notice here regarding the Seniors Sunday Pass, which I will pass to the secretariat. I would like perhaps Mr Gregory to do a bit of homework to reconcile table 2.10.1 in budget paper 4 regarding output appropriations with what is in the output summary in budget paper 3 at page 235. I do not want an answer now, but he can take it on notice.

I have also asked in the past for departmental responses in regard to what services they expect to provide, both in terms of resources and staff, in servicing this committee next year, bearing in mind our experience over the last few years.

That concludes the consideration of budget estimates for the portfolios of mental health, children and aged care. I thank the minister and departmental officers for their attendance. It was a good session. Where questions have been taken on notice, the committee will follow up with you in writing at a later date, and we would like responses to those within 30 days. They will be used and taken into consideration for the further reporting of this committee to Parliament.

Committee adjourned.

Transcript of Evidence

12.11 Employment portfolio

The transcript for the hearing on this portfolio was included in the Report on the 2007-08 Budget Estimates – Part One.

Transcript of Evidence

12.12 Local Government portfolio

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Melbourne — 17 May 2007

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Witnesses

Mr R. Wynne, Minister for Local Government;
Mr Y. Blacher, secretary;
Ms P. Digby, executive director, local government, employment and adult education division; and
Mr S. Gregory, chief financial officer, Department for Victorian Communities.

The CHAIR — I call on the minister to give a presentation of no more than 5 minutes on the more complex financial performance information in relation to the budget estimates for the local government portfolio. I commend your previous presentation, which actually did concentrate on the estimates, and I sent a message around to ministers who are due to come up that we really need in the presentations to focus on what is coming up in the future rather than on a long record of what has been achieved in the past.

Mr WYNNE — Good, thanks very much. I think I am clear on my riding instructions, Chair.

Mr DALLA-RIVA — Let's go on your achievements of the past for a start.

Mr WYNNE — No, I am only looking forward, Chair. Thanks to you and to the committee for the opportunity to present in the local government portfolio. My presentation will cover the achievements of 06–07 and the priorities for 07–08 for the local government portfolio.

Overheads shown.

Mr WYNNE — The first slide here and the next deal with the portfolio's achievements. They are reasonably self-evident for you. But I do not intend to speak to those slides in any detail. The output targets for 2006–07 in budget paper 3 are expected to be met, but I am happy to answer any questions on those achievements as we go forward. The second slide that I have up there indicates the achievements for 2006–07, and, as I indicated, I would happy to talk further about those.

The priorities for 2007–08 are really the areas that I would like to concentrate on, and there are four of these, as I will go through. The first is better councils, the second is more democratic and accountable councils, the third is joined-up government, and the fourth is empowering local residents and communities.

In the budget the government announced \$4.7 million over the next two years to really undertake a significant reform program in partnership with local government. I guess if this government is on about anything, it is on about a partnership with local government, and I will want to talk about that a bit further in the presentation. We will do this initiative with the MAV and Victorian local governments generally. We hope to produce tangible benefits for Victorian communities by reducing the cost to councils doing business.

There are three main areas of focus. The first is minimising red tape and bureaucratic impact on local regulation of business — really fundamental reform in my view; secondly, councils joining together to deliver services more efficiently, and thirdly, identifying areas for more cost-effective procurement of councils, goods and services. That is potentially, I think, one of the most exciting opportunities that is available to us.

A second area I wanted to briefly touch on is councillor development and conduct. As we know, many of us have been in local government, and we certainly have a close interaction with local government. The role of councillors is a complex task. We have already allocated \$20 000 to work with the peak bodies to improve the quality of councillor training and explore opportunities for further accredited training for councillors as well. Indeed I would submit to you, Chair, that the vast majority of councillors act in a professional and ethical fashion. I think that is beyond dispute. But occasionally we do get instances where misconduct does affect good governance. We should be up-front and acknowledge that that is the case. But I am committed to establishing a mechanism to address councillor conduct. I am currently exploring options with the two peak bodies, the MAV and the VLGA, as to what really should be the appropriate mechanism to help assist local government and councillors generally in that regard.

Mayoral and councillor allowances is the next matter that I wanted to address. As you know I have announced the establishment of a local government councillor remuneration panel to review current remuneration arrangements and resources to support elected leaders. It is a very good initiative.

Mr BARBER — Kind of like the ones state MPs have?

Mr WYNNE — You will get your go.

Mr BARBER — The Greens support you.

Mr WYNNE — Good work! The members of the panel are Liz Roadley, who, of course, will be known to us; Mr Mildenhall, former member of — —

The CHAIR — Former legislative counsellor — —

Mr WYNNE — Former local councillor, former mayor of the City of Footscray; Joanne Anderson; and Bruce Hartnett. I am keen that the panel report before the end of this year so that the councils can ensure that their budgets accommodate whatever future increases, and so that anyone who is proposing to run for a local government knows what the likely remuneration package would look like.

I now want to move on briefly to joined-up government and empowering local residents and communities. My predecessor, Candy Broad, did a fantastic amount of work in getting signed a national intergovernmental agreement in April 2006. The agreement clarifies how the commonwealth, states, territories and local governments will work more effectively together. We are currently working with the MAV to establish a Victorian state-local government agreement vehicle which applies the IGA principles in Victoria, and we hope the agreement will be signed later this year. It is quite an important headline initiative that we want to have with the MAV.

Community planning is the next area that I want to briefly touch upon, and it is essential that we ensure communities have a proper say in priority setting for local government and therefore we want to support local governments to build their community planning capacity. A priority for us over the next 12 months will be to support councils to learn from each other what works and what does not in engaging their communities. It has been a very interesting exercise. I will not talk about that now, Chair; we might go into that in our discussions.

The CHAIR — You have only got 5 minutes, remember.

Dr SYKES — Surely you have got Dorothy Dixers that will carry you over?

Mr WYNNE — Possibly so, Dr Sykes; we may not, but I am keen to talk about that — —

The CHAIR — Minister!

Mr WYNNE — We will provide \$150 000 to document best practice in community planning processes. Neighbourhood houses: we are all fans of neighbourhood houses; they are a great cornerstone of strong local participation in our community. What a sensational record this government has in neighbourhood house support. Record increase in recurrent funding — 62 per cent increase in 2006-07, continues in 2007-08, with \$5 million over four years available to neighbourhood houses to help them relocate or refurbish their premises.

Last week I was in Altona to celebrate Neighbourhood House Week and to announce a new neighbourhood house foundation grants program at the Louis Joel neighbourhood house in Altona. We will be providing small one-off grants which will be provided to a number of organisations that do not receive coordination funding and, importantly, up to eight of those unfunded houses will be able to receive recurrent coordination funding. I will be announcing shortly details of how the unfunded neighbourhood houses can access the funding.

Libraries: again I was down in Wyndham announcing the opening with the Minister for Roads and Ports, Tim Pallas, of a fantastic joint venture at Wyndham, a redevelopment of a major library down there. So frankly if you are a granny or a baby or a family, libraries are the place to learn and connect with your community. Record recurrent funding, again \$30 million; an additional \$15 million will be available over four years to extend our successful Living Libraries program, I indicated the great work we did at Wyndham. Six million over four years for the Premier's reading challenge — what an extraordinary program the Premier's reading challenge is!

Ms GRALEY — It is fantastic!

Mr WYNNE — An unbelievable program! A very simple idea: engage kids in reading. Kids now believe it is cool to read. My kids are in it. It is a sensational program taken up across all primary schools both public and private. It is a wonderful program and one that we can be really proud of! I could go on forever about that, but I will not.

The CHAIR — No, Minister, we are drawing to — —

Mr WYNNE — We love the libraries, that is all I want to say at this stage and I am happy to answer any questions that you have got Chair on the local government portfolio.

The CHAIR — Thank you very much, Minister, for that introduction. I just want to take up one of the latter points that you mentioned on neighbourhood houses. Like many other members, we have quite a few in our local area and they perform a wide range of services. You mentioned on page 247 of budget paper 3 all the outputs there for neighbourhood houses and I think there has been some change this year with respect to those sorts of outputs.

Mr WYNNE — Yes.

The CHAIR — I would like you to tell us a bit more; what is happening in the future with neighbourhood houses?

Mr WYNNE — We have all got neighbourhood houses in our areas and I think any one of us who is engaged with neighbourhood houses would say what a fantastic community asset they are. They are absolutely located at the core of community strengthening and in that respect this government recognises that and it is a great record. We have invested heavily in neighbourhood houses and will continue to do so. Recurrent funding of 18.5 million will be provided in 2007–08. It follows an increase of 62 per cent in the recurrent funding — a huge increase in 2006–07. That increase was used to deliver a 25 per cent increase in the rate of pay to neighbourhood houses per hour of coordination. It was a continuing bugbear, the rate of pay for the coordinators and support staff.

The CHAIR — I attended a few rallies in that regard myself.

Mr WYNNE — Indeed you and I were both there, Chair.

Ms GRALEY — Me too.

Mr WYNNE — I think Mr Barber may have been at that rally as well. There were a few of us there, and I think maybe Mr Wells may have been there. There were members of the Liberal Party there as well. What it did was to show the wide support there is for neighbourhood houses on a bipartisan basis. They do provide fantastic support to the community. We also had an increase of 34 per cent in the total hours of coordination funding; so it is both wages and coordination funding. It does put neighbourhood houses on a really strong footing now in terms of their ongoing financial sustainability.

In that respect there are a whole variety of neighbourhood house that do all sorts of different but very interesting and stimulating work. In my own area — and it is probably not the best thing to single out a particular neighbourhood house — the Fitzroy Learning Network, along with other neighbourhood houses, was really critical at a whole range of points in terms of how support was given to refugees and asylum seekers. They did a fantastic job around that, and all power to them.

Other neighbourhood houses have done wonderful work in terms of adult education, access to computer facilities and retraining opportunities, but for many people it is about the drop-in capacity, the sense in which the neighbourhood house is a place where you can drop in, have a cup of tea, be a part of a community setting and access activities that might be available there. One of the interesting things I have observed is in Geelong, in Corio and Norlane only a couple of days ago, a really interesting collaboration has occurred where a whole range of other community services have joined in with the neighbourhood house. There is the Smith Family and I think a couple of other welfare organisations. Dental Health Services Victoria is in there. It is very interesting. So there is an opportunity for cross-fertilisation, for want of a better word, with the neighbourhood house being at the core of the activity. I think that is a really exciting opportunity, and it one of the ways to go forward. I did indicate as well —

The CHAIR — You mentioned new initiatives.

Mr WYNNE — I did indicate, Chair, that a further \$5 million over four years is provided in the budget to extend our Modernising Neighbourhood Houses Program, and that is a good thing. The other aspect of it is the opportunity for a number of unfunded neighbourhood houses, through a bidding process, to get some coordination hours, and we will be announcing that shortly.

Mr DALLA-RIVA — On the neighbourhood houses, because it is an important issue, is there any proposal for building new neighbourhood houses in a sort of McNew residence or McNew areas. As was raised

today, there was the issue about the expanding new regions, and there was comment made by the planning minister about these areas being — —

The CHAIR — I do think — —

Mr DALLA-RIVA — You know what I mean. It is a relevant issue in terms of the areas —

The CHAIR — I do know what you mean, and I think you will find that developers often turn their display centres into a neighbourhood house.

Mr DALLA-RIVA — Is there any proposal in terms of McNeighbourhood houses coming online?

Mr WYNNE — We have an interesting widespread allocation of neighbourhood houses now and, as the Chair indicated, often in those growth areas civic spaces are created.

The CHAIR — With the council.

Mr DALLA-RIVA — Yes.

Mr WYNNE — Sometimes councils get involved in that process as well, and they will have an opportunity to be part of any future program that occurs, but I think what this program is about is supporting the existing neighbourhood house structure.

Mr DALLA-RIVA — I understand that, I was just saying: is there anything in the forward estimates in terms of that, Minister?

Mr WYNNE — No. But I think there are potentially some very interesting opportunities that will arise through the government's massive program of capital works around schools. Opportunities might arise out of that in terms of joint library facilities potentially, possibly supported through some neighbourhood house outreach activities as well. I think the answer, Mr Dalla-Riva, is potentially that there is quite an interesting opportunity particularly in some of those growth areas for that more cooperative whole-of-government approach.

Mr DALLA-RIVA — We have heard that from other ministers as well.

Mr WYNNE — Yes.

Mr DALLA-RIVA — I thought that was a good idea.

The CHAIR — We will ask Minister Madden as well. I know some of the structure planning in regards to Melbourne 2030, whether it is on the outer areas or some of the infill large projects — —

Mr DALLA-RIVA — It is good cross-pollination.

Mr WYNNE — Absolutely. I was up in Nathalia where we opened a library complex, which was supported by the government. That was a really interesting example of where they had moved the library around from a site that was off the main street into the main street of Nathalia. They incorporated in there child-care facilities and a maternal and child health nurse, and also there is a playground and a skate park at the back of it. That will become a neighbourhood hub.

I think that is quite an interesting concept, where you integrate a range of key community support activities within the one area, so you can have the library, maternal and child health and some child-care facilities in a more holistic way. I think that is really what we are trying to achieve. What John Lenders, the Minister for Education, is attempting to do through enhancing the government's education investment is potentially one of the most exciting and innovative projects we are involved in. Neighbourhood houses ought to be a part of that.

Mr WELLS — I refer to budget paper 3, page 433, the second paragraph, which talks about the government grants to local government that are expected to increase by 7.5 per cent:

The difference between the 2006-07 revised budget and the 2007-08 budget primarily reflects the government's significant drought response and bushfire recovery support to local government ...

Can you tell me the breakdown between the drought relief and the bushfire relief, and what it is expected to be at this point over the forward estimates period? Just those figures. It may be a question on notice.

The CHAIR — Maybe the minister can answer now. You are a member of one of the committees dealing with this.

Mr WYNNE — Absolutely. I was a member of the bushfire task force, and I travelled, as you know, Mr Wells, with the task force to pretty much all of the bushfire-affected areas. It was really devastating for some of those communities which have suffered the impact of both drought and bushfire. For someone who has come from the city, although I do have a long association with the Benalla area in fact, when I visited both Benalla and Mansfield, and Dr Sykes was with me in Mansfield, one of the most striking things about it was both the scale and the ferocity of bushfire. I had not experienced it.

It was really quite shocking to see the complete wipe-out of areas effectively from Benalla–Mansfield essentially down to Lakes Entrance. It is a huge area; it is an unbelievable area of fire. So that is the first thing to say.

The second thing was the extraordinary role local government played; it was quite an extraordinary role. Dr Sykes and I were together in Mansfield at a public meeting which we held to talk to the community about their concerns — this was in the middle of it — and how they were seeking to cope with the bushfires. The most interesting thing was how important local government was to the community. As that level of government is closest to the community, the community reached out to their local government.

I remember the mayor, Sandie Jeffcoat, and the CEO talked to the task force. They were clearly out on their feet; they were exhausted. They had had 3, 4, 5 community meetings every single day for weeks on end with CFA and DSE staff as well to give a consistent message to their community about what the situation was, what sort of supports were going to be available and what they should or should not do around their fire plans and various other activities. It was a really powerful reaffirmation of how important local government is to those communities particularly in times of crisis. Not just to name Mansfield or Benalla but indeed all of the local governments that we visited — it was really quite a profound message that came out of that. In my view local government can stand tall; in a time of crisis they were there and they were there for their community.

Things that were really important to them included the community hall. If you were in a small, rural hamlet out of one of the major towns in an area, the community hall became the rallying point, the place where you knew you needed to go to get information, and it could be critical information about today's fire or weather conditions or whatever. It had quite a profound effect on me that simple things like a decent, accessible community hall is really important to the social cohesion and how a community continues to function both in times of crisis and later on through the recovery process. So in that respect I learned a lot from that process.

I am happy to go through in detail the two aspects of the drought and bushfire recovery program, Mr Wells, or I can provide that to you later, but the two headline numbers are 157 million allocated on drought response, and 138.5 allocated to the bushfire response, and I am happy to provide the — —

Mr WELLS — Is that over the forward estimates? Those figures relate to which periods?

Mr WYNNE — 06–07. I am advised by the secretary that some of that is 06–07, 07–08.

Mr WELLS — Okay.

Mr WYNNE — And we are happy to provide that to you.

The CHAIR — Thank you very much for that, and as I said, some of the notes on page 433 have some regard to grant payments on drought and bushfire-related programs also into the future, particularly community sports grounds.

Mr WYNNE — Again, Chair, can I touch upon that because that was another important message. Dr Sykes perhaps more than anybody else has who comes from a rural setting would know the importance of the sports grounds. It is not just rural, but the drought has had a significant impact in relation to the capacity of sports grounds to cope, and again, if there is a message for us in this it is that sporting facilities are an absolutely fundamental part of the cohesion of our communities.

We have in place a good strategy — the 1 in 4 — in terms of being able to water their grounds. Local governments have done a fantastic job in supporting their communities around that, but again the community hall, the local football, netball — —

The CHAIR — Tennis

Mr WYNNE — Tennis-type activities — they are part of the glue that makes communities stick, keeps communities together, keeps them vibrant, keeps them socialising and it was a really powerful message for me as the Minister for Local Government.

Mr PAKULA — On page 237 of budget paper 3 I am looking at the total output costs for local government sector development. It was 38 million in 05–06 up to 41.4 expected in 06–07, a target of 43.5 for 07–08, and I note that that does not include neighbourhood houses. I am wondering about the impact on those figures of the level of commonwealth government funding for local government.

Mr WYNNE — I think it goes to a question I suspect Dr Sykes might want to ask later, so I do not want to pre-empt it, but of course it is fundamental. It is about the commonwealth government's responsibilities to local government. I would submit clearly, Mr Pakula, that the funding from the commonwealth to local government is simply inadequate.

Mr BARBER — Kevin Rudd will sort that out.

Mr PAKULA — With your second vote!

Mr WYNNE — I have got to say, Mr Chairman, that I am welcoming the support of Mr Barber and the Greens in relation to their support of Mr Rudd and of the Labor Party. We very much look forward to their continuing endorsement of his — —

The CHAIR — I am sure we are looking forward to them more often voting with us in the upper house too.

Mr PAKULA — I would not bank on it lasting!

The CHAIR — Minister, on the answer to the question, please.

Mr WYNNE — Mr Chairman, I am under provocation here. The funding is inadequate. In the 2007–08 budget we estimate \$410 million will be provided by the commonwealth for allocation to Victorian councils through the Victorian Grants Commission process. We want to make sure that that process takes care to ensure that the allocation between Victorian councils is as equitable and transparent as possible.

You have got to go back historically, Mr Chairman, to understand the context that we are in. The commonwealth used to provide through financial assistance grants to local government 1.02 per cent of commonwealth tax revenues. It is now down to 0.66 per cent. That means that Victoria is behind by about 205 million per year. That is the simple reality of the situation.

I was in New Zealand with ministers for local government and planning a few weeks ago where we tabled work that had been done by my predecessor, Candy Broad, who had done a fantastic job in terms of seeking to get states to develop a consistent framework for how you measure local government performance and putting that proposition forward to the commonwealth through the Australian Local Government Association as a new way of thinking about how you provide financial support to local government.

The Australian Local Government Association submitted that through the COAG process a few weeks back, and presumably, and hopefully, the commonwealth is considering that proposition. But I would indicate that the federal minister, Mr Lloyd, when he was challenged — as you would expect us to — by the states saying, 'Where are you in relation to this clear funding discrepancy?' pointed to the Roads to Recovery program as being a direct initiative that the federal government had provided to local government. We say, 'Yes, that's right. It's terrific. We think the Roads to Recovery program is a good program, particularly in rural and regional settings, and that is a good thing, but that cannot supplant the core funding to local government?'

It is not one or the other. Our argument is simple: you have to increase the core funding to local government to make it sustainable and do the Roads to Recovery program as well. If you want to tag funds, that is fine; we do not have a problem with that as a state, and indeed I think there was a modest increase in funding in the Roads to Recovery program in the last federal budget. But for some of our rural councils the financial assistance grants are a really significant amount of money. In some of our small councils it is between 20 and 25 per cent of their revenue, so it is not a small amount. It does have a significant impact upon them. I will continue, as I must as Minister for Local Government, to advocate with the commonwealth that we need to get a better deal.

Dr SYKES — Minister, I am enjoying the interaction with you, but I am under strict supervision from the Chair to stick to only one question.

Mr WYNNE — Be provocative; I don't mind.

Dr SYKES — But I do flag that I will be coming to you to talk to you about bushfire-related finance for local government, which I have raised with the Treasurer.

Mr WYNNE — That is fine.

Dr SYKES — And there are also some issues on sportsground funding. My particular issue that I would like to raise with you today is the impact on local government income of the government decision to unbundle water rights from properties. The background to this is that council rate bases will be significantly reduced due to the unbundling of the value of water from properties in about eight municipalities. This will reallocate the burden of property rates from irrigated farmers to dryland farmers, commercial properties and residential communities. In dollar terms it is about \$6 million a year. Seven of the councils involved have actually put up a proposition for your consideration suggesting that there be a pool of funds — about \$16 million — to allow the phasing-in of this new arrangement to moderate the impact on ratepayers. My question to you is: what is your response to that proposal by the affected local governments to assist them in making the transition? What do you have in mind to assist them?

Mr WYNNE — Thanks, Dr Sykes, for the question. I recently met with the shire of Moira where the council, as you would expect, raised these concerns. They feel very deeply about these issues; it is a large irrigation area. I would indicate that they were very strongly supportive of the government's position in relation to the broader water strategy that is being pursued by the commonwealth. We are looking to get the best outcome for our irrigators in Victoria, and you know that.

Dr SYKES — We actually gave you some of the ideas to think about.

Mr WYNNE — You may have. The commitment of this government, as you know very well, is to ensure that we get a proper deal that protects Victorians through any future arrangements that occur with the commonwealth and other states.

I do understand the changes to municipal land valuation as a result of water unbundling, and they will have an impact on the distribution of rates across the municipality. As you know, the Water (Resource Management) Act 2005, which we passed in the spring session, allowed time for councils to plan for these changes by not introducing water unbundling until 1 July 2008, so we have given that period of phase-in, in effect, to happen. In relation to the matters that you raised regarding the seven councils, my understanding is that that proposal is being considered by the minister for water. I think that proposal was submitted to the minister for water.

Dr SYKES — My understanding is that it is a local government issue.

Mr WYNNE — But obviously there is a connect between them, and I will certainly talk to the minister for water about that. The Department of Sustainability and Environment is working with the MAV in undertaking a project to assist affected councils develop appropriate strategies to manage this change. We are alive to it; we are in the process of trying to understand that. There is a two-year phase-in period. Certainly I got a strong representation from the council of Moira in relation to their particular and acute situation as they see it. I am happy to follow-up in relation to the seven councils. That proposal certainly has not come to me yet. I am happy to take it on board. I will talk to my colleagues further about it. It is an issue; there is no doubt about that.

Mr SCOTT — I am aware time is getting away from us, so I will keep my question brief. Could I ask the minister to provide further details on the funding to be provided to Victorian public library services in 2007 and 2008?

Mr WYNNE — Thanks very much, Mr Scott, for your question. As I indicated, I was in Wyndham the other day. There is a joint project for funding down there. It is one of a whole list of semi-projects that has been funded to date; \$16.5 million has been already funded under the Living Libraries program. This is a sensational investment by the government, again in the core activities of libraries becoming learning centres and places of social interaction. That library was a really interesting example. It is a very large library. If you looked at what was available you essentially had segments of the library allocated to various activities that the community could engage in. It has a very significant 20-terminal computer access area. I was down there at about 12 o'clock in the day and there were older people working on the computers; mums with children were working on the computer terminals. The library has a fantastic CD/DVD library network. That library is turning over 50 000 books a month. Huge numbers of books are going in and out of that library, and that is in a growth area. It has a study area for high school students who maybe do not have the capacity, opportunity or facilities at home to study quietly; an older persons reading area, with big-print books; and a children's area. The library is essentially a community hub.

I wanted briefly to go back to that earlier question that I raised of the capacity for the state investment in schools to be used in so much more creative ways with libraries. I reckon for us it is about changing our mindset and saying, 'Why does the school operate between 8.15 and 3.30?'; 'Why isn't that a community hub, a community facility, that is linked the library, maybe linked to a swimming pool, maybe linked to neighbourhood house, maybe linked to other community health services, or a kindergarten?'. They should not necessarily be stand-alone, but they should play a broader community role. That is, I think, the sea change and the new mindset that we have to think about and take those opportunities. That is where local government is absolutely fundamental to it. It is around that local planning process and about local government informing us as a state government about, 'Here's an opportunity where we can work collaboratively together'. That is an opportunity; whether it is in a growth area, as Mr Dalla-Riva asked me about earlier, or a more established area of the metropolitan area, this is going to be a sensational outcome for us in the future. I am talking about real change in the way that we view the state's assets — our assets, the community's assets.

In that context, just briefly, \$35 million will be directed to public libraries in 07-08, an increase of 5 per cent over last year; recurrent funding of \$30 million, which includes indexation for population growth, as well as inflation; \$6 million over four years to assist libraries to purchase books that are part of the Premier's Reading Challenge. I am not going to go on about that again. I will just say it is a sensational program. If you engage young people in reading, you engage them for life. The rich joy of reading nourishes the intellect and your spirit, and that is just a wonderful, wonderful outcome.

That funding will enable libraries to increase the number of books they hold, with the 4000-plus titles on the reading challenge list; and 5 million of this spending will go to public libraries, with \$2 million distributed in 2007-08, and 1 million will be allocated to school libraries as well; and, as I indicated earlier, there will be 15 million over the next four years to extend our Living Libraries program. We hope that will refurbish another 45 libraries. They are joint-venture arrangements, often almost exclusively with local government, and that is a fantastic outcome. It builds on the 16.5 million that we have already invested for 70 projects. So another 45 libraries across the state will be accessing refurbishment funds, and let us look at those other opportunities that we can with education.

Mr RICH-PHILLIPS — When the Minister for Education appeared, he was very strong on the issue of joint-use facilities and actually went as far as saying he could see no reason why local governments would build new libraries to operate them solely by themselves. Is that your position with the funding that is provided for Living Libraries, that they should be joint-use facilities?

Mr WYNNE — No, not at all. Indeed the Minister for Education has been absolutely fantastic on this. He said that here is an opportunity. A couple of months back early on in my term as the Minister for Local Government we held a dinner and a forum the next day where some of the ministers who directly impact and work with local government in a very systemic way came together to talk with local government. There was obviously myself; the Minister for Education was involved, the Minister for Community Services was involved, the Minister for Sport, Recreation and Youth Affairs was involved.

Ms DIGBY — The Minister for Victorian Communities.

Mr WYNNE — The Minister for Victorian Communities, of course, Peter Batchelor, was involved in this dialogue. What we wanted to say to local government was, ‘You are the people who do the planning on the ground. You are the people who ought to inform us about how you want to have that interaction with us in the future. So if it is about a new library complex, come and talk to us about that; we will try to work with you around seeing how we can make the investment of the public dollar, both state and local government, work to the longer-term benefit of the community in a more systemic way’. That is what we are talking about — being informed — and really trying as a government to talk about joined-up government in a very meaningful way with local government, having a one-stop shop, so when they come with their community plans, as I indicated from my slide program earlier, that we will treat those respectfully because they are plans that have been generated in a legitimate way from the local level. If they come with a proposal, Mr Rich-Phillips, where they say, ‘We want to have a joint, shared arrangement around a school municipal library’, we will be engaged with them on that. It is not conditional.

Mr RICH-PHILLIPS — Thank you.

Mr BARBER — Back to the issue of neighbourhood houses, Minister, which I think everybody wants to ask you about any way.

Mr WYNNE — Sure.

Mr BARBER — You might be able to answer all our questions in one go. I obviously compliment you, and this is the fourth time today that I have complimented a government program.

Mr WYNNE — This is deeply worrying to me.

Mr DALLA-RIVA — It is the new coalition.

Dr SYKES — Hey, he is lined up with us!

Mr WYNNE — Is that right? The old agrarian socialists — they are always there somewhere.

Mr BARBER — In your media release in fact you noted that in an average 40-hour week 3 million Victorians participate in neighbourhood house activities.

Mr WYNNE — Yes.

Mr BARBER — But the issue, as you know, is how many of those neighbourhood houses are funded for a 40-hour week? You have got some that are funded for 3 days, 4 days, 5 days. Can you tell us how many are each funded for those 3, 4 and 5 days a week? To get a sense of the ability to fund new houses out of this announcement — the extra 10 hours for eight of them — how many last year actually applied for extra funding, and what was the gap between the hours funded and the hours applied for, because I suspect those same neighbourhood houses will be back asking for money under this program?

Mr WYNNE — There are 30 unfunded.

Mr BARBER — Totally unfunded?

Mr WYNNE — There are 30 at the moment that are unfunded. We are going to go out and talk to them over the next few weeks to get an assessment of who they are, where they are at, and then we will be announcing, as I indicated, a funding program of up to eight of those houses potentially getting up to 10 hours a week to get them up and going. It gives them the opportunity to get some small capital grants, and that will get them into the neighbourhood house network more generally. I think that that is an important signal, and that builds on top of the investment that we have put in. I mean it is a big investment, as you indicate, and thank you for the advice that you provided in relation to that. Someone is furiously writing things for me. I am not quite sure what Prue Digby is writing, but I will defer to Prue on the technical aspect — and this will stop her writing, because she is distracting me — in relation to the actual increase in funding of neighbourhood house hours. If more detail is required I will take that on notice and provide it to you.

Ms DIGBY — Sorry, Minister. The average hours for funded neighbourhood houses increased from 19 to 24 per week last year and, of the 302 that applied for more hours, 299 received more hours.

Mr BARBER — Thank you, Ms Digby.

Mr WYNNE — If there is more detail, we will — —

The CHAIR — Just to follow up on that: there are some unfunded houses where the coordination is actually paid for by the local council.

Mr WYNNE — Yes, there are.

The CHAIR — I am not too sure how you are going to deal with that, so I guess you could take that on notice, too.

Mr WYNNE — We will look at that in the context of the next round for the eight houses. We would like to, obviously, work together with those local governments as well that may be funding unfunded houses at the moment and try to enhance their capacity.

The CHAIR — That would be terrific.

Ms GRALEY — I invite any of the committee members to come out to my electorate, the fastest growing area in Melbourne, and see all the new community houses. We are doing a great job and we are expanding.

Despite Dr Sykes's scepticism, I am going to ask a question about community planning because I am a fan of it. My experience in local government is, as I am sure the minister's has been, that if you get a good community plan it not only engages the community and builds civic pride and ownership, but also provides a strong strategic approach for council officers and a greater level of accountability for councillors as well. So I want to ask the minister to detail what the state is doing to support local government — some getting it right, some not so well — to develop community planning as a strategic approach to building stronger communities.

Mr WYNNE — Thanks, Ms Graley. It goes to my earlier point that we actually want to have a respectful relationship with local government and get them through the community planning process to inform us about how they want state resources to be allocated at a local level. Whether it is around the sharing of the schools, libraries, neighbourhood houses, or recreation facilities through Minister Merlino, we want to be informed by that process. We think that stronger communities are better connected communities.

If you engage in a meaningful way with communities, they will respond positively to you. The best example of that in my view is the neighbourhood renewal program that this government undertakes through my other portfolio responsibility. When you work with communities they will tell you what they want and if you are respectful of them and deliver back to them in a meaningful way you get fantastic outcomes. A number of councils have taken a leadership role in facilitating better planning at the local level, but the capacity, as you indicated, Ms Graley, does vary a bit. We particularly want to work with local government peak bodies to build the skills and acknowledge local government in this area, because we think it is quite fundamental.

We gave 60 000 to the local government corporate planners network to develop best practice guidelines for the sector. We think that is important. We have committed \$150 000 to document seven community planning initiatives — by way of case studies — so that local governments can learn from them techniques that are being used. Depending on what council you talk to, it is quite a challenge to actually engage with your community in a really fair dinkum, meaningful way. I cannot remember which council it was, now, but one of the councils actually sent the councillors out to do street corner meetings — like, 'Get out there', you know.

The CHAIR — Very good! They did not need a permit!

Mr WYNNE — They did not need a permit. As the Chair and I both know, we are kings of the street corners. I am down at the Safeway in Smith Street. I do not know where he is.

The CHAIR — Ashburton.

Mr WYNNE — He is down at Ashburton. We are kings and have been out there to talk to the community. I thought it was a really interesting thing that councillors actually went out there and said, ‘Right, we’re going to be here. We’re going to be in this space and we want to talk to you’ — out there, in the community, listening, putting on opportunities for the community to be informed and for the council to be informed about what the community’s aspirations were. So we put \$150 000 aside to develop these case studies to really put out into local government more generally, to say, ‘Well, here are some examples of good practice. You do not have to pick them all up, but take the bits that are useful to you and use them as part of your community planning process’. I think that is a terrific initiative and certainly one that has been strongly welcomed. When we had our seminar with local government a couple of months back, the key to that seminar was about, ‘Okay, how do we engage? How do we as government engage with you as local government in an informed and systemic way, and how do you as local government provide us with meaningful input from your communities?’. It was very strongly embraced by the 70-odd councils which turned up to that seminar and discussion with us. I think it is a really good way forward for us.

Mr DALLA-RIVA — I refer to budget paper 3, page 433, particularly the first paragraph on that page which talks about the total grants and transfers to local government relating to table D.1 on the previous page. They are expected to increase by 4.8 per cent. I just ask the minister what consideration is being taken into account with that increase with respect to the proposed increase in councils’ remuneration? In particular is there an expectation, Minister, for the government to pass on any increases to councillors out of the government coffers, or is there an expectation from yourself that there will not be any money coming out of the forward estimates but rather from local government, in particular the ratepayers?

Mr WYNNE — Thank you for the question; it is a good question. As I indicated in my presentation, we do have the review process that we have announced. We have got the panel. As you talk across local government it is pretty inconsistent as to how authorities deal with resourcing and support to their councillors and their mayors. There are a couple of examples that I am aware of where the mayor does not even have a desk necessarily to sit at. The mayor is the elected head of the organisation, and there should be resources made available to the mayor of the day. There are also inconsistencies and particular issues in country Victoria around how you support in those large municipalities councillors who have to travel to go about their constituent activity. I mean it would be quite wrong for a councillor to be out of pocket for travel expenses when they need to travel to functions and to deal with their constituent matters. They are the sorts of issues I think that need to be addressed.

I also talk about the tool kit. What is a reasonable tool kit that a councillor ought to have to undertake their activities — a phone, a laptop? What do we regard as being — as Mr Barber is doing there now with that BlackBerry thing — a reasonable kit that they ought to have available to them? Then it is up to the councils to decide what they ought to be. In terms of the remuneration, as I have indicated, the review is on, and the review will be conscious of those questions — things like: what is the impact on superannuation? What might be the impact on child care, for instance? It is a legitimate thing that if somebody is undertaking their duties, there should be some reimbursement for child-care costs, for instance. We are looking at that in a broader sense, and we really want to bring that in a much more holistic way to local government. Once the report is concluded, apart from the remuneration aspects of it, it will be up to the councils themselves, as legitimately they should, to decide what is the appropriate package of supports that should be provided at a local level.

The panel itself will be funded obviously by the state. Any future remuneration and the tool kit of support to local councils will be a matter for the council itself and its budgetary processes.

Mr DALLA-RIVA — When is the report expected to be completed? Sorry, you may have already mentioned it.

Mr WYNNE — I hope to have it completed by December so it will give councils enough time in their budgeting for the next financial year to be in a position to — —

Mr DALLA-RIVA — I gather by that statement you are expecting some increase in remuneration to councillors? I am not pre-empting the — —

Mr WYNNE — I would not want to pre-empt it either, but I think the last time it was reviewed was 2002, so by that stage it will be the 2008 election; it is six years. I have indicated I think there should be some modest increase — —

Mr DALLA-RIVA — And what is your expectation — —

Mr WYNNE — It was 2000; I beg your pardon.

Mr DALLA-RIVA — It was 2000. To finalise my question, where do you expect the anticipated increase will be — —

Mr WYNNE — Funded by the councils themselves.

Mr DALLA-RIVA — Do you think that is going to put undue pressure on the ratepayers in that regard, as the Minister for Local Government, who should be in there, batting for them?

Mr WYNNE — I would expect that the panel will be cognisant in its deliberations and advice to me of any impact that would have on the councillors themselves.

Mr DALLA-RIVA — There is no impact on the forward estimates for this current year?

Mr WYNNE — No, because any future resourcing of local councils is a matter for the councillors; it is a matter for the councils themselves.

Mr DALLA-RIVA — Thank you.

The CHAIR — Thank you, Minister. That concludes consideration of the budget estimates for the portfolio of the local government.

Mr WYNNE — Thanks for the opportunity.

The CHAIR — I thank the minister, witnesses and departmental offices for the attendance today. It has been a very interesting session. Where questions were taken on notice the committee will follow up with you in writing at a later date. The committee requests that written responses to the matters be provided within 30 days and they will form the basis for consideration of a future report of this committee to Parliament. Thank you everybody.

Witnesses withdrew.

Transcript of Evidence

12.13 Multicultural Affairs portfolio

The transcript for the hearing on this portfolio was included in the Report on the 2007-08 Budget Estimates – Part One.

Transcript of Evidence

12.14 Sport and Recreation portfolio

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2007–08

Melbourne — 15 May 2007

Members

Mr G. Barber	Mr G. Rich-Phillips
Mr R. Dalla-Riva	Mr R. Scott
Ms J. Graley	Mr B. Stensholt
Ms J. Munt	Dr W. Sykes
Mr M. Pakula	Mr K. Wells

Chair: Mr B. Stensholt
Deputy Chair: Mr K. Wells

Staff

Business Support Officer: Ms J. Nathan

Witnesses

Mr J. Merlino, Minister for Sport, Recreation and Youth Affairs;
Mr S. Gregory, chief financial officer;
Mr T. Healy, acting deputy secretary, community strengthening; and
Mr P. Hertan, executive director, sport and recreation, Department for Victorian Communities.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the budget estimates for the portfolios of sport and recreation and youth affairs. On behalf of the committee I welcome Mr James Merlino, Minister for Sport, Recreation and Youth Affairs; Mr Terry Healy, acting deputy secretary, community strengthening; Mr Peter Hertan, executive director, sport and recreation; and Mr Stephen Gregory — back again — chief financial officer, Department for Victorian Communities; departmental officers, members of the public and media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council Committee Room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review; there is no need for evidence to be sworn. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. All evidence given today is being recorded. Witnesses who speak at the hearing will be provided with proof versions of the transcript. The committee requests that verifications be forwarded to the committee within three working days of receiving the proof version. In accordance with past practice, the transcripts and PowerPoint presentations will then be placed on the committee's website.

Following the presentation by the minister, committee members will ask questions relating to the budget estimates. Generally the procedure followed will be that relating to questions in the Legislative Assembly. I ask that all mobile telephones be turned off. I now call on the minister to give a presentation of not more than 5 minutes on the more complex financial and performance information relating to the budget estimates for the sport and recreation portfolio.

Overheads shown.

Mr MERLINO — Thanks, Chair and committee members. Thank you for the opportunity to present to you this morning. It is quite strange being on this side of the table, but I look forward to it.

The government has set four key strategic directions for the sport and recreation portfolio. These directions aim to establish a culture of inclusiveness and participation, access to sustainable activities and facilities in all Victorian communities, a cooperative approach to improved service delivery, a leading sport and recreation sector providing opportunity for all Victorians to achieve their goals. The implementation of these strategies will build an inclusive, collaborative and strong sport and recreation sector supporting a more active Victoria.

Sport and recreation touches every Victorian community and nearly every Victorian family has some engagement in sport and recreation. Sport and recreation brings communities together. Annually nearly 350 000 Victorians volunteer their time through sport and recreation. So, the question is, is there a better measure of community strengthening? Unfortunately the benefits of sport and recreation are not shared equally across all Victoria. Therefore we have taken measures to provide fair access and opportunities to compete, watch and be involved in social activities associated with sport and recreation through programs such as our Access for All Abilities program, fair access to tickets to events and promoting inclusiveness through all our programs. Sport is an important component of the social and economic fabric of the state. That is why we have invested in building capacity of sporting organisations to enable them to grow the industry in Victoria.

In terms of some of the key achievements over 06–07, the government has acted quickly to ensure community sport can continue despite the drought. We are working with local councils and sports to make sure community sport goes ahead. We have provided \$6.6 million in two programs to keep sport going through the drought, and I will be pleased to speak about that further if there are any questions. Our resources in building participation is linked to our investment in quality community facilities. Last year support for 170 facility projects were approved to ensure that the supply of facilities is keeping up with community demand for government participation. A major strategy in our strategic plan is to make sure there is a lasting legacy from the Commonwealth Games. There is the obvious legacy at the MCG redevelopment, but less obvious is the 2500 pieces of sport equipment that we have distributed to every LGA in Victoria, a legacy across the state.

In terms of major events, key achievements and major projects, major events are part of the fabric of Victorian life. Victoria is home to many of Australia's annual major sporting and cultural experiences, such as the Australian Formula One Grand Prix, the Melbourne Food and Wine Festival and the Australian Open Tennis Championships. As the slide shows, in 06–07 Victoria has hosted the FINA world championships, Wheels on Waterfront at Geelong, the world superbikes at Phillip Island and a Rugby League state of origin match. During the year we also won a number of events that will be held in future years including the 2008 World Latin Dance Championships, the 2009 Australian Masters Games, and the 2011 President's Cup. Collectively these and other smaller events attract tourists from interstate and overseas, increasing Melbourne and Victoria's international profile through media exposure and destination branding, and providing economic returns that contribute to industry development through expanded trade and investment opportunities. Just a note in terms of Wheels on Waterfront, the Masters Games and the world superbike championships are all events outside of Melbourne.

The CHAIR — Okay. Moving along.

Mr MERLINO — I will try to quicken it up. In terms of state facilities, the first stage of the State Volleyball Centre at Dandenong has been completed. The centre is reporting that participation in volleyball at the new centre has increased by 45 per cent since that completion. With the first year of operation of Sports House at MSAC a number of sport tenants have moved into a high-quality administrative space. Providing these sorts of spaces for sporting bodies to hub together is part of the broader aim of building capacity. The Westerfolds Park office building \$1.1 million redevelopment was completed in April 07, and that is a great benefit for outdoor recreation.

Going on to priorities for 07–08, the building of the rectangular sport stadium at Olympic Park is a major priority for next year. The growth of Rugby League, Rugby Union and football — as in soccer — is testament to why we need a national level rectangular stadium in Melbourne. The Commonwealth Games surplus, which I will be pleased to talk about, covers fields and stadiums, relocation of pools to local communities and a number of participation programs, and the next stage of Go for Your Life which incorporates \$8.9 million in funding for sport and recreation initiatives to increase participation in physical activity.

Community facilities funding: this is a great story, with \$76 million over four years to the Better Pools program and community sports facilities, and I will be pleased to talk about that in detail. The AFL grounds upgrade. This is an example of opening up previously closed facilities to the public. The fence has come down at the Whitten Oval, and last year the ground hosted the WRFL under 18 grand final, all of this while rebuilding elite training facilities. And women in sport is also going to be a major priority over the coming year. A wide range of strategies to increase women's opportunities and participation in sport and recreation. That is it, Chair. I am happy to answer questions.

The CHAIR — Thank you very much, Minister for that presentation. I would like to begin, as I have with every other minister, by asking if you could tell us what is the impact of your portfolio spend — and you can talk about both sport and recreation and youth — on productivity in terms of our state, particularly any new initiatives.

Mr MERLINO — In the last budget the government detailed savings which were announced as an LFS initiative to improve the productivity of government departments. These LFS3 savings will be achieved by targeting the areas announced within the official government policy and undertaking a review of costs. The area includes improvements in procurement, shared services, grant administration, advertising and consultancy.

The overall aim of the policy is to reduce non-necessary expenditure, use new technology to reduce costs and operate more efficiently. I have been advised that the savings have been applied proportionately across DVC. Work has now commenced in reviewing all the cost areas affected by the official government policy to identify and implement the necessary change projects and business re-engineering projects required to achieve these savings. These savings will not have any significant impact on program delivery within the sport and recreation sector development output, but in terms of productivity savings on new programs SRV has been provided with additional funding for the 07-08 year, principally around community facilities and Commonwealth Games dividend projects. There is also a major capital allocation for the new rectangular stadium.

The majority of these recurrent funds, 76 million over four years, will be provided for the continuation of the highly successful Better Pools and community facilities funding grant programs. Across the Department for Victorian Communities there are expected to be productivity savings across all new and existing grant programs, including

these SRV programs. The savings will be achieved through the overview of grants administration programs which will improve websites, simplify applications and reduce the complexity of applying for grants within DVC and across government. The project is being managed by the Minister for Victorian Communities, so he may be able to expand tomorrow I think he is on?

The CHAIR — Yes. Thanks for that and I just wanted to check one thing — that is fine.

Mr WELLS — Can the minister advise how much was the total amount of public money spent on the FINA swimming championships which were held in Melbourne, which you mention on the slides? How much was spent initially to secure the championships to Melbourne? What was the total crowd attendance? How many of those people were from interstate, how many were international visitors and how many free tickets were issued during the FINA championships?

The CHAIR — Minister, in terms of your answer, we are looking at the estimates in the budget, rather than necessarily looking at the public accounts for the previous year.

Mr MERLINO — Thanks Chair; there is quite a bit in that and I will go through those issues, so thanks, Kim, for the question. The FINA world championships raised the bar for future championships and I want to begin by quoting the FINA president, Mustapha Larfaoui, who declared the event the biggest and best championships of all time. There are many measures of success in hosting an international event and across the board the Melbourne world championships delivered. The results are record breaking all round. As the undisputed events capital of the world, Melbourne provided the perfect environment to athletes to perform at their absolute best. I will get to the ticketing and the budget — —

Mr WELLS — Let us hope so!

Mr MERLINO — As evidenced by the 14 world records — —

Mr WELLS — I think I have read the preamble somewhere though!

Mr MERLINO — We need to get on the record what a success this event was, and then I will talk about the budget and the ticketing — but 14 world records, countless personal bests! Melbourne surpassed the world record attendance of 205 000 which was set at Barcelona in 2003, amassing a total of 219 317 attendances throughout the two-week event. We broke the attendance record and that was the aim when we began this event.

Around 2200 athletes from 171 nations competed in Melbourne, the biggest in the 34 year history of the world championships. To top that off, an estimated 1 billion people around the globe tuned in to images of Melbourne doing what it does best, which is hosting elite international sport, boosting tourism prospects for Victoria through significant international exposure.

We installed the biggest ever suspended, temporary pool in the world, confirming Rod Laver as the world's best multipurpose venue. We had a fantastic arts festival along with a program which had in addition to the 219 000 who attended the sporting events, approximately 200 000 people attended the cultural events through the FINA world championships.

There was an enormous take-up of our schools ticket offer with children getting to see world-class athletes in action, and in the classroom children learnt about the championships, the science and technology of aquatics, ethics in sport, and other nations through the Victorian government's education resource. I can talk about the legacy later, but let me get to the substance of your question regarding ticketing and budgeting, because I know the Chair wants to get through questions pretty quickly.

The CHAIR — That is true. I want to concentrate on the estimates rather than going on with what has happened in the past.

Mr MERLINO — The overall championship budget includes support from the government, plus revenue the championships have earned from ticket sales, merchandise, sponsorship and licensing. It was announced in February that the forecast total cost of the event would be around \$81 million, with a government contribution of \$50.5 million, excluding security. This contribution included the financial support to the event budget of Melbourne 2007 World Swimming Championships Corporation; the delivery of the free FINA cultural program, which delivered 200 000 people attending; improvements to the Melbourne Sports and Aquatic Centre's diving

infrastructure — a permanent legacy; the purchasing of the two temporary pools that are being relocated to four communities as permanent facilities; and internal government spending associated with the event, such as the curriculum material which I referred to.

The Premier also advised that, as per previous events of this magnitude, the security budget would be released following the championships. I would like to report that the government contribution to the security for the championships was \$12.2 million; 9.2 million of this was allocated to the Victoria Police, while around 3 million was allocated to contract security coordinated by the Melbourne 2007 swimming corporation. The government's contribution to security for the event brings the total state allocation to the world championships to around \$63 million. The security budget formed part of the overall forecast of \$81 million.

Final accounts are being prepared by M2007, which has advised that it expects to provide the final budget position in several weeks, as work is completed in dismantling infrastructure from venues and as final invoices are received. The event was only a couple of months ago. When these accounts are finalised I will provide details of the overall budget position and cost to government of the event. Separately M2007, as a statutory authority, will provide an annual report to Parliament, including details of the budget as is required under its act. There is an economic benefits study which was completed prior, but there will be a follow-up study.

That is the budget, Kim. In terms of the ticket sales and how they went — —

The CHAIR — Quickly, Minister.

Mr WELLS — I am pretty keen to hear this.

The CHAIR — Quite frankly, we are meant to be talking about the estimates rather than going through what happened, which will appear in an annual report.

Mr MERLINO — I will be very brief, Chair. As I said, over 219 000 attended, breaking the record. Total attendance was calculated by actual venue ticket scanning at the gate and an estimation of daily accredited attendance to sessions, including open-water swimming which was a non-ticketed event. Some 152 547 tickets were sold to either members of the public, school groups or through sponsorship arrangements. Some 9100 tickets were provided free of charge to volunteers and the goodwill partner, which was the Peter MacCallum Cancer Centre. That was another first for this championship — having a goodwill partner. The remaining attendance includes accredited personnel, principally athletes and media, and public attendance at the open-water swimming. The attendance figure, Kim, does not include workforce, concessionaires or officials working at the venue. I talked about the television audience, and I will probably leave it at that.

The CHAIR — If there is anything else, it can be taken on notice.

Mr WELLS — Can I just clarify one point?

The CHAIR — Only with respect to the estimates.

Mr WELLS — If you sold 152 500 tickets, it means there was a gap of about 60 000 tickets.

The CHAIR — We will move on to the next question. Mr Pakula, please.

Mr MERLINO — That is incorrect, Kim. That is misunderstanding tickets and attendance.

Mr WELLS — Then here is your chance to clarify it.

Mr MERLINO — I did, in the answer. Read the transcript.

Mr PAKULA — I want to stay on FINA, Minister. Sticking to the estimates, Chair, there is an item in the estimates in regard to the funding which has been provided for the purchase of the demountable swimming pools, which is on page 342 of budget paper 3 of \$2.9 million. I am keenly interested in this because, as you know, Minister, I have been involved on the peripheries of the Sunshine pool saga. I would like you to provide details as to what communities have been earmarked to benefit from the demountable pools program and what are the expected outcomes. It would probably be interesting to know if we had to build these pools in these communities from scratch, if we had not had the FINA championships, how much more we would be spending.

Mr BARBER — We would be swimming in them this summer!

Mr MERLINO — Thanks, Martin, for the question. This is really one of the great stories of the FINA world championships and one of the permanent legacies of the event. The state government is providing pools to four different locations as a legacy of the 12th FINA World Championships. Those four locations are Geelong, Frankston, East Bentleigh and Sunshine — in your area, Martin. The four pools which will be provided at these locations are a fantastic legacy of the championships. The state government, through Sport and Recreation Victoria, is working harmoniously with the four local councils. There is a bit of work in that area, but we are working well with those four councils to ensure that the pools meet the needs of local communities and provide maximum legacy value.

Sport and Recreation Victoria has funded feasibility studies for the pools and is working closely with council-appointed consultants to identify and resolve any outstanding issues. It is also covering the costs of transport and the storage of the pool equipment and will be paying for additional parts and equipment needed to make sure that the pools are fit for purpose. As part of the legacy we purchased additional panels and additional equipment so we can construct those four permanent pools. The state government is also covering the costs of installing the pool at Sunshine and exploring various ways to help with completing the pool projects at other locations. The Commonwealth Games dividend is the funding source which enables this kind of generous assistance to be provided to councils.

In addition to the pools, if I could just expand a little bit further, the Victorian government will also benefit from the 2000-seat temporary spectator stand that was purchased by the State Sports Centre Trust, with the world championships as its first event. That was the temporary stand which was at the water polo events, so that will be another permanent legacy. The seating can be used for future events at MSAC and the State Netball Hockey Centre as well as other community and school-based events. When a major sporting event comes to town we already have access to temporary setting that is flexible, transportable and adaptable. The seating can be finetuned to suit a particular event and venue and create a great spectator experience. Further legacies will result, with much of the equipment being used for the championships made available for ongoing use in Victorian aquatic sport, giving grassroots participants access to world-class sporting gear.

The panels and pools were purchased at a reduced price due to the relationship with Austral and M2007. It was a great opportunity to not only purchase the two temporary pools that were used at Rod Laver but the additional panels, and that was achieved through our relationship with Austral. In terms of what it would cost to build from scratch the four pools at those four venues, I would ask Peter Hertan to comment.

Mr HERTAN — It is a bit unclear, but what we can say is that the whole price of those pools were reduced compared to if you had to buy them at a commercial rate.

Dr SYKES — Minister, I am interested in the volunteer aspect of sport. You highlighted, I think, that 350 000 volunteers support sport throughout Victoria. What have you got in mind for encouragement of volunteers? I suggest that encouragement could come under three headings: first of all, removal of discouragements; secondly, provision of incentives; and, thirdly, easier access to grants.

In relation to removal of discouragements, are you able to provide figures on the police checks required under the working-with-children legislation, the number of volunteers requiring police checks and what exemptions you have managed to factor in to keep the police checks in line with what the intention of the legislation is?

In relation to provision of incentives, are you in a position to indicate support for the Mental Health First Aid program called Coaching the Coaches, which has been rolled out in the Goulburn Valley and another country football league, and also perhaps support for people undertaking responsible service of alcohol training?

In relation to easier access to grants, we had a situation earlier in the year where a grant — I think it was called a community water grant or something — was available to recreation reserves in areas that were on stage 3 or stage 4 water restrictions. However, as I advised the committee the other day, we had one situation where a community, which was not on a reticulated water supply but had no water, applied for the grant, but because they were not on stage 3 or stage 4 they did not meet the criteria. I am using that as an example and asking what you are prepared to do to ensure that grants are easily accessible and hit the targets you originally intend them to hit.

The CHAIR — Thank you, Dr Sykes. I might mention that you seem to have asked about five questions there. Could members of the committee try to confine themselves to only asking one question at a time, please?

Dr SYKES — I just made it very clear instead of rattling them all off at once. It was under the general principle of encouragement of volunteers — that was the question — and then I gave three examples.

Mr MERLINO — In terms of the final issue you raised — access to grants and that example — are you talking about the drought assistance package through SRV, or are you talking about another grant outside of my department?

Dr SYKES — I have not got it in my brain. I can give it to you later.

The CHAIR — We could take it on notice, if necessary.

Mr MERLINO — I am happy to follow that up.

The CHAIR — It may well be another minister, like the mental health stuff.

Dr SYKES — It is still the basic principle, that if there are grants available, they should be easily accessible and not frustrated.

The CHAIR — The minister did mention in his answer on productivity that they are improving the way and easing the application process for grants.

Dr SYKES — We are working together. I identified opportunities for improvement.

Mr MERLINO — That is right. In terms of those efficiency programs, I have already answered that question, and there will be further grants reform within DVC to make it easier for community organisations and sporting clubs to access grants. That is something on which there is a commitment right across all DVC ministers.

In terms of discouragement and police checks, you would recall the legislation regarding working with children where there was public comment on draft legislation and a number of sporting organisations approached all members of Parliament with issues relating to police checks. We understood the point they were making — in terms of if I am at a sporting event, do we need every parent getting a police check? The obvious answer was no. Common sense prevailed. You have got to have direct and unsupervised access to children. I think you would find that the changes that were made and the final legislation was actually welcomed by sporting groups, particularly basketball. The local basketball association approached me, and they were happy with the outcome, so in terms of the police checks I do not think there is great disquiet in the community. Their concerns were raised at the time the legislation was developed.

Dr SYKES — I think you have covered the history, and it would be fair to say that I was amongst those who ensured that the public's voice was heard. But looking at it now, 12 months on, how many checks have been done, and is there any feedback on whether you are getting reward for effort or whether you can further finetune the process?

Mr MERLINO — Chair, I am happy to take that on notice and provide further detail.

The CHAIR — Yes, the minister could take it on notice; it was also asked of another minister as well. Similarly with mental health, that was also asked of another minister.

Ms MUNT — Could I please refer you to page 336 of budget paper 3 under 'Output initiatives — Victorian communities'. There is a line item there 'Better Pools Program and Community Sports Grants'. You touched on it briefly in your presentation — community facility funding of 76 million over four years. Could you please expand on this program, because I am sure it would be of interest to my local electorate? Is that a new program that has been put in place?

Mr MERLINO — Thanks, Janice, for the question. This is a great story. Since 2000 the Bracks government has invested over \$133 million towards 1520 community sport and recreation projects across the state through the SRV community facility funding program. Over the four years, from 02–03 to 06–07, SRV had an LFS allocation of \$58 million from the Community Support Fund, made up of \$14 million for rural and regional

communities, \$20 million for metropolitan communities, and \$24 million under the Better Pools aquatic access program. As described in the *Go for your Life* policy statement, the government will build upon this great foundation by allocating a further \$76 million towards the SRV community facilities funding program in the budget. So it is not new but it has changed, and the funding has increased. I will bring up a slide in a moment in relation to that.

The allocation is made up of \$46 million under the Better Pools aquatic access program and \$30 million towards community sports facilities. Facility funding is distributed across all areas of the state, and this will continue to be the case over the next four years. This can be illustrated by a map showing the allocation of funded Better Pools projects since 2000. If we can show the state first and then zoom down into metropolitan Melbourne. I will hand those out if we cannot get it up.

The CHAIR — Thank you.

Mr MERLINO — However, the structure of the new allocation will enable the government to enhance community sport and recreation outcomes for specific population groups and disadvantaged places. In contrast with the previous commitment to the SRV community facilities funding program, the allocations towards the categories of the majors, minors and planning — which all members would be aware of — would not be locked into geographic locations. This might be of interest to you, Bill. Previously the funding was \$14 million for rural and regional; now we have combined it into a pool, so there is no limit on what can be allocated to regional Victoria. That is one of the significant changes that we made in the program.

Investment in aquatic facilities can have far-reaching benefits. Increases in participation in sport and recreation in Victoria relative to other states can largely be attributed to increases in participation in swimming. Swimming participation has grown significantly in the key areas that have received funding for aquatic centres, funded through the Better Pools program. Facility funding can also support community building in local communities around the state, and enhances the partnership between the state government and local government.

There have been some recent examples — \$500 000 to assist the Casey City Council in the development of the tennis centre in Pakenham; \$500 000 to assist the Moira Shire Council in the development of the Numurkah showgrounds pavilion, and \$2.5 million to assist the Macedon Ranges Shire Council in the development of the Kyneton sports and aquatic centre.

Project proposals for consideration under the 07–08 round of the minor facilities and planning categories have been assessed, Chair, and I intend to announce the outcomes for these categories in the near future. That is the map of the state in terms of Better Pools. You can see that there is a great spread of facilities. If you could go down into metropolitan Melbourne — again, there is a spread right across metropolitan Melbourne.

But this is the chart that I really wanted to show for the benefit of the committee, Chair. This is the chart showing investment in community facilities, which is a great story. You can see that we begin in 2000 and 2001. The base program was community facilities and aquatic funding. You can see in this chart the yellow section, which is the country football and netball program; that began in 05–06.

In the current financial year you can see a huge expansion in funding for community facilities. So we have the country football and netball program that was developed in response to the Rural and Regional Services and Development Committee's inquiry into country football; and the two drought assistance packages, which I referred to in my presentation — that is the purple section up the top, \$6.6 million for two programs for drought assistance.

Furthermore the government continues to build upon the legacy of the Commonwealth Games, as we are investing \$25.9 million from the surplus towards a range of initiatives that include community facility-based infrastructure such as multi-use sports facilities, the pools relocation and five multi-sports stadium projects. The government's support for redevelopment of suburban AFL grounds: the government is investing a total of \$17 million for the redevelopment of a number of grounds, including Princes Park and Arden Street, and opening those up to the community. So you can see right across 06–07, 07–08 a huge increase in funding for community facilities.

Mr DALLA-RIVA — Just on that slide, the AFL grounds, Princes Park and Arden Street, whilst they are pretty average teams, are those grounds still owned by their relevant football clubs or are they now owned — I just wanted to get some clarification.

Mr MERLINO — They are both council. There is other funding from the AFL and the clubs. The funding that the government is providing is specifically for community access, opening them up to the public.

Mr DALLA-RIVA — So it is not money that the government is giving that will then go into the private hands of the clubs?

Mr MERLINO — No, we are quite clear.

Mr DALLA-RIVA — For example, if North Melbourne decide to head up north or south — wherever they are going to go — they will not realise that asset and then take those funds?

Mr MERLINO — No. It goes into the infrastructure for community access and it remains a council facility.

Mr BARBER — Minister, I compliment you on your timely release of data on the swimming championships. My question is a similar question about the grand prix, which is a bit more resistant to release of information.

The CHAIR — Try to relate the question to the estimates.

Mr BARBER — Yes, the relationship to the estimates is that the government subsidy listed in their accounts as government appropriation has gone from about 3 million when your government appeared to about 22 million. I presume that there is an item somewhere in the budget that reflects that, but I am interested in the other costs, or the bang for our buck that we are getting out of that subsidy, and that is in relation to the value of free tickets that are given away and also estimated sponsorship from other government agencies. The number of free tickets given away is disclosed in their accounts, but not who to and not what the value of those tickets is. Secondly, we do not know what the government sponsorship is. Also, the attendance figures which you were able to quote us for the swimming championships are not as easy to discern and have resisted all attempts at FOI — that is, the model by which they are measuring attendance versus ticket sales and how the two actually come together.

The CHAIR — Minister, insofar as it relates to the budgets and the estimates in your portfolio.

Mr MERLINO — Committee members would appreciate I am limited in what I can say in terms of the Australian Formula One Grand Prix. The reporting of the Australian Grand Prix Corporation is the responsibility of the Minister for Tourism, who I understand has yet to appear before the committee. I am limited in the information that I can provide.

Sport and Recreation Victoria currently administers the funding for the Australian grand prix in its allocation for sporting events in the major events cap. So there is a proportion of the events cap that goes into the SRV allocation, but the responsibility for the event, answering in relation to ticket sales, attendance, and reporting on the corporation is the responsibility of the Minister for Tourism. I do not think I can adequately answer those questions that you have asked, but you have the opportunity with the Minister for Tourism to ask those questions next week, I think.

Mr BARBER — So your job is you write a cheque for 22 million to them and that is the end of your —

Mr MERLINO — It is part of the nature of SRV. The budget moves within SRV according to major events that come in, major events that we are hosting, major projects that the government is funding. SRV is often the funnel for that money. So in terms of ministerial responsibility for a major event, I have responsibility for the FINA world championships, the Minister for Tourism has responsibility for the Australian grand prix. In terms of major projects, for example, the rectangular stadium, the money comes into my budget but the responsibility for building the stadium is for Minister Theophanous. So that is an example of how it works. We are the client, in a sense, in regard to projects, and also, in terms of major events, the Minister for Tourism has responsibility for formula one.

The CHAIR — I am sure the Minister for Tourism may well be asked a similar question insofar as it relates to the estimates.

Mr SCOTT — My question is in regard to the Commonwealth Games surplus, which you referred to in a handout and also in budget paper 3. It is referred to on page 337, which outlines funding for output initiatives, reinvesting the Commonwealth Games surplus. Could the minister provide further information to the committee of how the Commonwealth Games surplus funding is being used and how these projects will progress over the estimates period?

Mr MERLINO — The Melbourne 2006 Commonwealth Games was a landmark event in Victoria's history. In terms of major events, we have really hosted two huge ones over the last couple of years, with the Commonwealth Games and FINA this year. The Commonwealth Games had three objectives: to host a great event, to deliver lasting infrastructure and to deliver lasting social, environment and economic benefits to the Victorian community. These objectives were overwhelmingly met. It is therefore fitting that the government gained a surplus of nearly \$26 million, which will provide a significant legacy to the sport and recreation sector. This investment continues to support strong and connected communities and increase participation in sport and recreation.

Some examples of this funding at work are that around 1500 grassroots sports clubs will share in \$1.5 million, which has been allocated to assist in the purchase of all types of sporting uniforms; the supporting grassroots sports grants will help build membership and attract more Victorians to local sporting activities and develop strong networks through the allocation of \$1.5 million to state sporting associations — so there are some direct injections to our state sporting associations. There are some great examples of this funding at work, such as AFL Victoria working with the Diamond Valley Football League to arrest the declining numbers of participants in their sport, engaging our multicultural communities, attracting and maintaining volunteers and addressing poor player and spectator behaviour patterns. Rowing Victoria is expanding its successful Row for your life program to regional clubs and non-rowing school areas to build participation pathways in this sport.

Our sport coaches and officials provide vital support and skills to the sport and recreation sector. Many volunteers give freely of their time. We are continuing to invest in this critical human capital to build strong foundations for our sporting state: \$800 000 has been allocated to provide skills training for over 3000 new and current volunteers and paid officials — that might part answer your previous question, Bill. This investment will support our communities by attracting, training and retaining more volunteers to build sport across our communities.

I talked about the temporary pools becoming permanent facilities in four local communities. We are working together with other parts of government to ensure that community and school groups are able to access upgraded sporting facilities at Ashwood Secondary College, the Beaumaris campus of Sandringham Secondary College, the Eumemmerring College as well as the Greensborough Hockey Club. We will also be providing funding to assist with the development of up to five multisport indoor facilities, with the Altona and Broadmeadows projects most likely to go to tender in September 07, and there are proposed projects in Eltham, Moe and Casey that will be subject to feasibility studies.

The Premier's Family Fitness Challenge — \$1.5 million will encourage Victorian families to get healthy and active by exercising 30 minutes a day; \$1.35 million has been allocated to the Office of Senior Victorians to assist local councils; \$800 000 has been allocated to recruit new coaches and officials to the sport sector. Other initiatives include local walking grants, training for world swimming volunteers and funding to Athletics Victoria — \$1.2 million. So there is a whole range of areas that are benefiting from the surplus that was provided out of the Commonwealth Games.

Mr RICH-PHILLIPS — Minister, what level of base-level funding has been provided for the Victorian Institute of Sport in the 07–08 budget, and is there any supplementary funding for preparation for the Beijing Olympics?

Mr MERLINO — The period of transition in terms of post-Sydney Olympics, post-Commonwealth Games — but I will go through that. The Bracks government continues to support elite athlete development through the funding of the Victorian Institute of Sport. In 2003 the Bracks government increased the state government allocation to VIS from 3 million to 4.5 million for a four-year period to assist sports in their preparation for the 2006 Commonwealth Games, so there was a boost in funding to VIS. This proved to be an extremely successful strategy with VIS athletes winning 24 gold medals, 22 silver medals and 13 bronze medals. The state government has recently announced that its ongoing core funding to VIS will now be fixed at \$4.5 million. That is great news to the ongoing operations of VIS.

VIS continues to deliver outstanding results with over 450 athletes being supported on scholarships and 57 per cent of VIS coaches and 58 per cent of athlete scholarship-holders involved in national squads or teams. So it does punch above its weight. The VIS is very aware of the need to keep abreast and even ahead of the latest international developments in elite athlete coaching and training. Under its newly appointed chief executive officer, Anne Marie Harrison, the VIS is undertaking an extensive review of the VIS, its programs, services and skills set. The review with accompanying initiatives will guide the VIS in allocating its resources to gain the best possible results in the 2008 Beijing Olympic Games and the 2010 Delhi Commonwealth Games.

In addition to that, as I mentioned before, there is a further \$1 million from the Commonwealth Games dividend which will be used to support the preparations for 2008 Beijing and also Delhi. We have confirmed the \$4.5 million ongoing and there is this additional \$1 million in the lead-up to the two games.

Mr RICH-PHILLIPS — Is the 4.5 million indexed into the future or is that a fixed 4.5 million that would apply in real terms?

Mr MERLINO — I am advised that a component of that \$4.5 million is indexed.

The CHAIR — Presumably it is also subject to efficiency gains too. I thank Mr Peter Herten for his attendance.

Witnesses withdrew.

Transcript of Evidence

12.15 Veterans' Affairs portfolio

The transcript for the hearing on this portfolio was included in the Report on the 2007-08 Budget Estimates – Part One.

Transcript of Evidence

12.16 Victorian Communities portfolio

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2007–08

Melbourne — 16 May 2007

Members

Mr G. Barber	Mr G. Rich-Phillips
Mr R. Dalla-Riva	Mr R. Scott
Ms J. Graley	Mr B. Stensholt
Ms J. Munt	Dr W. Sykes
Mr M. Pakula	Mr K. Wells

Chair: Mr B. Stensholt
Deputy Chair: Mr K. Wells

Staff

Business Support Officer: Ms J. Nathan

Witnesses

Mr P. Batchelor, Minister for Victorian Communities;
Mr Y. Blacher, secretary;
Mr D. Ferrie, executive director, community programs and volunteering; and
Mr S. Gregory, chief financial officer, Department for Victorian Communities.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the budget estimates for the portfolios of Victorian Communities and energy and resources. On behalf of the committee I welcome Mr Peter Batchelor, Minister for Victorian Communities and Minister for Energy and Resources; Mr Yehudi Blacher, Secretary of the Department for Victorian Communities; Mr Damian Ferrie, executive director, community programs and volunteering, and Mr Stephen Gregory, chief financial officer; Department for Victorian Communities; departmental officers, members of the public and media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff can approach the table during the meeting. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council committee room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review; there is no need for evidence to be sworn. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. All evidence given today is being recorded. Witnesses who speak at the hearing will be provided with proof versions of the transcript, and the committee requests that verifications be forwarded to the committee within three working days of receiving the proof version. In accordance with past practice, the transcripts and PowerPoint presentations will then be placed on the committee's website.

Following the presentation by the minister, committee members will ask questions relating to the budget estimates. Generally the procedure followed will be that relating to questions in the Legislative Assembly. I ask that all mobile telephones be turned off. I now call on the minister to give a presentation of not more than 5 minutes on the more complex financial and performance information relating to the budget estimates for the Victorian communities portfolio.

Mr BATCHELOR — Thank you, Chair. It is a pleasure to be here before this committee. It is the first time for me as Minister for Victorian Communities, and I appreciate the committee starting on time, if not early. An on-time start is an on-time finish, isn't it?

The CHAIR — That is correct.

Dr SYKES — Better than the Victorian trains!

Mr BATCHELOR — You are wrong.

Overheads shown.

Mr BATCHELOR — I want to just give a brief introduction and then we can get into questions. The cornerstone of the work that the Department for Victorian Communities will be doing this financial year stems out of A Fairer Victoria. In this year's budget we have provided some 64 new initiatives which total \$1.4 billion. This is a continuation of A Fairer Victoria which started in 2005 and 2006, and it is designed to address disadvantage. We want to reduce disadvantage, and we want to increase fairness. We want to create opportunities for individuals to improve their lot.

The particular priorities in 2007, which mainly reflect the election commitments that were made, include, of course, more than half a billion dollars for affordable housing. There is money for people with disabilities. There is just over \$170 million for early childhood services. We are keen on early intervention because we know that that acts to reduce disadvantage later in life. We have \$113 million for older Victorians and money for building partnerships with the indigenous communities.

A Fairer Victoria is a really important document for the Department for Victorian Communities. If you want to sum up what it is all about, it is about building stronger communities, and it is about joining up government and establishing partnerships across all sectors. One-third of the initiatives of A Fairer Victoria will be delivered by the Department for Victorian Communities. Others will be delivered by other agencies, and I am sure you have addressed those matters when the ministers have presented.

The CHAIR — Correct.

Mr BATCHELOR — The strategic directions for the department evolve around participation. We know that if people participate in their community life, this helps to make their community a better and stronger community. It increases their involvement in a whole range of activities including employment, including learning and education, and it helps to improve their opportunities in life.

We are also interested in people and place. This is a second stream of our work, and it focuses on the ability to improve outcomes for specific groups — indigenous people and people with disabilities — but also disadvantaged places. We know there are postcodes — areas of the state both in country Victoria and in the metropolitan area — where there are clusters of people who are doing it tough, so we try to either target our initiatives to the groups or to the places.

The third area of our work is engaging with communities. This is a really important element of our work, and it goes to trying to encourage citizens to engage with local communities, with each other and with their neighbours. We know that those citizens who are engaged and active and who participate produce better outcomes for themselves in terms of health and other social indicators, and also for the community. In *A Fairer Victoria* we introduced a number of major achievements, and they are on the board.

For the next iteration of *A Fairer Victoria* we have identified these priority areas, and they support the sort of initiatives that I have identified.

The last thing I wanted to do, and I am sure we will address these issues during the course of our — welcome, Kim!

Mr WELLS — Good morning, Peter. How are you? Sorry I missed the first part.

Mr BATCHELOR — That's all right.

Mr WELLS — I will have a chat to you about it later.

Mr BATCHELOR — Yes; you can look on the website.

The last part is the Community Support Fund. I know people need to understand how the Community Support Fund (CSF) works because it is an important funding tool for this department. Firstly, as you can see, we get just over \$100 million a year. This year we are expecting to spend about \$116 million. That goes to community applications, gambling services and also community services and grants programs. Out of those community applications we have community strengthening programs, community infrastructure and community planning.

With the departmental initiatives, the CSF allocates money to state departments and agencies which then provide that, usually through grant programs, to meet the objectives that are set out in the legislation. Community initiatives are grants that are administered by the Department for Victorian Communities, and they are made directly to non-government agencies and local councils, and they are approved of course by the cabinet in line with the governing legislation.

Since March 2004 all grants have been approved within the context of the Victorian Community Support Grants Program. With the expenditure for 06–07, the last financial year, the amount committed against departmental initiatives was split between gambling services, which has the first call; they got about \$25 million, and then just under \$70 million was allocated to various agencies to distribute. The community initiative expenditure was \$20 million, and it was spent over the three categories that are up there on the slide. In the next financial year we are expecting to expend about \$108 million. This includes a small administrative amount, and you can see from the dissection there how much is going out — about \$23 million to community applications; gambling services is some \$24.5 million; and the community services and grants programs is \$58 million.

The grants expenditure is estimated to be \$116 million, which is \$8 million more than the 07–08 results. This is the result of timing differences between commitments being made and cash being expended. We allocate money out of the fund, and then of course we rely upon community organisations spending it within agreed periods. Sometimes they do not, and there is a bit of a lag, but it all eventually is spent.

The CHAIR — Thank you very much, Minister. We have about 1 hour and 10 minutes for questions on the Victorian communities portfolio. I would like to begin, as I have begun with virtually every other minister, by saying that productivity is very important for our economy, and if you could advise us of what you see as the

impact of the portfolio spend in the budget on productivity in this state, particularly in new initiatives under your portfolio.

Mr BATCHELOR — We place great emphasis on productivity savings in the Department for Victorian Communities. It is a newly established department so its base expenditure has been the subject of recent detailed assessment by the Department of Treasury and Finance because of just the establishment process. In that context it is a very productive department.

Secondly, the bulk of our expenditure is through grants, so we do not directly deliver the service but we provide and facilitate the expenditure around programs by other agencies. But we do not take their productivity for granted. For example, we are funding a program to try and look at specifically the productivity arrangements and the strengthening of the NGO sector of the community. We have provided money for SCOP (Stronger Community Organisations Project), which is an initiative that is being headed by Allan Fels, who is working with individual NGOs, like VCOSS, umbrella organisations and individuals, and they are going to look at the complex pressures that NGOs are facing in how their financial and organisational position and the strength of their leadership all might be improved in the years ahead.

These are important organisations to us. They provide the services, so we are not only looking at our own productivity but are extending it out in how we might improve the productivity to others beyond our direct employ. The group is expected to report later this year. It is hoping to make recommendations about a strategic vision for the sector, including concrete initiatives for the government, businesses and the community sector and how they might work better together. I think that is the basis of our productivity examination.

The CHAIR — I think that is pretty important. I certainly would believe there is quite a lot of scope for microeconomic reform, if you like, in the non-government sector, which could provide a lot of savings or indeed better management and better comprehensive arrangements in the non-government sector.

Mr BATCHELOR — That is the view that the leading organisations have of themselves. They want to address things like succession planning, strategic visions, education and training, how they might better attract higher qualified people to the sector, how they might attract new people as workers and on boards to the sector so you can have new ideas and fresh approaches coming in. Essentially they are not taking these sorts of things for granted, and their work and engagement under this project headed by Alan Fels in itself is quite an interesting initiative and demonstrates the preparedness of these NGOs like VCOSS, the brotherhood and a whole host of others like Hanover, Citymission to look internally at how they improve their output and how they improve the integrity of their organisation in order to deliver better services.

The CHAIR — It is also important for smaller ones who obviously find it hard to do things like WorkCover or HR. You do not wish to destroy their creativity and the individual grassroots aspects of these small organisations, but we should be out there helping them in terms of improving their productivity.

Mr BATCHELOR — Precisely.

Mr DALLA-RIVA — I refer the minister to budget paper 3, page 238, on community strengthening under 'Quantity' and 'Volunteering small grants: number approved'. I note that the volunteering small grants: number approved — it is under quantity in the performance measures.

Ms MUNT — About halfway down.

Mr BATCHELOR — I was looking at the wrong section.

Mr DALLA-RIVA — It is at page 238. I note the actual in 2005–06 was 234; the target for 2006–07 — this current financial year — was 200 to 250, and the expected outcome is 170. In the notes it says that it relates to fewer applications having been received than anticipated. Then we go on to the targets: the figure is in fact lower there, 90 to 120, and the note says the target reflects funding announced in the 2007–08 budget, which is referred to on page 337 of BP 3 as well in the volunteering grants item under table A.21, output initiatives. I guess my question relates to the fact that it seems that the volunteering grants have been dropped off the table in terms of community strengthening. Why has the government decided to actually reduce the funding for volunteering grants, given that on its own admission in the budget paper that they are expecting less in the current financial year against

its target; how will the government ensure that community groups are made aware of that program; and how will it ensure community groups can actually take up that program?

Mr BATCHELOR — Most of the grant programs that we provide are for a time specific periods, three or four years, and that was true with the first round of volunteering grants. So, like many programs, they start and they finish. That is a budget discipline that is imposed on us and on the recipients of such grants. However, we value the work that volunteers do, particularly in this National Volunteer Week, and in this year's budget we have in fact decided to extend this program and will be providing \$4.4 million over the next four years to continue the work. That will be delivered in a number of ways.

Mr DALLA-RIVA — How is it \$4.4, because if you reference the output initiatives, it is actually 6 there.

Mr BATCHELOR — What page is that?

The CHAIR — Page 337, Minister — \$1.5 million each year.

Mr DALLA-RIVA — So it is \$4.4 million, but the initiatives — I might be giving you a leg-up here — show \$6 million.

Mr BATCHELOR — In that line item, that is right, so it is \$4.4 million for volunteering grants and there is 1.6 for a community bus program, where we provide for infrastructure, if you like — the buses — for volunteers to use in their local community. So that line item in the budget has amalgamated two programs that are to do with volunteering. The one you are intuitively referring to is the program where we provide, on application, money to community organisations to assist them in the task of recruiting and retaining and training volunteers — and different organisations do that in a myriad different ways. In addition to that there is a program to provide, again based on applications, money to provide buses to communities. We have experienced and observed in the past that within communities generally there are a large number of vehicles that are old and getting run down and there is no program to replace them.

Secondly, we know there is a very high demand in some particularly isolated communities for this type of assistance, so we provide the funding under a volunteering program to provide the wherewithal so volunteers can get out and about. They might take people on shopping expeditions, they might take people to hospital appointments, they might take them on social outings — these sorts of arrangements. That is the difference between the 4.4 and the 6 million.

Mr DALLA-RIVA — In terms of the clarity of the last question that I asked, how will you ensure that government advises community groups? What processes have you got in place to actually ensure that we have an uptake? In this current financial year you anticipated 200 to 250; the expected outcome is 170. In the budget papers itself it says that there was an uptake less than anticipated. I am just asking for the anticipated forward estimates — 90 to 120 — is there some process in place to ensure that the appropriate uptake of the grants allocated will be taken up, given that it is an important part of the community?

Mr BATCHELOR — Yes, absolutely. It is done essentially in two ways. There is the general promotion that the grant is available, through notifications, through media releases, and the advice that local MPs give. I just recently saw Peter Walsh advertising our program. We find that The Nationals are very good in — —

Mr DALLA-RIVA — I have done it once or twice, I can tell you.

Mr BATCHELOR — You have done it once or twice yourself? Very good; I congratulate The Nationals for supporting the government with these type of initiatives.

Mr DALLA-RIVA — I have done it as well.

Mr BATCHELOR — I congratulate you as well. I have not noticed it however, but I believe you. There is a myriad of ways. In addition— and getting to one of the points that might be behind your question, which is how we inform groups of the variety of grants that are available — what we are seeking to do is to consolidate, though, that information on one website, a grant website through DVC. So if you want to find out what grants are available, but you might not specifically know, this will be a very useful tool for those who can get access to the Net.

The CHAIR — Thank you, Minister. I am sure that in providing further response as a department to the budget estimates questionnaire we sent out in respect of question 9 on communications, advertising and promotion, that should be able to include some of this matter in terms of what communication, advertising and promotion you do in respect of these particular schemes.

Mr BATCHELOR — Yes, I will undertake to have the department add that to the other information.

The CHAIR — They failed to answer the question in the initial estimates questionnaire.

Mr BATCHELOR — I do not think they failed; that is wrong. They answered that question. You wanted some more information and you are wanting more information again. We are happy to supply it.

The CHAIR — All right.

Ms MUNT — Can I refer you to page 233 of budget paper 3. Under the heading ‘Department mission statement’ it says:

The Department for Victorian Communities’ (DVC) goal focuses on the sustainability of Victorian communities through investing in strategies aimed at creating active, confident and resilient communities.

Could you provide the committee with an overview of some of the ways in which DVC does this? How do you see that goal also being met in the future?

Mr BATCHELOR — In the presentation I touched on this in a very preliminary way, and I identified there were three streams of activity. To meet the objectives of helping specific groups or helping disadvantaged places, we were also, wanting to make it easier for people to engage with government and also making it easier for people to engage in communities. The first area of our work is really to try and improve outcomes for specific population groups and disadvantaged places. Population groups: we have done a lot of work there. For example, the department released a report or a framework for working with Victorian indigenous communities. So here is a specific group that is identified. We want to better align and integrate the programs that go to support this community, which are delivered by a whole range of government departments. We want to make sure they are better aligned with those objectives and work in an integrated way. We have also undertaken to establish what we call the Community Renewal program which tries to revitalise urban communities and boost the social and economic outcomes.

The CHAIR — Like Neighbourhood Renewal?

Mr BATCHELOR — No, Community Renewal. Neighbourhood Renewal is a program delivered by the DHS in public housing estates, a very successful program.

Mr BARBER — A good program.

Mr BATCHELOR — Community Renewal is unashamedly modelled on the success of that. DHS and the Neighbourhood Renewal program has been fantastic, but we have identified that not every location of disadvantage is associated only with public housing. There are other areas as well, so we have developed this Community Renewal program. Also in trying to address specific groups we have identified reform to family violence services, developing a new integrated package involving the police, the courts and government agencies. The second phase of our stream of work — and there are other examples; I do not want to go through all of them, or even more, but if you want them, I can come back to them.

The second phase is to improve engagement between citizens and their communities. We have established a section of the department called the citizens access and transformation division, which is designed to provide a voice and choice and convenience for Victorians. We want to enable them to have the ability to ask for things, to identify and to work with their local communities. We want to be able to provide them with a choice of services, the information available and identify the best way of doing that. Our electronic grant portal is an example of that.

The CHAIR — That is good. That is a big improvement.

Ms MUNT — When will that be up and running, Minister — the electronic grant portal?

Mr BLACHER — It is going through the process of testing at the moment. It will be fully operational early in July, so we have been testing it for a number of months just to get all the glitches out of the system.

Mr BATCHELOR — That will be comprehensively across the DVC.

Mr BLACHER — That will cover all DVC programs and provide a generic platform that other agencies could use if they want.

The CHAIR — It makes it easier for people.

Mr BATCHELOR — We hope through the use of that to provide a platform and learn the lessons so if other agencies want to act similarly, they will be able to do it. It is sort of a very large-scale pilot for the whole of government, if you like. I was talking about how we engage citizens and communities. I have mentioned SCOP— that is, the Stronger Community Organisations Project — which is being led by Allan Fels, the grants program, and we are also encouraging communities to engage with local businesses and other organisations so they can build strong partnerships. We have observed that a lot of companies are very keen to engage in what is called corporate social responsibility, and the big companies usually align themselves with peak organisations, but small enterprises at the local level do not know what to do. They want to help, and we are trying to put in place mechanisms so we can link communities with businesses that want to help them out.

The third stream relates to getting people engaged in social and economic life. Essentially that is trying to get people back into the workforce, and in getting people back into the workforce the first step is engaging with their local community and neighbourhood houses. We have provided money in this budget for older men's health and wellbeing through the men's shed process, and we have also had the adult community and further education programs and employment programs provide opportunities to learn new skills so individuals can retrain before they re-enter.

Unemployment is very low at the moment. We have a prosperous and booming economy, but notwithstanding that there are still people who are finding it hard to get jobs. So our emphasis is to try and strengthen their local community and have them actively engaged and be wanting to seek employment. The work up at Wendouree, through the neighbourhood renewal program, has demonstrated that if you undertake this activity, community-strengthening activity, for an extended period of time you do then turn around community attitudes and people become engaged, they get jobs because they have participated in retraining, and it just generally improves the outcome for that community.

Dr SYKES — Minister, I would like to focus on your approach to disadvantaged places. But before doing that I would encourage you to proceed with your grant websites because currently I pay an extra person half a day a week to help communities access grants. I call the lady my funding ferret; she is highly effective at tracking down grants and pointing communities in those directions. But if it can be made more simple, I am sure there can be significant efficiencies there, and I might be able to allocate that person to do other work.

In relation to disadvantaged places, unfortunately there are many disadvantaged places in country Victoria, leaving aside the impact of the current drought and the recent bushfires. Just using the Benalla electorate as an example, we have places such as Mount Beauty that have a lower income, and unfortunately there is a lack of recognition of that because of the use of incorrect statistics. We also have the Ovens Valley and even the fair city of Benalla — to the point where I think the Benalla electorate is ranked the 10th poorest of the 88 electorates in the state of Victoria. So for a great place to live, work and raise family, they are still doing it a bit hard.

Some of the issues are energy costs, which may come up in the second part of this presentation. There are also public transport issues, and I would be interested in your expanding on transport connection initiatives, particularly what focus you have on integrating taxis and local bus lines into it rather than just simply going out and buying more vehicles, which often sit unused for a large part of the week. Secondly, in relation to community services you mentioned neighbourhood houses. I am not sure whether it is in your responsibility or not, but there are fundamental issues with the funding of neighbourhood houses. I think there are still 30 houses unfunded, and the reason for that is that you cannot work out, or there has not been the ability to work out, the process for applying for funding. That may have been addressed in recent times.

There is also a need for financial counselling out there, and I agree with the point of having people connecting to the community. I will tell you a couple of things that encourage community connectedness, but I am not

recommending that — they are, to propose a toxic dump in the area or to propose to decommission Lake Mokoan. There is no better strategy.

The CHAIR — Thank you.

Dr SYKES — But can you just expand on, particularly, neighbourhood houses?

Mr BATCHELOR — As you know, the decommissioning of Lake Mokoan is an issue for the minister for climate change — the minister for water, rather — and I understand that he was here yesterday. I assume you asked that very question.

Dr SYKES — No, I remained coy. I was not asking a question, I was just promoting it as an example of how to achieve something. I am not recommending it.

The CHAIR — Can we concentrate on disadvantaged communities and neighbourhood houses, please?

Mr BATCHELOR — You ducked for cover, did you?

Dr SYKES — I have learnt from watching the *Bastard Boys* — you watch this spot!

Mr BATCHELOR — You raised a whole plethora of issues. I am not using that in a pejorative sense, but it just demonstrates the complexities of what disadvantage is and how you try to address them. You referred to Benalla being the fourth-poorest — —

Dr SYKES — Tenth.

Mr BATCHELOR — Sorry, the 10th poorest electorate in the state. If you read Tony Vinson's work *Dropping Off the Edge*, it is really a landmark study that has just recently been released within the last couple of weeks. It was commissioned by the Jesuit Social Services. It looks at disadvantage from a postcode point of view, not from an electorate point of view, but I am sure you can amalgamate the information here with the postcodes that go to make up your electorate.

Dr SYKES — I am certainly aware of that and, so is our community.

Mr BATCHELOR — You will be able to have your views and your community circumstances examined in perhaps even more detail by Tony Vinson's work.

How do we address this? In the metropolitan area we talk about community renewal and the Neighbourhood Renewal program delivered by DHS. In country Victoria we talk about the community building initiative (CBI), where we have provided a \$10 million commitment to help small rural communities engage and take charge of their circumstances. It is part of our A Fairer Victoria program, an ongoing part, and there are 19 localities across country Victoria that are being supported. They cover some 23 LGAs and embrace 102 small towns. So you can see that whilst it starts off with, say, 19 localities, it extends out behind the major town into the surrounding hinterland.

What does the program do? It provides for community opportunity workshops in the first instance. We have held over 40 of these, and they have been very responsive; about 2600 people have attended. They really provide the community's views on what they would like to see happen in their neighbourhood and help determine what the priorities are.

Priorities are always an important process to get in action by the state government, by the federal government and by local government. We have found in those areas that have participated in this program, that have gone through that community workshop and identified what the priorities are, they are then more successful in attracting funding and more successful in attracting programs.

You also mentioned the transport connections program and identified the community bus initiative, and you wanted to know how we might help marshal those resources to greater productive use within the community. We have been undertaking a trial of nine locations across country Victoria to trial various approaches to answering this problem. It is called our Transport Connections program. As a result of this budget and the preceding budget money has been allocated to take that pilot program into a more general statewide approach.

What we are doing is funding people — officers, if you like, workers usually employed by the local council — to act as a transport broker. They take the learnings and lessons of the earlier pilot program, which have been evaluated, and they point the way forward to this brokering system.

Essentially it works like this: in a locality there are known transport assets that are available and are underutilised; they then try to make the connections between the asset and where demand might be and through the use of volunteers be able to provide those transport services in a suite of mixed approaches to suit the locality. For example, we have a lot of school buses in country Victoria, taking kids to and from school. Some have empty spaces on them, so is there some opportunity to provide those empty spaces to perhaps TAFE students who are not eligible or to perhaps even other members of the community on an agreed basis?

Another example of how the brokerage approach to a transport asset is with either community organisations which have got buses but are not using them all the time or perhaps the down time for school buses is to see if they cannot be used for some other regular use, perhaps taking elderly citizens in an isolated hamlet, village or small town into a larger town for regular shopping trips or medical appointments.

We also go to the extent of engaging as part of the transport connections medical institutions — community health centres, hospitals — as part of the transport connections so they can align appointments with these new and special community transport facilities. They can take advantage of them and have appointments made within the span of operational hours.

We have also in some areas asked taxi companies if they would like to provide what you might call ‘a community bus’ — that is, not the regular taxi service, where it is dial up and it is demand driven, but at a certain time when it is quiet for the taxis and it is not their peak time — to see if they can make arrangements. Some taxi companies have been prepared to participate in that.

The whole aspect or emphasis of this is to connect the assets that are there through a broker; we have funded these positions for over three years, so there is some attempt at recognition that there needs to be ongoing support once the first establishment work has been done. We think over a three-year period we will be able to have those people successfully put in place, have the mechanisms established and monitor how they go so they can be self-sustaining thereafter. I think we have allocated some \$18.3 million to do that over the next four years, and that will be spread right across Victoria.

The CHAIR — Thank you, Minister. In respect of neighbourhood houses, the question needs to be directed to the minister responsible for local government and housing.

Mr PAKULA — Minister, the Treasurer’s speech, budget paper 1 on page 11, talks about A Fairer Victoria and says that ‘\$1.6 billion has been invested to create new solutions and opportunities for disadvantage people, families and communities’. I am curious as to what that \$1.6 billion investment has achieved. Obviously I am interested in light of the fact that A Fairer Victoria is an ongoing commitment.

Mr BATCHELOR — I have sort of outlined in a broad sense the role of neighbourhood renewal and community renewal and the CBI in rural Victoria. They are the overarching programs that are applied locally, but the specifics that underpin those, I guess, is what you are asking for. There are a whole host of different initiatives that we have applied that are driven by the needs of those community action plans that are developed as a core part of those neighbourhood renewal, community renewal and CBI programs. We have done things like create the Koori courts. These are the first within Australia. We believe they help address the problems that wind up in the criminal justice system from the Koori community that are disproportionate in their numbers and try to address them in a preventative sense.

We have established some 10 family support innovation programs. This is where we establish teams that work with child development workers and are part of a program of early intervention. As I mentioned before, early intervention is a really important part of our philosophy. We have established some 25 children’s centres. I was down at Karingal in Frankston recently where together with the council there they are establishing a children and families hub and these children’s centres were the genesis of that initiative down there. We are proposing to do another 30; we have got budget cover for another 30 of those.

We have provided more hours for home and community care services for the frail, elderly and young people. We are improving our public transport system to provide better access to people with disabilities. You have seen the

new low-floor tram stops; there are 140 of those now and about another 150 to go. We have got about 400 new bus stops that we want to do. So we want to make public transport accessible for people with disabilities.

Mr WELLS — You are getting cheered up now on public transport.

Mr BATCHELOR — That is right. It is electricity that excites us. And we have provided more initiatives in mental health. I will just ignore the member for Scoresby.

These are the sorts of things that fall out of the CBIs and community renewal. We have created some 70 community enterprises. All of these are achievements that go a long way to help reduce that disadvantage and increase fairness. But really they are the result of local decisions that are taken and we follow the advice that local people offer as to what best suits their community.

Mr BARBER — I have some questions about the Community Support Fund and the data you gave us before. I am presuming that when we say 'fund' it is an accounting entity with money coming in and money going out? That is right?

Mr BATCHELOR — That is your question, is it? Yes is the answer.

Mr BARBER — Good. So next year what is the expected inflow? What is the current balance of the fund or what do you expect it to be at the end of the financial year? How many dollars' worth of applications do you expect under each of these categories where you have told us how much you expect to fund? That list at the back of the DVC annual report, what does that relate to? Which of these funds?

The CHAIR — The minister in respect to the estimates in the budget please.

Mr BATCHELOR — We are expecting to get in this year \$98 million. That is down a bit on last year. The Community Support Fund, of course, is a function of what people contribute to gaming machines at hotels. I am just being advised here that the proportion of taxes — 8.3 per cent — is levied from profits on the gaming machines in hotels.

Mr BARBER — It is 8.3 of half? Because half are in hotels and half are in clubs.

Mr BATCHELOR — The money in the Community Support Fund does not come from clubs; it just comes from hotels. That money is down a bit this year because of the general levels of expenditure in gaming. We expect that actually to fall after the introduction of smoking bans in the new financial year. We are uncertain as to the precise impact, but early estimates have been made. So we expect that that will decline, probably for a couple of years, and it may or may not return in the future. When there were bans in gaming venues the revenue dropped, but it did recover later on, but whether it recovered from the smokers or just general increase in gaming revenue I am not qualified to answer that.

The grants that are made by the Department for Victorian Communities out of that money that comes to us are listed in the annual report. That is them here. They are approvals that are made. We have an ongoing basis of receiving applications, and they are considered within the department. They are considered by a reference group and recommendations are made, and cabinet approves all grants and expenditure that is made from the Community Support Fund.

Mr BARBER — What is the balance of the fund at the moment?

The CHAIR — At the moment or at the end of the year?

Mr BATCHELOR — I might just ask Mr Gregory to give you the —

Mr BARBER — At the moment, or what do you expect it to be?

Mr GREGORY — It is expected to be \$47 million by the end of this financial year and down to \$31 million by the end of next financial year. It has come down a lot since the levels in about 2000 of about \$140 million, so we have actually been trying to move the fund down. We are trying to work on a balance of about \$20 million just to be able to absorb revenue downturns or spikes and expansion.

Mr BARBER — My other question was: you have told us here how much you expect to fund from the community grants, but how many dollars worth of applications are you getting in an average year?

Mr BATCHELOR — We do not measure it in those terms. The applications come in and — —

Mr GREGORY — We probably could get the information on the number of applications in dollars but, again, the table was expenditures from the fund because there is usually a timing difference also in relation to — —

Mr BARBER — That is what I am saying. You have got 23 million here. I am just wondering whether you get four times as many applications or twice as many or — —

Mr BATCHELOR — They have got to meet the guidelines. They are set out, and some do and some do not. Then there is an assessment made on the quality of those grants, and we are trying to systematically reduce the residual amount in the fund, as Mr Gregory outlined. I think when we came to government there was well over \$100 million that was not spent, and we believe that the philosophy of the fund and the expectation of the community is if the money comes in, it should go out, and that is what we are trying to do. One of the things that slows that process up sometimes is that you make a grant or an application and then the organisation does not spend it when they expect to, so there is then a delay which is reflected in the fund. So since April 2004 there have been 303 Victorian Community Support Grants approved at a total value of just under \$50 million. The specifics are identified and listed in each annual report.

Mr BARBER — Yes, I have seen those.

The CHAIR — We can look at that when we look at annual reports. But it might be best for Mr Barber, in terms of figures, if you could provide us, Minister, with how many applications come in. That might be the easiest way. I do not see we should be asking you to spend lots of people's valuable time going through and trying to count out how much money they are worth.

Mr BARBER — You have got total applications, you have got those that are ruled out as ineligible and then you have got how many you fund.

Mr GREGORY — There is not an active restriction of the applications. Most applications, if they meet the guidelines, are being funded.

Mr SCOTT — Minister, my question relates to the capacity of citizens to access information and how that affects disadvantage, and what the government's response has been. In budget paper 3 on page 237 there is a heading 'Citizen engagement and information services', and I will quote from the blurb underneath. Among the objectives cited is:

... working to ensure that disadvantaged citizens have the necessary internet access and skills to benefit from information and opportunities online.

I would be grateful if you could outline to the committee an example of a program that seeks to achieve that goal in the current budget.

Mr BATCHELOR — With our citizen access and transformation division — this is a new division that has been established following machinery of government changes — what we are trying to do is to make it easier for people to find a variety of information about government services and programs and to bridge the digital divide. An interesting program that we are trying to do in bridging that digital divide is our involvement with a Computer for Every Child Project. This is an initiative that we have joined in partnership with a whole host of charitable trusts, companies and schools to try to provide a computer and PC training for 400 families who have children in years 3, 4 and 5. We have involved six primary schools out in the western suburbs, where a computer is provided to the family at home and initial training in rudimentary use of the computer is provided and follow-up monitoring is also undertaken to make sure that people have not stopped being engaged in the process just through some pressing of the wrong button or of not understanding the software implications.

We are doing this together with the Gandel Charitable Trust, the Pratt Foundation, the Helen Macpherson Smith Trust, the Lord Mayor's Charitable Fund, Smorgon Steel Group, Microsoft, Infoxchange and Victoria University. We are trialling this out in the western suburbs; it is an area where there is undoubted disadvantage, and there are areas here where there is a very low level of internet access available, well below 50 per cent. The state average is

well above that — out of the adult population in Victoria over 80 per cent have got access to the internet. That is not the case in this cohort, and they are being left behind, particularly those people from refugee communities. It has been commenced, and we believe this is a unique way of working in collaboration with philanthropic organisations and the government and government institutions — schools — to ensure that those who want to get access to the information revolution can actually do that.

Mr SCOTT — Are there any particular refugee groups that are being targeted?

Mr BATCHELOR — The ones in those locations. It is not driven by a particular group, but rather refugees from that area. Typically those from the Horn of Africa are being involved in it.

It is pretty amazing when you come to think about it that these people have come to Australia with very limited education in their own right, and what we are trying to do is to make sure they do not get left further behind by trying to fully integrate at a much fairer and seamless way into our community. If you want to do that you have got to have access to the internet and understand how it works.

Mr RICH-PHILLIPS — Minister, I would like to ask you about the funding provided on page 336 of budget paper 3, community support grants and community centres. There is \$9.7 million in 07–08; 16.7 in 08–09; 17.4 and 17.4 for the other two years. Can you tell the committee how much of that is allocated to community centres as distinct from other community support grants. I assume that funding is through the Community Support Fund? If so, with respect to the community centres, are they grants that the community has to apply for or is it funding that would be directed through the department separate to CSF applications?

Mr BATCHELOR — Twenty million dollars over four years is going to be made available for community centres through that funding program. Applications will come in, but with these types of applications a fair amount of work is undertaken with the proposing organisations to make sure that they have a better chance of their grant meeting the guidelines. We have established local teams in the administrative regions across the state, and we ask our local officers to work with small and large local organisations to help them better prepare and structure their applications that come in.

So if you have got a community organisation that would like to apply for a grant, the most productive way of helping them would be to put them in contact with not Bill's electorate officer but the — —

The CHAIR — The regional — —

Mr BATCHELOR — These regional teams, and they will work through them. Also, the sorts of initiatives that will come through this type of program are those that are worked up through local councils and through local community action plans. So before a request or an application comes into the Community Support Fund to go through its evaluation process, there is a large amount of preliminary work that has already been undertaken to assist in the compiling of the application and its passage through the process, because typically we have found that the offering of this sort of money to community organisations — to communities, rather, not so much to community organisations — is able to then leverage additional amounts of money from the federal government, from the local council and from philanthropic organisations. And so we see our \$20 million as seeding funding which will leverage greater amounts during the process.

Mr RICH-PHILLIPS — And as to the mechanism, would that \$20 million be through the community application stream or is it through the other side — the community services?

Mr BATCHELOR — It will be through a combination of both. This is a new program and the exact administrative arrangements are being finalised and determined now.

Mr RICH-PHILLIPS — And the \$20 million, is that 5,5,5,5 over the four years or is it different?

Mr BATCHELOR — It is.

The CHAIR — It is 5,5,5,5.

Ms GRALEY — Minister, I would like to talk about the No Interest Loans Scheme that is referred to in budget paper 3 on page 238. I am a bit of a fan of these schemes; not for my own use but for people in the

community who have found them very successful. Can you explain the purpose of the No Interest Loans Scheme and how it is going to operate?

Mr BATCHELOR — The no-interest loan schemes have proved to be very useful in helping people with personal credit issues. In 2006 we committed some \$4.7 million over four years to expand the scheme and to provide coordination. The program is delivered in partnership with some NGOs such as Good Shepherd, and we are also partnering the National Australia Bank, which has also provided just over \$3 million in loan capital. It enables low-income people to access credit for essential household items. If the washing machine breaks down and you have got young kids, if the fridge goes on the blink and you are out of work, or if your hot water service blows up and you have not got the financial personal backing to outlay large amounts of money at short notice to address these sorts of domestic catastrophes, then this is where the no-interest loan scheme comes in.

The thing that really works with it is that rather than just handing over the money, an evaluation is made of credit history, they tailor the repayments to suit the realistic circumstances of the individuals taking the loan out, and they also provide financial counselling. By undertaking this we find that there is quite an exceptionally high repayment rate, because the loan is defined within the personal finances of the applicant rather than in line with the strict template guidelines that are usually provided by financial institutions.

The scheme has been expanded. The number of providers is going to increase from 41 to 77, and the number of loans will increase from 850 to over 4000 over the next four years. These are just a local initiative trying to help people, who are good citizens having a really difficult and tough time, get through a temporary problem.

Ms GRALEY — It is increasing from 850 to 4000, did you say?

Mr BATCHELOR — Yes.

Ms GRALEY — Because it has been — —

Mr BATCHELOR — We have provided more money for it, yes, and the take-up has correspondingly increased. As I said, a lot of effort goes into working with the applicants, so there is a very high repayment rate from people who are — —

The CHAIR — How publicised is this?

Mr BATCHELOR — It is through the community agencies if they do not have problems fulfilling it. We have expanded the program because there is demand there, and we will monitor that.

Ms MUNT — Will it be included on the grants list that goes up as part of DVC?

Mr BATCHELOR — Yes.

Ms GRALEY — Chair, I wonder if we could have a list of organisations that actually provide those loans? It could be valuable.

The CHAIR — Are you happy to take that one on notice?

Mr BATCHELOR — You go through Good Shepherd, and they are administering this on behalf of us.

Ms GRALEY — But if Good Shepherd is not in your local area — —

Mr BATCHELOR — We will provide that information.

The CHAIR — That would probably be useful. I am not sure if Good Shepherd operates in Benalla; I do not know.

Dr SYKES — There are a lot of good shepherds up at Benalla, but not so many sheep to look after these days.

Mr WELLS — Thank you, Minister, it is good to see you are enjoying your new portfolio.

Mr BATCHELOR — Can I say the same?

The CHAIR — Touché!

Mr WELLS — I would like to talk to you about the new neighbourhood houses, and I refer to budget paper 3, page 337, where you have \$1.3 million allocated over four years for neighbourhood houses. There is also a note on page 341 about neighbourhood houses. I would like to know how many new neighbourhood houses you have planned over the forward estimates period, especially in growth areas.

The CHAIR — Deputy Chair, neighbourhood houses are the responsibility of the Minister for Local Government.

Mr BATCHELOR — You can ask him tomorrow.

The CHAIR — Do you wish to hold that over and ask another question on the minister's portfolio?

Mr BATCHELOR — You would get a more constructive answer.

Mr WELLS — I will leave it at that.

The CHAIR — I want to ask a question in terms of new initiatives — and I think this one is yours — about community enterprises.

Mr BATCHELOR — Yes.

The CHAIR — I know some work has been done in assisting community enterprises. I know there was someone from a refugee community who started up a kitchen out at Dandenong. She came from my area and she received some support in terms of some community enterprise funding. But what is this one here, this new community enterprise funding that you are looking at helping to increase, presumably, opportunities for people to go into business from a pretty low base?

Mr BATCHELOR — There is \$3 million provided in this year's budget to support this program over the next four years. We are hoping to either expand or start 30 community-owned, not-for-profit organisations. What we have found in some places of disadvantage is that there are people or individuals who have trouble accessing the job market. It is a bit of a vicious cycle: you have not got the experience, or you have not got the personal attributes to make yourself an attractive employee. We have undertaken, if there is any binding activity that could draw these people together, to help them acquire skills or to acquire confidence just to learn how to go about the work routine — what is required in Australia if you are a refugee, for example; the so-called work ethic and the necessary disciplines that go with it — by establishing through agencies these community enterprise grants. They are provided to help proposals become established.

What does that mean in practical terms? Recently I was out at the Kensington Primary School, which has a fully functioning canteen that has been closed for many years. There are parents who send their children to that school who come from refugee communities — again from the Horn of Africa — who have great trouble fitting into employment opportunities here. So we have provided a grant, through a host organisation, to establish a catering business based around providing, on the one hand, healthy lunches for the schoolchildren on two days a week, and on other occasions utilising the skills and expertise they learn for preparing healthy school lunches to be able to cater for local businesses and community groups and other functions. They have employed a trainer who will teach them hospitality skills. They will acquire accreditation, and hopefully that accreditation will enable them to, in the longer term, be able to get jobs in the long-term employment market.

Its major social objective, if you like, is to try to enhance the employment opportunities of these disadvantaged individuals. But this particular program — and it has been replicated at other locations using schools and canteens — has the added social advantage of providing healthy lunches for children and it has the added advantage of engaging parents to participate in the local school community. It has the advantage of having local but small economic projects that can help move and increase money around the local community.

The CHAIR — Thank you, Minister. That concludes our hearing on the Victorian communities portfolio.

Witnesses withdrew.

Transcript of Evidence

12.17 Women's Affairs portfolio

The transcript for the hearing on this portfolio was included in the Report on the 2007-08 Budget Estimates – Part One.

Transcript of Evidence

12.18 Youth Affairs portfolio

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2007–08

Melbourne — 15 May 2007

Members

Mr G. Barber	Mr G. Rich-Phillips
Mr R. Dalla-Riva	Mr R. Scott
Ms J. Graley	Mr B. Stensholt
Ms J. Munt	Dr W. Sykes
Mr M. Pakula	Mr K. Wells

Chair: Mr B. Stensholt
Deputy Chair: Mr K. Wells

Staff

Business Support Officer: Ms J. Nathan

Witnesses

Mr J. Merlino, Minister for Sport, Recreation and Youth Affairs;
Mr S. Gregory, chief financial officer;
Mr T. Healy, acting deputy secretary, community strengthening; and
Ms L. Healy, executive director, community engagement, Department for Victorian Communities.

The CHAIR — I welcome to the table Ms Lill Healy, executive director, community engagement, Department for Victorian Communities.

I call on the minister to give a presentation of around 5 minutes on the more complex financial and performance information relating to the budget estimates for the youth affairs portfolio.

Overheads shown.

Mr MERLINO — Young people make up 19.2 per cent of the Victorian population with the majority in metropolitan Melbourne; 17 percent of Victoria's young people were born overseas. Taking an inclusive approach to youth policy means accounting for the diversity of young people and their experiences, their expression, which is often in new ways, and of differences in any negative impacts of disadvantage or discrimination.

The Office for Youth administers nine programs which support and involve young people. These include Youth Central, Australia's leading information webpage; the teenage Go for your Life positive body image strategy, which was established to change community attitudes and media messages about body image; Advance, a school-based youth leadership and skill development program focusing on development of and participation in civic partnerships; the FReeZA program, where young people develop skills through organising events for young people and attending training workshops in both metropolitan and rural regions; FReeZACentral, which assists young people to gain accredited training, team up with industry mentors and get hands-on experience in all areas of the live music industry. I will be happy to talk on each of those if the committee wishes.

The office also leads the government's whole-of-government policy development process and works through the youth affairs interdepartmental committee to ensure that the future directions outcome areas are being progressed and government action is coordinated.

The youth affairs portfolio in government leads the way in listening to young people, understanding their views and coordinating policy development, which is inclusive of and responsive to the needs of Victoria's young people. We do that in several ways. A whole-of-government interdepartmental committee for youth works across departments to coordinate action and develop integrated policy. There are 15 regional youth affairs networks that support a collaborative partnership approach to discussing issues that relate to young people in the local area, provide a forum to gain information from young people and provide valuable input to government.

YACVic, the Youth Affairs Council of Victoria, and the Centre for Multicultural Youth Issues are funded to provide peak advocacy services and to involve diverse young people in representing their views to government and in the wider community, and DVC is providing leadership through local teams that support the implementation of doing government differently and facilitating local strategy development across local and state governments.

In terms of the voice of young people, young people are directly involved in discussions and consultations with the Office for Youth and me to build our knowledge of issues affecting young people and have their voices heard. Youth consultation forums, which were held in 10 locations as part of the community cabinet process, form a key ongoing component of that communication. Youth Central is a key vehicle for raising the voice of young people through surveys and an active youth engagement and participation strategy. YACVic and CMYI each actively work to involve young people and bring the voices of young people to government. There is the regional youth affairs network, which I mentioned; National Youth Week, which is a strongly youth-led event which directly involved over 600 young people in its planning and operation; and Young People Direct, which I will talk about in a moment.

The new youth policy, 'Future Directions — an action agenda for young Victorians', establishes an overall policy framework which focuses government and community action in the five outcome areas which are set out in the slide. Being accountable to young people is a key priority for the Victorian government, so the Office for Youth, in partnership with other departments, will finalise measures for achievement and a monitoring mechanism for the outcomes contained in Future Directions. Young people's voices are central to the implementation of Future Directions. Involvement in participation will be encouraged through existing channels, such as the RYANs and Young People Direct, which will itself be shaped by further consultation.

In terms of key achievements, I will try to quickly run through these. There is the Future Directions policy, which involves consultation with 1300 organisations and individuals; the commitment of the government to recurrently fund Youth Central and extend its strategy; the Go for your Life positive body image initiative, which is a terrific

program to create community level programs and a media and fashion industry strategy to improve positive image; FReeZACentral; and Victoria Rocks, which is an extension of the innovative FReeZACentral program which better provides young people's ability to get involved in the music industry.

In terms of forward directions, the Victoria Rocks initiative will be implemented. Future Directions, our new youth policy, focuses strongly on outcomes for young people, and I will be working with the interdepartmental committee which I have established to strengthen the government's reporting against those outcome areas. With Young People Direct, I am looking forward to consulting with young people to shape the proposal for Young People Direct, which is an advisory committee I am establishing to bring the voice of young people directly to government. That is probably the missing gap, that direct voice to the minister for youth affairs. Thank you for the opportunity to present and I welcome any questions.

The CHAIR — Thank you, Minister. About 40 minutes has been allocated for questions on the youth affairs portfolio.

Ms GRALEY — Minister, I presume you are aware that I have probably more young people in my electorate than anywhere else in Australia so I am very interested in this issue. It is a major concern for many of us out in the city of Casey. I would like to refer you to page 265 of budget paper 3, which notes funding for advocacy body support under the heading of 'Connect — new ideas for young Victorians'. I am asking you, Minister, if you could provide some more information on which advocacy bodies are referred to and their future plans to add value for young Victorians.

Mr MERLINO — Thanks, Judith. Our advocacy bodies established in Victoria play a crucial role in the development of policy and providing advice to me. The note that you referred to refers to additional funding for the Youth Affairs Council of Victoria, the Centre for Multicultural Youth Issues and SYN FM. The increased funding will allow YACVic and CMYI to expand their work in the areas of consultation and engagement of young people and advocate for service responsiveness for young people from culturally diverse backgrounds. SYN FM will continue to allow the voice of young people to be heard across the airwaves.

YACVic and CMYI are currently funded by the Victorian government under a three-year funding and service agreement. YACVic is the peak body and leading advocacy group on young people's issues in Victoria. CMYI provides the government and the wider community with policy advice and commentary on issues affecting migrant and refugee young people. YACVic continues to work across government to inform policy development related to a number of issues impacting on young people — for example, the human rights charter, the proposed changes to young drivers' safety and graduated licensing. This year they have convened the first national youth affairs conference in nine years, which we hosted in Melbourne. That was a terrific achievement of YACVic. YACVic has also worked in partnership with the Office for Youth to provide advice on the government's refreshed future directions for young people through the involvement of young people and service providers to develop the government's youth policy statement *Future Directions*. YACVic also provides support to the Victorian Indigenous Youth Advisory Council and the Youth Disability Advocacy Service, so it is not just in one area.

In terms of the indigenous youth advisory council, that is funded through Aboriginal Affairs Victoria to strengthen local indigenous youth networks and enable indigenous young people across Victoria to have a strong voice into government. In terms of the Youth Disability Advocacy Service, the Youth Disability Advocacy Service enables young people with disabilities the opportunity to join YDAS and be involved in advocacy and decision making about the direction and priorities of this new advocacy service which aims to help improve their lives. DHS has funded YACVic in partnership with the Disability Discrimination Legal Service and Youthlaw to establish YDAS.

CMYI provides advice specifically around the needs of culturally and linguistically diverse young people. It is required to report to the Office for Youth every six months against performance measures from its funding agreement, and that is reviewed annually. The performance measures listed in the funding and service agreement outline activities related to strategic advice and policy analysis, communication and consultation and cross-sectorial networking and linkages. I will probably leave it at that, Chair. There is a lot more I could say; they are terrific advocacy groups.

The CHAIR — Thank you very much. We need to be economic in the way we have things answered.

Mr WELLS — Minister, I want to talk to you about the funding for the youth affairs department. But firstly, how many staff under 25 do you actually have in the department? The second part is obviously at budget

paper 3, page 242; total expenditure in youth affairs has actually decreased from last year to the forward estimates, a decrease of about 3.2 per cent. Have the needs of the youth in Victoria declined or has the money been shifted to another department?

Mr MERLINO — Thanks, Kim. I will deal with young people — —

Mr WELLS — Not including student placements.

Mr MERLINO — Okay, all right. The Office for Youth employs six young people under the age of 26 full time, and that does include two trainees.

Mr WELLS — So that is four.

Mr MERLINO — Four people plus the two trainees. The youth employment scheme has provided the two young people to be employed as trainees. The young people gain experience and learn new skills in office administration, teamwork, computer skills, data systems, communicating et cetera. I anticipated that you would ask that question about how many young people we directly employ through the Office for Youth, but there is a whole range of other things where there is direct engagement and involvement and work of young people, so it is not just the six that we employ within the office. If I could just quickly go through that.

Youth Central provides opportunities for young people to work with the Office for Youth to deliver content and creativity and the participation of more than 3423 young people in 2006 from all over Victoria through the creative content design, multimedia productions, workshops, consultations, on and offline participation. There is current participation of more than 42 individual young people actively employed as roving reporters and 12 editorial team members. So they are doing work.

Mr WELLS — So six out of a total staff of how many?

Mr MERLINO — Out of a total staff of 30.

Mr WELLS — And the second part was about the funding decrease.

The CHAIR — Page 242.

Mr MERLINO — Yes. I will talk about the change in the budget, and then I will talk about the 07–08 budget. The budget is now \$14.9 million, as you referred to; previously it was 15.4. So I will run you through the budget, Kim.

The 07–08 allocation of \$14.9 million funding enables the funding of the government policy objectives for youth affairs, including the implementation of all new initiatives. So that includes Victoria Rocks and the increase in funding to YACVic and the Centre for Multicultural Youth Issues, which I just referred to, and the maintenance of existing programs including FReeZA, FReeZACentral, Youth Participation and Access, Advance and the positive body image program. Kim, the answer to your question is that there is the maintenance of the existing programs, plus new funding for new initiatives such as Victoria Rocks and increased funding for the advocacy bodies.

The two new initiatives I would like to highlight are the funding of the positive body image program, and the support we have provided to YACVic. The positive body image strategy is providing targeted resources for communities. It will enable us to work more effectively with the media, with schools and with sports clubs to drill home the message about positive body image, and, as I have said, we have increased support to YACVic to assist young people have a voice in public affairs.

The Bracks government election policy committed the incoming government to efficient government. So the Office for Youth is no different to any other department that a minister is responsible for, so there is a change in that budget. It is aimed at reducing red tape, achieving productivity gains, increasing strategies to share ICT and other services, and administering grants more efficiently. DVC is leading the efficient grants administration strategy, a process which will contribute to administrative savings across government. Changes to the youth affairs output funding reflect broader changes to machinery-of-government arrangements. This difference arises due to the need to take into account the full year impacts of the machinery-of-government changes in all DVC portfolios. There has been no direct impact on program and operational funding, so I am quite comfortable with the budget as it stands.

Ms MUNT — Minister, as the mother of a teenager I know that a lot of her entertainment, interest, socialising and information-gathering is through the internet now. There are so many MySpace pages, it is amazing. I have noticed a line item in budget paper 3, page 241, that talks about the Youth Central website page impressions, where it gives the actual and the target. I was wondering if you could just expand on that website and its use for the committee. Knowing my daughter I would imagine that it would be a very popular resource for young people to gather information.

Mr MERLINO — This is a terrific story to tell in terms of this website. Since its launch nearly two and a half years ago, Youth Central — www.youthcentral.vic.gov.au — has maintained its position as one of Australia's most popular government youth websites. The Youth Central website total page impressions target of 250 000 to 300 000 for the 06–07 year has been exceeded quite significantly due to an active online marketing strategy.

Ms MUNT — I am not surprised.

Mr MERLINO — This involved a targeted investment in a new search optimisation strategy, which has been very successful. There has also been an increased general recognition of the website by young people, so the expected outcome for 06–07 is now 700 000, and it is anticipated that outcomes will continue to increase over time. Youth Central is much more than a website offering Victorian young people a single access point to a broad range of youth-based government services and resources. With over 50 per cent of all content on the site being produced by young people, Youth Central gives voice to young people's views, ideas and creativity and provides young people with opportunities to set directions for their future life choices and employment.

In participation terms, I talked about the 3423 young people from all over Victoria who are participating in training workshops, content production, design and multimedia production and who have provided consultation, signed up for membership and entered competition. In this past year Youth Central has actively employed 42 roving reporters and a further 12 young people as editorial team members.

I have seen the roving reporters in action — for example, Ashlea Milner is the Youth Central sport and body image reporter who covered the recent FINA swimming championships and has also written about the Victorian government's funding support of the Butterfly Foundation's positive body image program. In her role as a sports reporter for Youth Central, Ashlea has been able to combine this part-time work with her studies and hopes it will help her become a professional sports journalist. So it is also very much about skills development. That is just one story of a person who has become involved with Youth Central and influenced other young people to participate and be informed.

In terms of its online performance, Youth Central has enjoyed the highest weekly market share of both visits and pages viewed of all other Australian state government youth websites. This includes outperforming the Australian government's national website for youth, 'The source'. The success of the initiative to date is also reflected in a range of new cross-government partnerships and one-off youth policy online consultations. These include collaborative projects with the Department of Education and the Department of Human Services, digital story-telling projects, an innovative IT-focused content partnership with Multimedia Victoria, a dedicated cross-departmental schoolies week website, external partnerships with Victoria University and the Northern Metropolitan Institute of TAFE, and the 2006 Commonwealth Games daily reporting of events by roving reporters.

There is a whole range of things that happen on this website including, in addition, online consultations, a major youth policy consultation with over 400 young people for the development of the Future Directions agenda by the Office for Youth, a privacy Victoria online questionnaire on privacy issues for young people, and VicRoads' promotion of graduated licensing consultation forms for young people.

I just want to finish on the point that we took on board the comments that PAEC had previously made in terms of performance measures and making them reflect the performance of particular programs. I am pleased to inform you that we took on board those comments you made last year and we have increased the targets that we have set for the Youth Central website.

The CHAIR — That is good. We can expect an offer from James Packer or Rupert Murdoch any time now to take it over, is that correct?

Mr MERLINO — That is right.

Mr RICH-PHILLIPS — Minister, I would just like to clarify a statement in your budget day press release in relation to the funding. The press release stated that \$14 million was provided in the budget for youth programs. Is that \$14 million worth of initiatives in new money, or does it include the carry forward of initiatives from last year, which I think was \$13 million? Is it a total of \$27 million, or is it partially carried forward?

Mr MERLINO — One of the differences, Gordon, between the budget this year — \$14.9 million — and previously is that we have taken out that 06–07 carryover of \$500 000, so that is not included in the 14.9 .

Mr RICH-PHILLIPS — So the 14 you refer to in your press release is all new money?

Mr MERLINO — It is some new money and some existing.

Mr RICH-PHILLIPS — Can you provide a breakdown of how much is new and how much is existing, please?

Mr MERLINO — I am happy to; I will provide that on notice, Chair, if I could.

The CHAIR — Thanks very much for that.

Mr PAKULA — Minister, I am interested in the Advance program. It is outlined on page 265, but it is also mentioned on page 241. The targets in terms of those participating in it seem to have been well exceeded, so I would like you to explain to the committee what the program actually is, how schools participate in it and why you have changed the performance measure targets.

Mr MERLINO — This is also another good story, and it is reflected in taking on board PAEC's previous comments in terms of performance measures. I will get to that secondly. In terms of what Advance is, it is a school-based youth development program that provides practical opportunities for young people to work during the school year in partnership with community organisations on projects that contribute to building their local community. Young people participate in challenging activities which develop their connection to the community, and communication and project management skills. Young people, schools and a diverse range of community organisations create networks by working together to achieve shared goals.

Through the Advance program young people are encouraged and empowered to participate in all aspects of project planning and decision making. Young people demonstrate leadership, learn new skills and volunteer in community projects. It attracts a range of diverse community organisations as program partners with schools. The program is available to all government secondary schools including special and special development schools. Secondary schools register an expression of interest with the Office for Youth each year. Schools are then provided with annual funding and professional development to deliver Advance. It includes a broad range of young people who participate right from year 7 to year 12.

Advance may also be used as core component of the VCAL curriculum. Advance schools are required to demonstrate a formal partnership between the school and the community organisation, and young people are involved in the planning, decision making and implementation of their community projects. The flexible framework of Advance allows for maximum local decision making for those delivering the program. This flexibility is demonstrated, for example, at Baimbridge College senior VCAL young people formed a partnership with the Hamilton junior footy league and the Shire of Southern Grampians to plan, design and install coaches boxes at a local football ground. The young people obtained sponsorship for the project and worked closely with stakeholders and community partners. Through the project, young people learnt skills in project management, research, design and costings as well as communication and interpersonal skills. It is a terrific program, providing young people with wonderful skills that they take into later life — a great success.

I will come to the change in terms of performance measure targets. Last year PAEC suggested that youth affairs' targets be reviewed. In the 06 calendar year the Advance program was delivered in 385 school campuses. The revised 07–08 budget targets for Advance reflect this increased uptake of the program. Due to the success of the program participation rates have generally been higher than the targets specified in the contracts; therefore the funding program has achieved performance above the level funded. More kids and more schools want to be involved in the program. This year the target number of schools participating in Advance has been increased to 400–410, and the number of young people participating has been increased to the range of 10 000–10 250.

The CHAIR — Minister, that is for 2007, is it?

Mr MERLINO — Yes.

The CHAIR — So what are you looking for in 2008, or is that just a bit too far ahead?

Mr MERLINO — The 07–08 target in the budget year is for the 07 calendar year.

The CHAIR — The footnote says that, yes.

Mr MERLINO — So the next budget, 08–09, will be for the 08 calendar year.

The CHAIR — If you can give us an estimate, perhaps, on notice for 2008.

Mr MERLINO — Yes, I am happy to do that.

The CHAIR — Since half the expenditure is, of course, in this particular budget.

Mr MERLINO — This high level of performance has been achieved as some schools are able to enrol more students in the program than the funded level of up to 21 students. This high level of performance has been achieved within the existing program budget. To extend Advance for another four years to 2011, a commitment has been made providing more young Victorians with opportunities to get involved in volunteering. Probably the two programs I wanted to highlight today were Youth Central and Advance. They exceeded targets, and we are raising the bar for the future of those two programs.

The CHAIR — All in the context of the same amount of money.

Dr SYKES — I congratulate you on the initiative with Youth Central. If it is achieving, as you describe it, then it addresses one of my main concerns which is the issue of productivity and coordination of service delivery — firstly, the principle of a one-stop shop or one gateway of entry, which this seems to provide, and secondly, the service providers working together.

Whilst it might stray outside of your area of responsibility at little bit, there have been examples in the community I have worked with where you might have 30 people providing services to youth in the area, but they operate in a silo mentality. It is when you bring them together like this that suddenly they find out that the person they had a cup of coffee with is actually working in the same area. That is problem no. 1

Problem no. 2 is that there is a failure to share information. Even people who are in the same organisations seem to hide behind the privacy legislation, and someone providing guidance on, say, sexual assault to young people and another providing guidance on single parenting do not share basic information because of privacy concerns. In fact that does not need to be the case; you can get client approval.

Have you got any other initiatives? Firstly, are you are aware of the underlying issue, and secondly, do you have any other initiatives to improve the coordination of service delivery to youth?

Mr MERLINO — Thanks, Bill. I appreciate the question because this is one of the issues that I am putting a fair amount of work into, and I have some good things to say in terms of what we are doing currently. You have given a regional example: I recently did a presentation regarding youth services. If I can pluck out one municipality as an example, Wyndham City Council had, I think, 87 youth service providers. So there is not a lack of organisations in our communities delivering a whole range of programs and support to young people. Whether it is specific in terms of drug and alcohol or whether it is more general in terms of local government, there is a whole range of organisations providing support, and I think the issue of coordination is an important one, so I welcome the question.

I have done a couple of things, as I said earlier. One is to establish the interdepartmental committee on youth affairs. This is across government, so there is better coordination and communication across government. There is also the support of the 15 RYANs across the state. They have a role to play in terms of those local networks in coordinating local providers. Infoxchange plays a very important role through the internet in sharing information with local providers. A young person may go through a drug and alcohol program, but there might be some other

areas in which that young person needs support, so Infoxchange is a good way to connect organisations and service providers.

There is also the youth services improvement project with DHS and the Office for Children. That is a key coordination that we need to do — Office for Children under Minister Neville and Office for Youth under me — because there is quite a bit of crossover; 12 to 25 under my portfolio and Office for Children under Minister Neville. They are some of the things we are doing, but it is an important issue that you raise.

Dr SYKES — One of your challenges, though, is to address the mindset of the people out there. It is one thing to put in place programs, but it is really important to get a change in the mindset of the service deliverers, so good luck with the challenge. I will help you with it, but good luck with it.

Mr SCOTT — My question relates to the FReeZA program and the FReeZACentral program which you referred to on page 241 of budget paper 3. Can the minister please explain to the committee the difference between these two programs?

Mr MERLINO — Yes, thanks, Robin. The FReeZA program provides opportunities for young people, as I said, aged 12 to 25 across Victoria to actively participate in their local communities. It is an innovative youth development program that engages young people through all stages in developing local drug, alcohol and smoke-free music and cultural events. One of the reasons why it is a very successful program is that young people actually develop the proposals from the beginning. They are events for young people, developed and provided by young people.

FReeZA is an annual grants program where local governments and community organisations work in partnership with young people to run five music and cultural events throughout the year. Due to the increasing success of this program, 76 community organisations across Victoria received grants in 06–07, with 45 of those located in rural and regional areas. Local FReeZA events, organised by young people, aim to strengthen the relationship with the local community and cater to a broad spectrum of young people's interests and skills.

FReeZA events include, for example, Battle of the Bands competitions, youth stages and performances at community festivals, skate and BMX competitions, performances at art and film exhibitions, music, song-writing, dance and hip-hop workshops.

The FReeZACentral program was implemented in 2004 to build on the success of the FReeZA program by providing training and mentoring opportunities for young people interested in the music industry; it is that next step. They have got involved in local FReeZA events but have actually got a real interest in developing their skills and going into the music industry. The FreezaCentral program is run by a consortium of The Push and Mushroom Marketing in partnership with Victoria University.

The FReeZACentral program provides young people aged 15 to 25 who are interested in pursuing a career in the music industry with accredited training, one-on-one mentoring with music industry professionals, hands-on event management experience in four music tour events, and the recording of a CD; I have got those CDs with me. I have had a good listen to them. I was at the graduation a few weeks ago; it was terrific. The music is very, very good.

I am pleased to announce that up to December 06 the FReeZA program has delivered 250 youth music and cultural events across Victoria. In the first half of the 06–07 year, 73 230 young people have enjoyed and participated in these performances and community events. To date FReeZA agencies have been able to achieve more attendances than they are contracted to provide. The FReeZA program runs in over 90 per cent of Victoria's local government areas, ensuring that the vast majority of young people in Victoria have a chance to participate in, attend or perform at a FReeZA event in their local community. I am pleased to report that FReeZA is on target for 06–07 for both the number of grants approved and for attendance. However, this will always fluctuate from year to year depending on the size of the actual event.

In terms of measuring participation, young people participate in the FReeZA program by forming a local FReeZA committee to actively plan and run the cultural and music events; attending and enjoying the alcohol, drug-free and smoke-free events organised by the committee; performing as artists in the events; and providing additional volunteer support in the planning and running of events. Participation in the program is measured by the number of young people attending the FReeZA events across the state each year and the number of events organised.

Due to the success of the program, participation rates have generally been higher than the target specified in contracts; therefore, the program has achieved performance above the level. FReeZA-funded providers are evaluated on an annual basis through the performance reporting process prescribed within those funding agreements.

I was recently at the Moonee Valley City Council, which had a great event. That Moonee Valley event was the biggest national youth week event in the whole of the state. So it is quite terrific. It is a great program.

The CHAIR — Thank you. I noticed they are all on ‘myspace.com’, which is one of my kids’ favourite websites.

Mr BARBER — Minister, you have said several times today that YACVic is funded to provide statewide advocacy.

Mr MERLINO — Yes.

Mr BARBER — What it has been advocating for is generalist early intervention youth services. In fact they wrote a report in 2006 called *Who’s Carrying the Can?* and they point out that what you have actually been providing — and this is an increasing trend in the forward estimates — is targeted crisis-type services for youth at risk. Specifically, you have taken money from the general youth grants and put it into family mediation. This is a particular problem in rural and regional areas, where the male suicide rate is double what it is for other areas, which is a good enough indicator. We have never really had a generalist youth service in Victoria, so why is your approach to go more towards the targeted end of things and less towards early intervention?

Mr MERLINO — Thanks, Greg. It really follows on to my answer that I gave Bill. It is an issue raised by YACVic, as you said. It has also been raised, and members would be aware, at the interface councils — the nine interface councils also raised this issue of generalist youth services. VCOSS has raised it as well. So this is an issue that has been raised within the youth sector and I am aware of that and the government is working on those issues raised. But it is about picking up what I said before. What the issue is is coordination and provision of generalist youth services. We are working, as I said, at establishing the IDC, and I am working in collaboration with the Minister for Children in raising this issue of generalist youth services.

So I acknowledge the issue. It has been raised — it was raised late last year. I recall — members may have been at this meeting of the interface councils — I think in September or October last year there was a briefing of interface councils to members of Parliament. So in terms of my answer today, I acknowledge that the issue has been raised by various organisations, and it is something that I will be working on in terms of a response.

Ms GRALEY — To move from something as fun as hip-hop workshops to whole-of-government reporting, I refer to page 241 of budget paper 3, which notes that the youth affairs portfolio is required to develop and coordinate whole-of-government reporting. I ask the minister to explain how the Office for Youth does its reporting and the future impact of this reporting on this important portfolio.

Mr MERLINO — This is an important question, because it is not just the performance measures that are in the budget papers; it is quite important in terms of whole-of-government reporting and how we provide that information to the public. Whole-of-government reporting involves the collection of data from across government on the impact of programs for young people. That is the other thing with this portfolio, that a lot of things that impact on young people occur from other portfolios, other departmental initiatives. The process involves all departments providing case study material and statistics to illustrate how well young people are faring across a wide range of activities. The annual report, Youth Focus, is released each year and contains an overview of progress we are making. The Future Directions outcome areas were developed to measure progress in improving the lives of all young Victorians. They provide a coordinating framework for all government policy and action in the youth affairs portfolio.

I recently released *Youth Focus in Victoria 2005–2006*, the fourth whole-of-government report on youth affairs. The report provides a snapshot of young people in Victoria in 05–06 and reports against each of the five outcome areas in the government’s Future Directions policy statement. The 05–06 report outlines young people’s participation in community life and provides data on education and training, justice and safety, and health and wellbeing. The data in the report shows that we are continuing to make steady progress in improving the health and wellbeing of most young Victorians.

I might skip some of this, Chair, because I know you are interested in what happens in terms of the future. In 2007 I will be strengthening this focus on reporting against outcomes. Two initiatives will assist in this process: I have established, as I said, an interdepartmental committee to provide a whole-of-government perspective on how Future Directions outcome areas are being progressed; and I have also asked for the Office for Youth to work with the Office for Children to produce a status of Victoria's young people report in late 2007.

However, the government intends to strengthen the outcomes focus. Last year the children's services coordination board established under the new Child Wellbeing and Safety Act 2005 produced the first *The State of Victoria's Children* report. Using sociodemographic and population health data, which is a part of developing the Victorian child and adolescent monitoring system as well as material emerging from the Victorian community indicators project, a more comprehensive view of how young people are faring is now emerging. This is a really exciting development.

In coming years the government increasingly will report on progress in achieving each outcome area using a suite of agreed performance measures. Each of these will be strongly directed towards measuring results achieved for young people. This will ensure that our reporting focuses on the differences to young Victorians' lives that result from our activities. We are going to do some further work in terms of whole-of-government reporting.

The CHAIR — That will be good. You will also have the census data coming up in about June, so that will also be very useful for that sort of analysis. Final question from Mr Dalla-Riva.

Mr DALLA-RIVA — Minister, I note that the Victorian government has allocated \$2.1 million over the next four years to the positive body image strategy, and I ask: is any of this funding proposed going to be used to educate our youth on the dangers of body piercing, and has there been any discussion by the government on the possibility of bringing in legislation to make it illegal for our youth under 16 to undergo body piercing without the consent of their parents?

Mr MERLINO — Thanks, Richard, for the question.

Mr PAKULA — Do you have any?

Mr DALLA-RIVA — I do not have any, Mr Pakula, thank you. But thanks for asking.

Mr PAKULA — No obvious ones.

Mr DALLA-RIVA — No obvious ones, anyway.

Mr MERLINO — The body image strategy is exciting, and it is quite significant. I recently went to a forum where there were 34 students from schools across Victoria. The forum was all about teaching those young people about how images are manipulated and digitally enhanced. It is quite extraordinary in terms of what we see in the media, images on television and in magazines, how images are distorted. People are skinnier, noses, hair — the whole kit and caboodle.

Mr DALLA-RIVA — I have seen your portrait, yes!

Mr MERLINO — One of the key things is getting those young people out to their schools and starting to disseminate this message. There is a community advisory committee on body image and also a media committee on body image that will look at developing a voluntary code of conduct for the media advertising fashion industries. There is a lot of work that we are doing which is quite exciting, because it directly impacts on people. It does not matter whether they are metropolitan kids or kids in rural and regional areas, poor body image leads to harming activities, harming behaviours, depression, anorexia nervosa, eating disorders. This is quite a significant program, and I am pleased to say that the state government is leading the way in terms of the country. We are the first government to really invest in this issue.

In terms of the specific issue you raised about body piercing and recent quite horrific reports in terms of body piercing and some of the outcomes if it is done in the backyard, that is an issue for DHS; it is not an issue that I have responsibility for as minister for youth, but it is an important issue to be raised.

Mr DALLA-RIVA — You said there an advisory committee about to be started, or it has started?

Mr MERLINO — The community advisory committee has been established, and I will be appointing a chair of that committee very shortly.

Mr DALLA-RIVA — Will part of its reference, I gather, be looking at the issues? Even though, as you say, it is within DHS, would part of that be in your portfolio of youth to actually advise on particular issues such as body piercing for people under the age of 16, for example?

Mr MERLINO — The committee's responsibility is essentially implementing the recommendations of the parliamentary inquiry. That is where it began. It began with a parliamentary inquiry. So responsibility is really about implementing that. That is about supporting local communities in positive body image strategies. That is in essence the responsibility of the committee. Responsibility in terms of regulation and legislation regarding piercing is really with DHS.

Mr DALLA-RIVA — And funding is within the budget for that advisory committee?

Mr MERLINO — It is out of the Community Support Fund. It is a Go for Your Life appropriation, Richard.

The CHAIR — Just a couple of things before we conclude. I just note you mentioned the performance measures on Youth Affairs and you have actually adjusted some of them. I note in regard to the FReeZA ones that you might look at the FReeZA attendance ones: 159 000 one year and 150 000 expected this year, but you are still looking in terms of next year 130 000. Similarly it is not quite the same variation, but in regard to FReeZACentral intensive workshops 666, 550 and you are looking for 500 next year. So maybe you want to do a similar process in regard to those particular measures.

Also in regard to the departmental response to the estimates questionnaire and question 9.1 on communication, advertising and promotion, we have sent a letter asking for a fuller answer in regard to that particular question, and I guess the committee would appreciate that response because we need to include that in our report and have some consistency between departments. I am afraid the Department for Victorian Communities did not seem to be able to say much at all about communication, advertising and promotion.

That concludes consideration of the budget estimates for the portfolios of sport and recreation and youth affairs. I thank the minister, witnesses and departmental officers for their attendance today. It has been a very good session. Where questions have been taken on notice the committee will follow up with you in writing at a later date. We request a written response to those matters be provided within 30 days and they will be there for consideration and inclusion in the future report of this committee. Thank you, minister.

Witnesses withdrew.