

SECTION C: GROWING VICTORIA TOGETHER

CHAPTER 11: OVERVIEW OF THE LINKAGES BETWEEN THE BUDGET ESTIMATES HEARINGS AND GROWING VICTORIA TOGETHER

Key findings of the Committee:

- 11.1** The Committee considers there is scope for the government to build further on the nexus between the government outputs to be delivered and the policy priorities espoused in *Growing Victoria Together*. In a financial sense, greater clarity could be achieved in disclosing the contribution by output costs that each of the government output makes towards relevant policies.
- 11.2** The Committee also considers that it would be beneficial extending these *Growing Victoria Together* linkages to also include similar levels of information within the annual reports of the departments.

11.1 Background

The Committee disclosed in its *Report on the 2007-08 Budget Estimates – Part One* and its *Report on the 2007-08 Budget Estimates – Part Two*, key matters raised at the estimates hearings, questions taken on notice and unasked questions under each portfolio.

Building on this disclosure and linkages that exist between the government's vision and goals set out in *Growing Victoria Together* (GVT) and the budget, as well as the annual plan of the Auditor-General's Office, the Committee believes that it would be useful to also provide a link between the lines of inquiry adopted as part of the estimates hearings and GVT. Where appropriate, other key policies of government have also been used as part of this analysis. This process will, in the opinion of the Committee, complete the trilogy of aligning the central GVT to the budget estimates, the Auditor-General's Annual Plan and PAEC reporting requirements.

11.2 Linkage of questions raised through the budget estimates hearings process with the government's policy vision and goals

Table 11.1 sets out on a portfolio basis a summary of the number of policy questions raised at the budget estimates hearings according to the policy vision and goals of the government.

Table 11.1: Alignment of questions raised at budget estimates hearings with the government’s policy vision and goals

Portfolio	Growing Victoria Together policy: A vision for Victoria to 2010 and beyond										Total (number)
	Vision 1: Thriving economy		Vision 2: Quality health and education		Vision 3: Healthy environment		Vision 4: Caring communities		Vision 5: Vibrant democracy		
	Goal A: More quality jobs and thriving, innovative industries across Victoria Goal B: Growing and linking all of Victoria	Goal A: High quality, accessible health and community services Goal B: High quality education and training for lifelong learning	Goal A: Protecting the environment for future generations Goal B: Efficient use of natural resources	Goal A: Building friendly, confident and safe communities Goal B: A fairer society that reduces disadvantage and respects diversity	Goal A: Greater public participation and more accountable government Goal B: Sound financial management						
	Goal A (number)	Goal B (number)	Goal A (number)	Goal B (number)	Goal A (number)	Goal B (number)	Goal A (number)	Goal B (number)	Goal A (number)	Goal B (number)	
Aboriginal Affairs								7	2		9
Aged Care	1						4	10	4		19
Agriculture	9				1	4	2	3	8	1	28
Arts		1					3		4	2	10
Attorney-General	1						3	4	12		20
Children	1		6					1	2	2	12
Community Services	1		4					3	8		16
Consumer Affairs	1							5	6		12
Corrections							11		4		15
Education	1		1	16	2	1		4	14	4	43
Education Services	1			2				3	3		9
Employment	2			1				4	3		10
Energy and Resources	2				2	6		1	2		13
Finance, WorkCover and Transport Accident Commission	2		7			1	2	2	12	7	33
Gaming	1						6	1	6		14
Health	1		22				4	1	7		35
Housing	1		4			1			4		10
Industrial Relations	5	1						2	4		12
Industry and State Development	6					2			1		9

Table 11.1: Alignment of questions raised at budget estimates hearings with the government’s policy vision and goals (*continued*)

Portfolio	Growing Victoria Together policy: A vision for Victoria to 2010 and beyond										Total (number)	
	Vision 1: Thriving economy		Vision 2: Quality health and education		Vision 3: Healthy environment		Vision 4: Caring communities		Vision 5: Vibrant democracy			
	Goal A: More quality jobs and thriving, innovative industries across Victoria Goal B: Growing and linking all of Victoria	Goal A: High quality, accessible health and community services Goal B: High quality education and training for lifelong learning	Goal A: Protecting the environment for future generations Goal B: Efficient use of natural resources	Goal A: Building friendly, confident and safe communities Goal B: A fairer society that reduces disadvantage and respects diversity	Goal A: Greater public participation and more accountable government Goal B: Sound financial management	Goal A (number)	Goal B (number)	Goal A (number)	Goal B (number)	Goal A (number)		Goal B (number)
Information and Communication Technology	6									1		7
Innovation	4									1		5
Local Government							7			3	2	12
Major Projects	1	2							1	6	1	11
Mental Health	1		3						1	4		9
Multicultural Affairs									14	3		17
Parliamentary departments					2	1	1	3		11	7	25
Planning	6	5								15		26
Police and Emergency Services	1						26			2	2	31
Premier’s	4	1		1	1	4	4	4		13	3	35
Public Transport	1	3							1	16		21
Racing	3							1				4
Regional and Rural Development	5	2			1			1	1		1	11
Roads and Ports	1	4			2		5	1		2	1	16
Skills	1			8					1			10
Small Business	6								1			7

Table 11.1: Alignment of questions raised at budget estimates hearings with the government’s policy vision and goals (*continued*)

Portfolio	Growing Victoria Together policy: A vision for Victoria to 2010 and beyond										Total
	Vision 1: Thriving economy		Vision 2: Quality health and education		Vision 3: Healthy environment		Vision 4: Caring communities		Vision 5: Vibrant democracy		
	Goal A: More quality jobs and thriving, innovative industries across Victoria Goal B: Growing and linking all of Victoria		Goal A: High quality, accessible health and community services Goal B: High quality education and training for lifelong learning		Goal A: Protecting the environment for future generations Goal B: Efficient use of natural resources		Goal A: Building friendly, confident and safe communities Goal B: A fairer society that reduces disadvantage and respects diversity		Goal A: Greater public participation and more accountable government Goal B: Sound financial management		
	Goal A (number)	Goal B (number)	Goal A (number)	Goal B (number)	Goal A (number)	Goal B (number)	Goal A (number)	Goal B (number)	Goal A (number)	Goal B (number)	(number)
Sport and Recreation	1			1			1	3	8		14
Tourism	3								4		7
Treasury	6			1	2	3			4	4	20
Veterans' Affairs			2				4	2			8
Victorian Communities	1							7	5		13
Water, Environment and Climate Change	2				8	14		2	2	1	29
Women's Affairs							2	4	5		11
Youth Affairs							1	5	5		11
Total	89	19	49	30	21	37	88	102	216	38	689
Percentage of total	12.9	2.8	7.1	4.4	3.0	5.4	12.8	14.8	31.3	5.5	100.0

Source: Information compiled by Committee based on questions raised at the budget estimates hearings

11.2.1 Committee comment

Given that the government's ten goals under *Growing Victoria Together* balance social, economic, environmental, safety and accountability considerations and form the basis for budget and policy decisions, it is reasonable to link the Committee's questioning during the budget estimates hearing process to activities in these areas.

A large number of questions in particular hearings centred on issues relating to performance management and the achievement of output goals. Some questions also necessarily applied to more than one goal. These portfolios and coverage of government goals are listed below:

• Attorney-General	12 out of 20 questions:	60 per cent
• Community Services	8 out of 16 questions:	50 per cent
• Consumer Affairs	6 out of 12 questions:	50 per cent
• Education	14 out of 43 questions:	33 per cent
• Finance, WorkCover and TAC	12 out of 33 questions:	36 per cent
• Gaming	6 out of 14 questions:	43 per cent
• Health	7 out of 35 questions:	20 per cent
• Major Projects	6 out of 11 questions:	55 per cent
• Parliamentary departments	11 out of 25 questions:	44 per cent
• Planning	15 out of 26 questions:	58 per cent
• Premier's	13 out of 35 questions:	37 per cent
• Public Transport	16 out of 21 questions:	76 per cent
• Sport and Recreation	8 out of 14 questions:	57 per cent

Table 11.1 shows that the Committee directed the highest number of questions specifically relating to the goals associated with:

- **Vision 2** – provision of high quality and accessible health services (Health portfolio 22 questions);
- **Vision 2** – provision of high quality education and training for lifelong learning (Education portfolio 16 questions);
- **Vision 3** – efficient use of natural resources (Water, Environment and Climate Change portfolio 14 questions);
- **Vision 4** – community safety (Police and Emergency Services portfolio 26 questions); and
- **Vision 5** – accountability and community participation – previously referred to above (numerous portfolios 216 questions).

Detailed comments pertaining to each of the five *Growing Victoria Together* areas and related goals are provided in chapters 12 to 16 of this report.

The Committee recommends that:

Recommendation 33: **The Department of Treasury and Finance clearly disclose in the budget papers the amount of funding allocated to each output on a departmental basis, according to each policy priority and goal articulated in *Growing Victoria Together*.**

Recommendation 34: **Each individual department ensure that consistency and linkages are achieved with the budget papers (Recommendation 33) and the information provided within the operations and output sections of their annual reports.**

CHAPTER 12: THRIVING ECONOMY

Key findings of the Committee:

- 12.1** Based on the achievement of \$7.2 billion in food and fibre exports in 2006, the Victorian Government will need to achieve a significant increase in the level of exports in the agricultural sector in future if it is to reach its original target of \$12 billion by 2010.
- 12.2** Although the proportion of freight transported to and from ports by rail has showed a downward trend since 2001-02 due to seasonal conditions and economic factors, the government is committed to retaining and working towards achieving its rail freight target of 30 per cent by 2010 by upgrading Victoria's rail freight network.

12.1 Introduction

In considering the budget estimates pertaining to the *Thriving Economy* vision of the *Growing Victoria Together* initiative, the Committee asked a total of 108 questions, which represented 15.7 per cent of all questions asked during the budget estimates hearings.

Answers provided at the estimates hearings were recorded in *Hansard* and the transcripts of evidence were contained in Appendix 1 of the *Report on the 2007-08 Budget Estimates – Part One* and the *Report on the 2007-08 Budget Estimates – Part Two*. The material received to the questions on notice and unasked questions since the Part Two report, is presented in full in Appendices 4 and 5 respectively of this report. These responses are categorised according to the applicable *Growing Victoria Together* vision to which they relate.

This chapter sets out an analysis of various issues pursued by the Committee at the estimates hearings that relate to the *Thriving Economy* vision.

12.2 Food and fibre exports

12.2.1 Background

According to the *Growing Victoria Together* initiative, a target has been set for Victoria to increase exports to \$30 billion by 2010. Food and fibre exports comprise a commodity sector within Victoria's agricultural and total export base.

Accounting for 27 per cent of Australia's total food and fibre exports, Victorian exports in this sector for 2006 were valued at \$7.2 billion.¹⁵⁷ The key food and fibre commodity groups for Victoria's exports continued to be dairy and meat, which accounted for 50 per cent of food and fibre exports. Wine continued to show significant growth as Victoria's third most valuable commodity group. Important markets for Victorian food and fibre exports in 2006 were China, Japan and the USA.¹⁵⁸

¹⁵⁷ Mr J Helper MP, Minister for Agriculture, 2007-08 Budget Estimates hearing, 17 May 2007, presentation slide 2

¹⁵⁸ www.dpi.vic.gov.au under Trade and Investment, accessed 30 July 2007

In July 2006, the Minister for State and Regional Development stated the following in a media release:¹⁵⁹

The Bracks Government remains strongly committed to regional Victoria and particularly to the agricultural sector which is so vital to our economic growth.

... the government was fully committed to a food and fibre export target of \$12 billion by 2010.

Achieving this target will add up to 2.5 per cent to Victoria's Gross State Product (GSP) and generate up to 60,000 new direct and indirect jobs – with the majority located in regional Victoria.

... the government had helped to revitalise the agricultural sector by ensuring a competitive cost base, investing in science research and development, improving rural infrastructure, lifting skills and encouraging sustainable farm practices.

12.2.2 Past coverage by the Committee

By way of background in terms of examining this area, the Committee, in its *Report on the 2004-05 Budget Estimates*, foreshadowed that:¹⁶⁰

... the government will need to assess on an ongoing basis whether the \$12 billion food and fibre export target to be achieved by 2010¹⁶¹ is in fact realistic and attainable, given the Minister's comment that 'in terms of food and fibre we hit \$8 billion two years ago and that has dropped back to \$6 billion'.

Continuing with its interest in this area, the Committee drew attention in its *Report on the 2006-07 Budget Estimates* to the following two trends over the past ten years:¹⁶²

- the continuing strength in wine exports as a result of high production levels; and
- the ongoing increase in lamb and sheep-meat production at the expense of wool.

12.2.3 Food and Fibre export target for 2010

The Committee raised with the Minister for Agriculture at the 2007-08 Budget Estimates hearing how the government plans to raise the current level of food and fibre exports from \$7.2 billion to \$12 billion over the next three years.¹⁶³

Given that Victoria is experiencing a one in a hundred year drought,¹⁶⁴ the Minister explained to the Committee the adverse affect of drought on the agricultural export sector.¹⁶⁵ The Minister also brought to the Committee's notice the effect of the appreciation of the Australian dollar on agricultural

¹⁵⁹ Hon. J Brumby MP, Minister for State and Regional Development, *Victoria's farming sector up to the challenge: Brumby*, media release, 11 July 2006

¹⁶⁰ Public Accounts and Estimates Committee, *Report on the 2004-05 Budget Estimates*, p.540

¹⁶¹ Budget Paper No.3, *2004-05 Service Delivery*, p.31

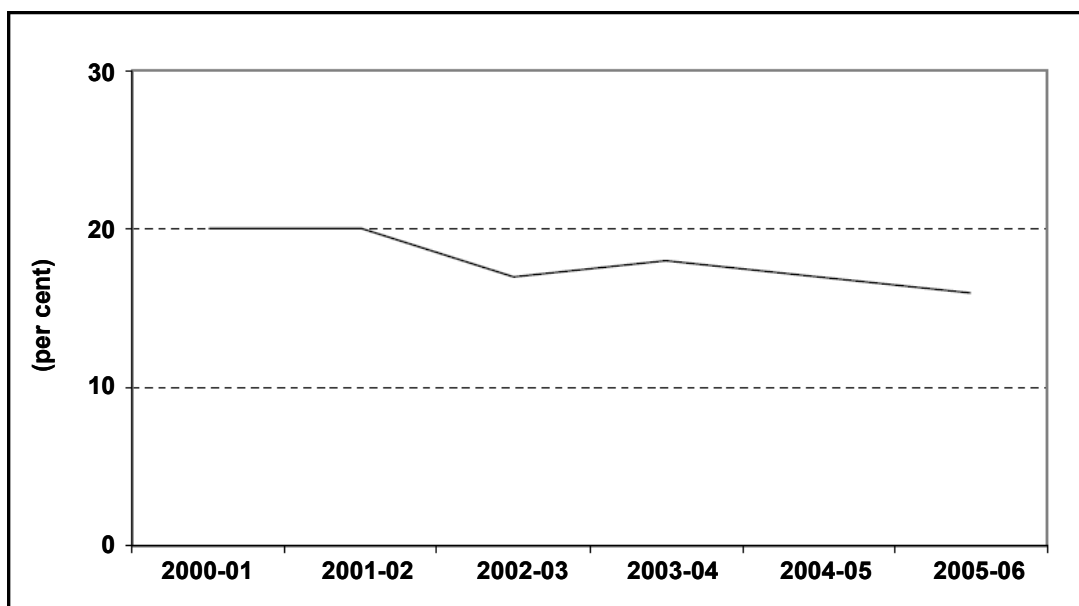
¹⁶² Public Accounts and Estimates Committee, *Report on the 2006-07 Budget Estimates*, pp.371–373

¹⁶³ Mr J Helper MP, Minister for Agriculture, 2007-08 Budget Estimates hearing, transcript of evidence, 17 May 2007, pp.5–6

¹⁶⁴ www.dpi.vic.gov.au – Drought information for Victoria, accessed 28 August 2007

¹⁶⁵ Mr J Helper MP, Minister for Agriculture, 2007-08 Budget Estimates hearing, transcript of evidence, 17 May 2007, pp.5–6

Figure 12.1: Proportion of freight transported by rail to and from Victoria’s commercial ports (Melbourne, Geelong and Portland)



Source: Budget Paper No.3, 2007-08 Service Delivery, p.363

According to the budget papers, demand for freight transport between regions and the Victorian ports, predominantly carried by rail, has been reduced in recent years. In particular, export grain volumes through the Port of Melbourne in 2005-06 were less than half that of 2004-05.¹⁶⁹ At the estimates hearing the Minister advised that there is a higher proportion of freight moved by rail that is essentially moved as agricultural product than on Victoria’s roads.¹⁷⁰ However, largely as a result of the drought and other economic conditions, a lot of the material that has been transported by rail freight system has been reduced in terms of volume.¹⁷¹

In terms of maintaining the 2010 target, the Minister brought to the Committee’s attention the following matters:¹⁷²

In a broader sense, the government has taken a view that we are committed to working towards achieving this target. Yes, it is an ambitious target, but, quite frankly, this is an ambitious government. Our objectives are served most effectively, I think, when you look at the sort of infrastructure spend that the government is putting in place and working in cooperation with others in terms of achieving it. Our view about the most efficient way of achieving the rail freight target is not to simply say that economic conditions and drought have brought down the proportion of rail freight but to recognise we can make an investment in a very substantial sense in terms of upgrading the rail freight network, and that is what we are doing. The Dynon port rail link – \$138 million being incorporated into that activity. That will essentially ensure that there will be more access to the port and make rail freight that much more attractive. One of the great difficulties for rail freight is, of course, certainty of access into the port in terms of timeliness, being able to secure efficient access, not only into the port

¹⁶⁹ Budget Paper No.3, 2007-08 Service Delivery, p.363

¹⁷⁰ Mr T Pallas MP, Minister for Roads and Ports, 2007-08 Budget Estimates hearing, transcript of evidence, 10 May 2007, pp.16–17

¹⁷¹ *ibid.*, p.16

¹⁷² *ibid.*, p.17

but in the decommissioning of freight once it is achieved in the port. So there are a number of structural things that government can do.

The Committee noted that the winter crop forecasts for Victoria for 2007-08 reveal that as most of Victoria received above average rainfall in May and further rainfall in June that has been ideal for early sown crops, winter crop prospects are very positive at this early stage of the season.¹⁷³ The area sown to winter crops in Victoria is forecast to increase by 8 per cent in 2007-08 to just below 3 million hectares.¹⁷⁴ Assuming average yields, total winter crop production in 2007-08 is forecast to reach around 6.3 million tonnes, almost 5 million tonnes more than was produced in the previous season.¹⁷⁵

The Committee is of the view that if the government is to virtually double the proportion of freight transported to and from ports by rail over the next four years despite the affect of possible climatic and economic factors, the government will need to closely monitor from a budgetary perspective whether there is a need for more investment in rail freight, such as the upgrading of rail links to the ports, relative to the investment in roads. The Committee also believes that performance measures should be developed to assess whether rail freight is obtaining efficient access to Victorian ports. The Committee will be interested in monitoring whether there has been an increased role of rail freight in Victoria's freight transport system in the years ahead.

The Committee recommends that:

Recommendation 37: **In terms of ensuring that resource allocation decisions promote the efficient movement of freight between Melbourne and regional Victoria with a view to ensuring that the proportion of freight transported to and from ports by rail will increase to 30 per cent by 2010, the government will need to monitor the adequacy of its investment in the rail freight network.**

Recommendation 38: **To assess whether rail freight is obtaining efficient access to Victoria's ports, the Department of Infrastructure develop pricing and timeliness indicators and incorporate this information into the appropriate outputs in the budget papers.**

¹⁷³ ABARE, *Australian Crop report No.142*, published June 2007, p.10

¹⁷⁴ *ibid.*

¹⁷⁵ *ibid.*

CHAPTER 13: QUALITY HEALTH AND EDUCATION

Key findings of the Committee:

- 13.1** Under its ten year plan, *Victoria's Plan to Improve Outcomes in Early Childhood*, launched in April 2007, the government proposes a series of actions designed to develop an integrated, high quality and accessible early childhood service system.
- 13.2** The budget papers indicate that the lower participation rate of four year olds attending kindergarten in 2006, 93 per cent compared with 94.4 per cent in 2005, occurred at a time when more children are attending long day care centres, which are increasingly less likely to take up state funding to provide a kindergarten program.
- 13.3** The government has recently announced the integration of children's and education services in Victoria with the establishment of a new portfolio of Children and Early Childhood Development and a new Department of Education and Early Childhood Development.
- 13.4** The newly created Department of Education and Early Childhood Development should formulate performance measures and targets for the 2007-08 budget initiatives dealing with kindergarten services and report annually against these measures and targets under relevant outcomes.
- 13.5** Under *The Victorian Schools Plan*, issued in November 2006 as an election policy document, the Committee noted that the government is committed to rebuild or modernise within ten years every government school in Victoria. Implementation of the first four years of the plan has been costed at an estimated \$1.9 billion, of which an initial allocation of \$555 million is provided for in the 2007-08 budget.
- 13.6** The Committee regards the accountability obligations of the government to Parliament arising from implementation of *The Victorian Schools Plan* as significant and intends to progressively monitor the adequacy of the government's annual external reporting on the plan.

13.1 Introduction

In considering the budget estimates pertaining to the *Quality Health and Education* vision of the *Growing Victoria Together* initiative, the Committee asked a total of 79 questions, which represented 11.5 per cent of all questions asked during the budget estimates hearings.

While answers provided at the estimates hearings were recorded in *Hansard* and the transcripts of evidence were contained in Appendix 1 of the *Report on the 2007-08 Budget Estimates – Part One* and the *Report on the 2007-08 Budget Estimates – Part Two*, the material received to the questions on notice and unasked questions since the Part Two report is presented in full in Appendices 4 and 5 respectively of this report. These responses are categorised according to the applicable *Growing Victoria Together* vision to which they relate.

This chapter sets out an analysis of certain issues canvassed by the Committee at the budget estimates hearings that relate to the *Quality Health and Education* vision.

13.2 Participation in kindergarten programs

13.2.1 Background

In commenting on efforts to improve the wellbeing of young children, the government identified in the 2007-08 Budget Papers, as part of its progress report on *Growing Victoria Together*, that:

*Composite measures of wellbeing outcomes (including health and education) for young children are not yet well developed at a state or national level. This year, the progress report presents a selection of indicators developed by the Office for Children which measure Victorian children's outcomes related to safety, health, development, learning and wellbeing.*¹⁷⁶

In its September 2006 *Report on the 2006-07 Budget Estimates*, the Committee referred to the work underway within the Department of Human Services to develop an outcomes framework to guide objective setting and planning across government for services supporting children. It recognised the early state of this work and stressed the importance of the department ensuring that Parliament is adequately informed about the results of the outcomes work and any subsequent modifications to the direction of programs for children.¹⁷⁷

In April 2007, the government launched its ten year plan, *Victoria's Plan to Improve Outcomes in Early Childhood*. This plan constitutes action by Victoria in response to the agreement reached at the Council of Australian Governments (COAG) that all Australian governments explore avenues for giving children the best possible start in life.¹⁷⁸ Under the plan, Victoria proposes a series of actions designed to develop an integrated, high quality and accessible early childhood service system.

On 2 May 2007, the Auditor-General presented a performance audit report to Parliament on *Giving Victorian children the best start in life*.¹⁷⁹ The audit evaluated implementation by the Department of Human Services of 3 initiatives associated with early childhood services, namely Best Start, municipal early years plans and children's centres. The Auditor-General concluded that qualitative evidence indicates that the 3 initiatives have contributed to improved access and increased participation in maternal and child health services and kindergarten services. However, there was insufficient quantitative data to confirm a direct contribution to increased participation in these services. The Auditor-General also concluded it was difficult to establish whether participation by vulnerable children and families had increased.

13.2.2 Matters relating to kindergarten programs addressed in the 2007-08 budget

The 2007-08 Budget Papers mention the importance of educational and social outcomes when measuring child wellbeing and that attendance at kindergarten by four year olds in Victoria is used as a proxy measure for these outcomes.¹⁸⁰ The rate of participation of four year olds in kindergarten, based on the number of children enrolled in state funded programs in Victoria, is shown in figure 13.1.

¹⁷⁶ Budget Paper No.3, *2007-08 Service Delivery*, Appendix B, p.367

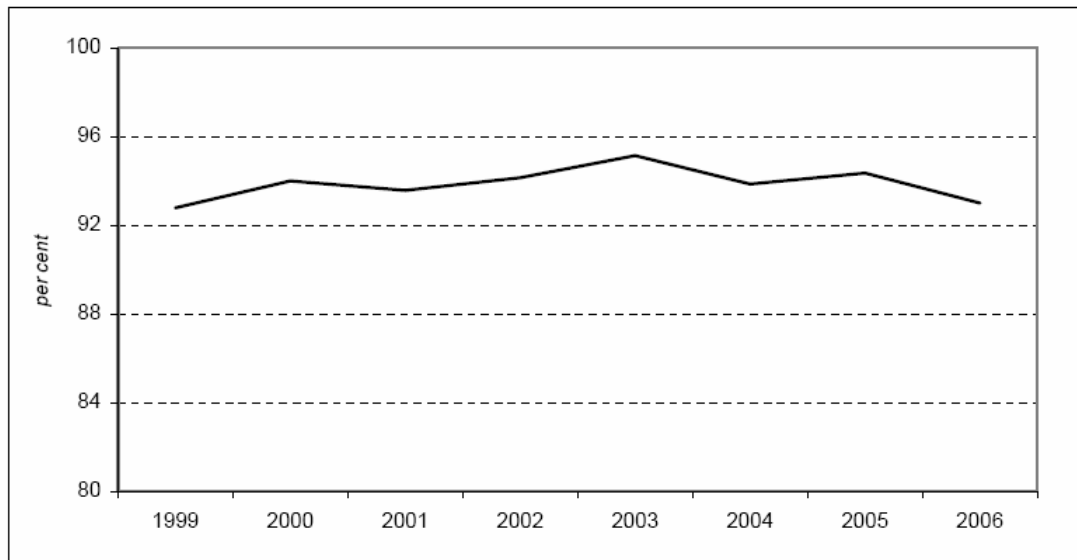
¹⁷⁷ Public Accounts and Estimates Committee, *Report on the 2006-07 Budget Estimates*, September 2006, pp.185–186

¹⁷⁸ Victorian Government, *Victoria's Plan to Improve Outcomes in Early Childhood*, April 2007

¹⁷⁹ Victorian Auditor-General's Report, *Giving Victorian children the best start in life*, May 2007

¹⁸⁰ Budget Paper No.3, *2007-08 Service Delivery*, Appendix B, p.369

Figure 13.1: Rate of four year olds participating in kindergarten in Victoria



Source: Budget Paper No.3, 2007-08 Service Delivery, Appendix B, p.369

In commenting on the above trend, the budget papers indicate that the lower participation rate of 93.0 per cent in 2006 compared with 94.4 per cent in 2005 occurs at a time when more children are attending long day care centres, which are increasingly less likely to take up state funding to provide a kindergarten program. For example, 347 long day care centres provided a state funded kindergarten program in 2006, compared with 420 centres in 2002.¹⁸¹

At the budget estimates hearing, the Minister outlined some of the challenges the government faces in relation to early childhood and how the 2007-08 budget addresses those challenges. The Minister stressed the importance of the government continuing to improve access to kindergarten and child care because it knew from the research *'that quality kindergarten programs improve a child's subsequent learning, health and behaviour, with very positive impacts being experienced later in adult life'*.¹⁸²

In line with the Minister's comments, the budget papers indicate that new policies are being adopted to encourage more long day care centres to offer kindergarten programs and to ensure that children from working families do not miss out on early childhood education programs.¹⁸³ Funding initiatives announced in the 2007-08 budget relating to kindergartens include:¹⁸⁴

- grants totalling \$35 million over four years to upgrade and better equip existing not-for-profit kindergartens and child care centres, and for children's centres where maternal and child health, child care, kindergarten and family support services can be co-located;
- provision of \$29 million over four years to increase the kindergarten fee subsidy from \$320 to \$730 a year for Health Care Card holders;
- allocation of \$10 million to encourage kindergartens to offer extended hours that are more convenient for working parents; and

¹⁸¹ *ibid.*

¹⁸² Ms L Neville MP, Minister for Children, 2007-08 Budget Estimates hearing, transcript of evidence, 14 May 2007, p.2

¹⁸³ Budget Paper No.3 2007-08 Service Delivery, Appendix B, p.369

¹⁸⁴ Budget Paper No.3 2007-08 Service Delivery, pp.15-16

13.3 Victorian Schools Plan

13.3.1 An outline of The Victorian Schools Plan

The government released *The Victorian Schools Plan* as an election policy document in November 2006. Under this plan, the government is committed to rebuild or modernise within ten years every Victorian Government school. The plan's target for the first four years is to rebuild or modernise 500 schools and TAFEs at a cost of \$1.9 billion.¹⁸⁹ The document does not quantify the estimated cost of the remaining six years of the plan.

The Committee also noted that the process for selecting schools for modernisation also requires an educational feasibility study that closely ties school physical improvements with demonstrated educational outcomes.

The 2007-08 Budget Papers state that the budget delivers the first stage of implementation of the \$1.9 billion commitment through provision of \$555 million in asset investments for schools over the four years to 2010-11.¹⁹⁰ The balance of \$1.3 billion will require provision in budgets over the next three years.

The 2007-08 asset funding for schools follows the significant levels of capital allocations for schools that were announced in the 2006-07 budget. These allocations included \$115.3 million for modernisation projects under the government's *Building Better Schools* strategy and \$50 million for construction or completion of nine new and replacement schools.¹⁹¹ The Committee anticipates that annual reporting for 2006-07 by the Department of Education and Early Childhood Development will include comprehensive information on its management of these capital funds during the year.

The 2007-08 budgetary provision of \$555 million comprises 12 individual asset initiatives which include:¹⁹²

- \$205 million for the modernisation of 83 priority schools over the next two years;
- \$93 million for the regeneration of education facilities in eight areas of the state over the next two years;
- \$50 million for new schools in Melbourne's growth areas over the next two years;
- \$50 million for building works and equipment in government secondary colleges to encourage students to take up apprenticeships and trades over the next four years;
- \$60 million for the implementation of the Ultranet, a statewide online teaching and learning ICT system, across government schools over the next four years;
- \$35 million for acquisition of land for building new and replacement schools in Melbourne's growth corridors in 2007-08; and
- \$13 million to replace relocatable buildings in six small to medium rural schools as part of a commitment to replace relocatable buildings with modern permanent facilities in 40 small to medium rural schools.

¹⁸⁹ Policy for the 2006 Victorian election, *The Victorian Schools Plan*, November 2006, p1

¹⁹⁰ Budget Paper No.3, *2007-08 Service Delivery*, p.7

¹⁹¹ *ibid.*, pp.293–294

¹⁹² *ibid.*, pp.281–283

The Victorian Schools Plan indicates that priority will be given to upgrading and rebuilding science rooms and tech wings so that students can excel in these areas so vital to the state's economic development. It also mentions that additional schools will be included in the modernisation program as their education plans are completed.¹⁹³

The budget papers state that the provision of funding for the modernisation of schools will also reduce both maintenance costs and energy consumption through improved building techniques.¹⁹⁴ In terms of maintenance of existing facilities, the Minister announced in June 2007 additional maintenance funding of \$16 million to be allocated across 724 schools for important repairs and upgrade work. The Minister stated that the funding allocation was the result of a detailed maintenance audit undertaken in 2006 which identified schools with the most urgent maintenance needs.¹⁹⁵

Several aspects relating to the asset initiatives of \$555 million outlined in the 2007-08 budget, including the rebuilding and modernisation program for schools, progress with the regeneration project involving 17 schools at Broadmeadows and action by the government to address the maintenance backlog in schools were discussed at the Committee's budget estimates hearing held on 9 May 2007.¹⁹⁶

13.3.2 Need for a strong accountability framework for the plan

The Committee considers that the size of *The Victorian Schools Plan* requires that the government establish a strong accountability framework during its implementation. Regular and informative reporting to Parliament on progress against planned actions and achievement of intended outcomes should be integral to such a framework.

The government's periodic reporting to Parliament on its implementation of the plan should incorporate:

- articulation of expected high level outcomes in terms of (1) expected qualitative features, including environmental characteristics, of school building facilities and (2) improved educational opportunities for children;
- articulation of experience with expected improved educational outcomes associated with school modernisation plans using case studies to assist school councils seeking to join this program;
- specification of all cost targets and projected commencement and completion timelines for each of the above funding initiatives announced in the 2007-08 budget;
- annual progress reports comparing actual performance on individual projects against established cost and time targets;
- early quantification, for provision in future budgets, of the estimated cost and timing of commitments relating to the remaining six years of the plan;
- identification of the expected impact of the plan's projects on annual maintenance and operating costs in schools, and provision of trend data on the impact on actual costs over time;
- any subsequent variations to the plan and associated budgetary implications; and

¹⁹³ Policy for the 2006 Victorian election, *The Victorian Schools Plan*, November 2006, p.7

¹⁹⁴ Budget Paper No.3, *2007-08 Service Delivery*, Appendix A, pp.282

¹⁹⁵ Mr J Lenders MLC, Minister for Education, *\$16 million maintenance funding boost for Victorian schools*, media release, 25 June 2007

¹⁹⁶ Mr J Lenders MLC, Minister for Education, 2007-08 Budget Estimates hearing, transcript of evidence, 9 May 2007, p.6, 5, 20

- a final report at the conclusion of the plan on its effectiveness in the attainment of intended outcomes and its efficiency in the management of public resources to achieve those outcomes.

The Committee regards the above accountability obligations of the government as significant and intends to progressively monitor the calibre of its annual reporting to Parliament on the plan.

The Committee recommends that:

Recommendation 40: **The government ensure that a comprehensive reporting regime is established for the *Victorian Schools Plan* so that Parliament is adequately informed on the plan's progressive implementation and ultimate effectiveness in delivering on intended educational outcomes.**

Recommendation 41: **The Department of Education and Early Childhood Development publish at an early date the experience to date with educational outcomes feasibility plans associated with planning for schools modernisation, and include in such a report specific case studies as guidance for schools and school councils seeking to enter the program.**

CHAPTER 14: HEALTHY ENVIRONMENT

Key findings of the Committee:

- 14.1 To address the challenges posed by the advent of climate change, a number of initiatives have been introduced to support research and development of clean coal technology.
- 14.2 In terms of strategies directed at strategic and economic research into climate change impact, in viewing this as a whole of government issue, the establishment of an Office of Climate Change within the Department of Premier and Cabinet with a budget allocation over three years of \$5.5 million will have a strategic role in coordinating policy work and research on, not only the environmental aspects of climate change, but also economic and social aspects.
- 14.3 Key areas where funding will be targeted at researching the impact of climate change include emissions trading, supporting a national study into the economic impacts and examining various vulnerabilities in key sectors such as the effect on infrastructure, biodiversity and the land.
- 14.4 The report of Professor Garnaut on the economic impact of climate change nationally should be tabled in the Victorian Parliament when completed in 2008 and the Department of Premier and Cabinet should ensure that the Parliament is informed of the applicability and implications of the recommendations of that report to Victoria.
- 14.5 Information received by the Committee revealed that at the end of February 2007, the catch of rock lobsters was only 263 tonnes, or about 58 per cent of the quota for western Victoria (the year before the catch was 336 tonnes or about 75 per cent of the quota). Although the Minister for Agriculture explained a number of reasons why there is not a sustainability concern in Victoria in this regard, the Committee believes that the trend in rock lobster catches needs to be closely monitored over time to assess whether any structural changes will need to be made to the industry and the quota system in future.
- 14.6 Scope exists for the Department of Sustainability and Environment to monitor the effectiveness of the government's water saving initiatives in terms of reducing indoor water use in the mid winter months of the year that are unaffected by water restrictions.

14.1 Introduction

In considering the budget estimates pertaining to the *Healthy Environment* vision of the *Growing Victoria Together* initiative, the Committee asked a total of 58 questions, which represented 8.4 per cent of all questions asked during the budget estimates hearings.

Answers provided at the estimates hearings were recorded in *Hansard* and the transcripts of evidence were contained in Appendix 1 of the *Report on the 2007-08 Budget Estimates – Part One* and the *Report on the 2006-07 Budget Estimates – Part Two*. The material received to the questions on notice and unasked questions since the Part Two report is presented in full in Appendices 4 and 5

respectively of this report. These responses are categorised according to the applicable *Growing Victoria Together* vision to which they relate.

This chapter sets out a more detailed analysis of several issues pursued by the Committee at the estimates hearings that relate to the *Healthy Environment* vision for protecting the environment for future generations and the efficient use of natural resources.

14.2 Research into climate change impact

According to authoritative advice, climate change has accelerated in recent decades, with most of the warming over the past 50 years attributable to the increase in greenhouse gas emissions from human activities.¹⁹⁷

The *Healthy Environment* vision includes a goal for the efficient use of natural resources. The budget reveals that since 1999 the government has invested in new technologies that minimise greenhouse gas emissions, with the \$100 million Victorian Greenhouse Strategy committed towards the development of innovative energy and greenhouse technologies.¹⁹⁸

At the estimates hearing with the Minister for Water, Environment and Climate Change, the Committee was informed that in relation to tackling climate change in the context of initiatives included in the budget to support the development of clean coal technology in future:¹⁹⁹

For Victoria, we need to have a comprehensive approach to climate change that includes boosting renewable energy, being more energy efficient and ensuring that where we use coal and fossil fuels, that we drive down as far as possible the emissions from that. Victoria has a very substantial resource of brown coal which, apart from the climate change impact, is a relatively clean fuel and provides a source of jobs and prosperity for much of the state. For our government it is critical that we do invest in research and development of clean coal. This budget continues the efforts in that. We have made a commitment to provide \$7 million for a clean coal authority in the Latrobe Valley to develop new clean coal industries in Victoria and investigate carbon capture and storage technology. We have also committed substantially to innovative clean coal projects through the ETIS strategy – the energy, technology and innovation strategy – and funding has been provided to the Cooperative Research Centre for Greenhouse Gas Technologies. Through that, we are doing a demonstration of carbon capture and storage in the Otway Basin. As a government, part of our overall climate change portfolio is investing in research and development for clean coal.

In response to the Committee inquiring into the level of funding provided in the budget for strategic and economic research into climate change impact, the Minister advised that the government is viewing this as a whole of government issue and an Office of Climate Change has been established within the Department of Premier and Cabinet to facilitate this process. This unit is to have a strategic role in coordinating policy work and research on, not only the environmental aspects of climate change, but also economic and social aspects.²⁰⁰ The Committee noted that the budget allocated \$5.5 million over three years (\$2.3 million in 2007-08) for the establishment of the Office of Climate Change.²⁰¹

¹⁹⁷ www.greenhouse.vic.gov.au, accessed 1 August 2007

¹⁹⁸ Budget Paper No.3, *2007-08 Service Delivery*, p.44

¹⁹⁹ Hon. J Thwaites MP, Minister for Water, Environment and Climate Change, 2007-08 Budget Estimates hearing, transcript of evidence, 15 May 2007, p.22

²⁰⁰ *ibid.*, p.14

²⁰¹ Budget Paper No.3, *2007-08 Service Delivery*, p.319

14.3 Monitoring rock lobster catches

The Committee, at the estimates hearing with the Minister for Agriculture, raised the issue of whether in view of the declining crayfish catch and the *pot lift* (that is, the number of times you put a pot down and bring it up with a catch) there is a need for a new quota system to be recognised for Victoria, given that it was in 2001 when some new quotas were introduced.

The Committee understands that at the end of February 2007 the catch was only 263 tonnes, or about 58 per cent of the quota for western Victoria (the year before the catch was 336 tonnes or about 75 per cent of the quota). In comparison, South Australia and Tasmania were not experiencing this decline.

The Minister in responding to this issue made the following comments:²⁰⁴

...we should not get necessarily pot-lift effort confused with the sustainability of the rock lobster fishery. The total allowable commercial catch, for example in the western zone rock lobster for the quota year which commenced on 1 April 2007, has been set at 380 tonnes. This indeed represents a reduction of 15 per cent, or 70 tonnes, from the total allowable catch set for the last four years. As you can see from that small example, we do manage quotas in an effective way to sustainably manage the overall fishery.

Further comments provided from the executive director, Fisheries Victoria, at the hearing included the following:²⁰⁵

The idea of quota systems is to get us away from the previous situation we had where there was an inability to limit efforts – the fishermen would go out and fish and catch every rock lobster before the opposing fishermen could catch it and that was having a detrimental effect on the stocks.

So we brought a quota system in which allows a quota to be set, distributed amongst the fishermen. Part of the adjustment over time is to amend the amount of quota they can take. You will see variability in rock lobster catches around the world, in all the fisheries. It does not mean there is an unsustainable fishery or that it requires drastic changes to the overall process in the short term.

A lot of the seasonal variation and annual variation are actually due to environmental effects. There have been a lot of unusual environmental conditions observed over the last three years down in the west of the state. One of those is above-average water temperatures, which has been caused by the stoppage of a welling up of water off the coast of south-western Victoria, which causes cold water coming up from the south to be dispersed along the plateau which greatly affects the habits of the rock lobster itself. What we are finding is rock lobsters are spawning three to four months out of the normal spawning cycle. We are seeing plenty of rock lobsters in the fishery itself but the catchability of the rock lobsters is down.

... There are plenty of rock lobsters there because they get to breed several times before they enter the fishery and we have the most conservative catch sizes in Victoria of any state, so there certainly is not a sustainability concern here.

²⁰⁴ Mr J Helper MP, Minister for Agriculture, 2007-08 Budget Estimates hearing, transcript of evidence, 17 May 2007, p.9

²⁰⁵ Dr P Appleford, Executive Director, Fisheries Victoria, 2007-08 Budget Estimates hearing, transcript of evidence, 17 May 2007, p.10

The catch per lift is actually an economic viability indicator. So we decrease the quota so they actually over time build the available biomass – that is, the rock lobsters that are available to be caught – up to a level where they catch more per pot lift over time.

What we are seeing down in the south-west is a combination of changed fishing practices and some unusual environmental conditions. We need to monitor this over time to see the overall effect on the stocks before we take any drastic actions. The best way to manage it in the short term is simply through the adjustment of the quota over time.

The Committee believes there is a need for rock lobster catches to be closely monitored by the Department of Primary Industries to assess whether any continuance of the decline would warrant retirement from the industry, with the development of an appropriate compensation scheme, or a new quota system to be introduced in Victoria.

The Committee recommends that:

Recommendation 44: **To ensure that the rock lobster catch is managed on a sustainable basis in Victorian waters, the Department of Primary Industries closely monitor commercial catches of rock lobster over time to assess the overall effect of changed fishing practices and changing environmental conditions and whether there is a need for structural changes to be made to the industry and the quota system.**

Recommendation 45: **The Minister for Agriculture report to Parliament on the outcome of the Department of Primary Industries’ assessment of the commercial rock lobster industry.**

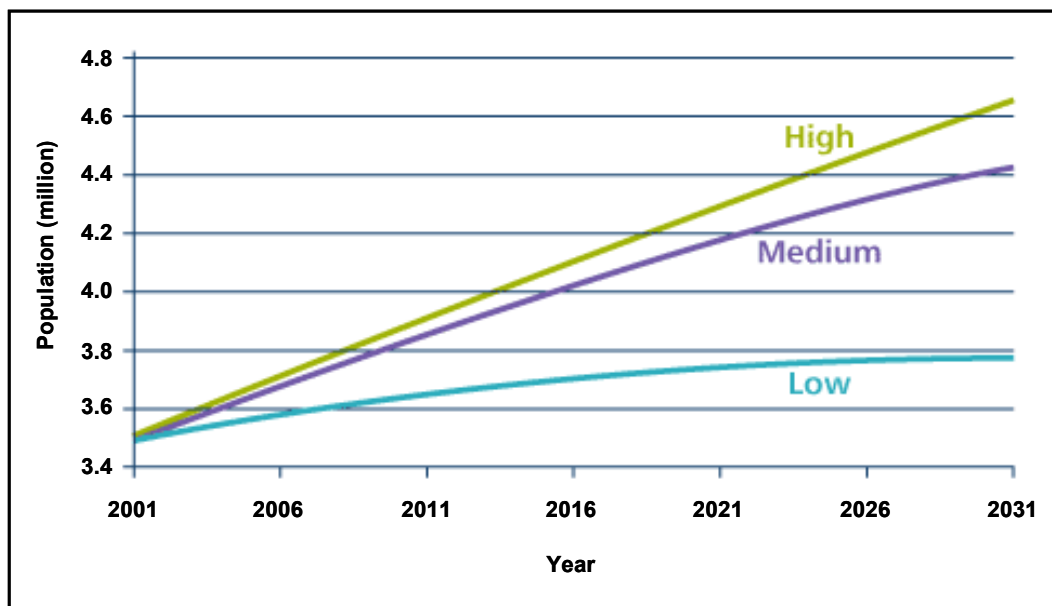
14.4 Melbourne’s water use

Growing Victoria Together espouses the concept that Victorians will experience a better quality of life if natural resources such as water are used wisely and effectively. With this in mind, the government formulated, among other things, a strategic target for Melbourne’s water usage to be reduced by 15 per cent on a per capita basis from the 1990s average by 2010.²⁰⁶

According to the Australian Bureau of Statistics, three scenarios for Melbourne’s population growth to the year 2031 are shown in Figure 14.1. Under the high, medium and low scenarios, Melbourne’s population is projected to grow to 4.6 million, 4.4 million and 3.8 million by 2031.

²⁰⁶ Victoria Government, *Growing Victoria Together: A vision for Victoria to 2010 and beyond*, p.15

**Figure 14.1: Population growth projections
Melbourne Statistical Division 2001-31**



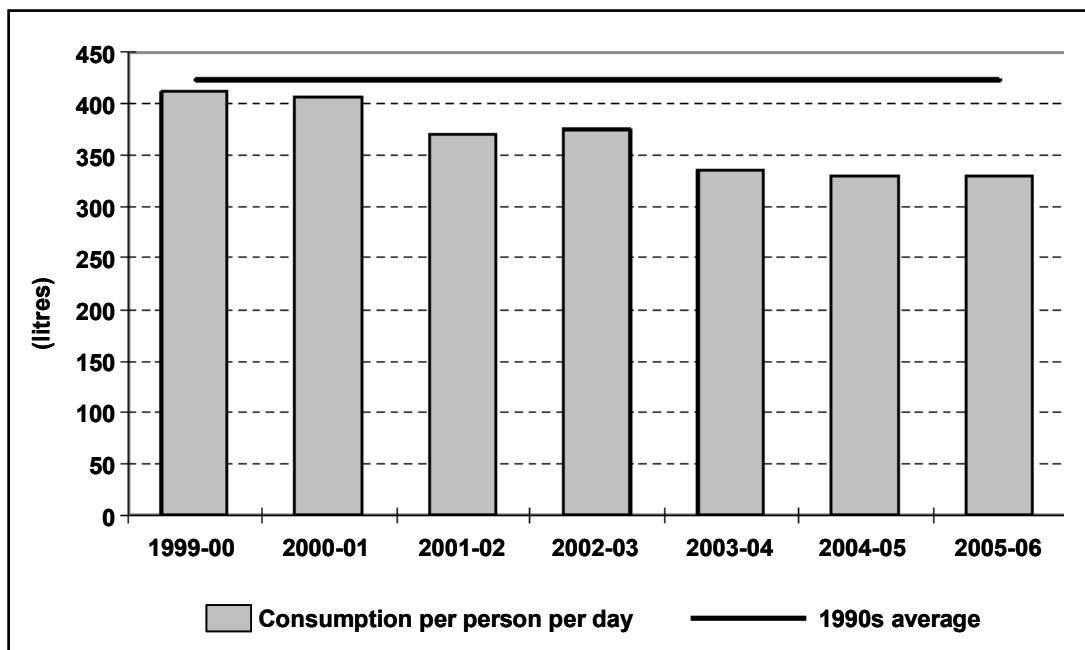
Source: Australian Bureau of Statistics, Series C, R & S Projections, 2000, modified for the region by the Department of Infrastructure

To enable Melbourne’s population to grow without placing serious stresses on the environment, the budget papers reveal that each person must use less water. Compared with the need for a permanent reduction in the average consumption of water from 423 to 360 litres per person per day if there is to be a reduction of 15 per cent in water use, Melbournians consumed an average of 331 litres of water per person per day (a 22 per cent reduction on a per capita basis from the 1990s average) in the year ended June 2006. The government has indicated that the introduction of water savings rules on 1 March 2005 have contributed to this result.²⁰⁷

Figure 14.2 illustrates the reduction in Melbourne’s water consumption per capita per day from 1990-2000 to 2005-06.

²⁰⁷ Budget Paper No.3, 2007-08 Service Delivery, p.381

Figure 14.2: Melbourne's water consumption per capita per day



Source: Budget Paper No.3, 2007-08 Service Delivery, p.381

At the estimates hearing, the Committee raised with the Minister the observation that in the last five years there has not been a reduction in the amount of water used mid-winter in the Melbourne water area, that is, outside water restriction periods. Excluding per capita growth, mid-winter water use representing baseload use, which is largely indoor water use where 80 per cent of water is used, has not fallen below about 7,500 megalitres a week. In comparison, the impact of different restrictions at different times is clearly visible in January, February and March. In view of these circumstances, the Committee was interested in hearing from the Minister about the measures included in the budget to reduce water use permanently on an ongoing basis and the quantum of megalitres that this will amount to.²⁰⁸

The Minister informed the Committee that:²⁰⁹

... we have had a substantial increase in population over that time. Therefore you would expect, as the population has increased, that our water use would rise in winter and summer, but it has not because of the measures we are taking inside the home as well as outside. In terms of what are those measures inside the home, for example, first, we are now requiring all new homes to have water-efficient appliances and shower heads. Now any new home has to have a water-efficient, five-star shower head. Your taps and things have to be water efficient. On top of that, in terms of retrofitting, we are now putting out an extra 270,000 shower heads for inside-the-home use, each of which saves, I think it is, 30,000 litres per shower head.

... We have also had a major behaviour change campaign, with the advertisements and others, which encourage people to use less water in their washing machines, less water around the home.

²⁰⁸ Hon. J Thwaites MP, Minister for Water, Environment and Climate Change, 2007-08 Budget Estimates hearing, transcript of evidence, 15 May 2007, p.9

²⁰⁹ *ibid.*, pp.10-11

... We also have in this budget funds for a behaviour program to continue into the future of some \$3.5 million, once again, driving down in-home use.

... Has there been a bigger impact from the outside use than inside? Yes, there has. Is that surprising? No, because there is greater discretionary use of water outside the home than inside We are talking about drinking water; we are talking about toilet water, showers and those other items. It is harder to make the level of savings. But if you look at the fact we have actually made savings inside the home, despite the increase in the population, that is a significant effort. Are we going to do more? Yes, we are doing more, which is why we want to keep our behaviour change campaign going; that is why we have got rebates; it is why we require new homes to have these water-saving devices.

In terms of actual water use as distinct from per capita water, the Minister explained that:²¹⁰

If you look at the picture including industry, and you just compare us to the total consumption in litres per person per day, including industry, between 2001 and 2005, we came down from 404 to 329 per person per day. Brisbane went from 726 to 717 – so almost no change. Victoria, not just Melbourne but the whole of Victoria, has made a major effort in water conservation. To put it in perspective, because some people sometimes say water conservation does not matter, it does not make much of a difference, we have saved more than 100 billion litres of water a year. That is the equivalent of two times the amount of water from the Perth desalination plant – two times.

The Committee believes that to assist in making its vision for Melbourne's water use a reality by 2010, the Department of Sustainability and Environment should monitor the effectiveness of the government's water saving initiatives in terms of reducing indoor water use in the mid-winter months of the year when water users are less affected by water restrictions.

The Committee recommends that:

Recommendation 46:

The Department of Sustainability and Environment monitor the impact of the government's water saving initiatives on reducing the amount of kilolitres used per household during the mid-winter months of the year.

²¹⁰ *ibid.*

CHAPTER 15: CARING COMMUNITIES

Key findings of the Committee:

- 15.1 Although suicide figures are not formally included in road toll statistics and subject to associated reporting and analysis, social research should be conducted to gather relevant and reliable information about the incidence of road traffic fatalities attributable to suicide and assess whether any budget related strategies need to be formulated to address this issue.
- 15.2 The Committee noted that the Minister for Police and Emergency Services advised that 12 road deaths that occurred in country Victoria during 2005-06 were attributed to suicide (3.6 per cent of the combined total of 334 road deaths).
- 15.3 Figures released by the Real Estate Institute of Victoria (REIV) show the median Melbourne house price at June 2007 has reached \$420,000, an increase of 11.7 per cent on this time last year and a significant increase on last quarter of 10.2 per cent.
- 15.4 Information released from the Housing Industry Association (HIA) shows more than a third of Melbourne home owners are under mortgage stress.
- 15.5 Figures compiled by the Victorian Council of Social Service (VCOSS) at March 2007 reveal 26 (or 49 per cent of selected areas) local government areas have an increase in rental rates of more than 10 per cent.
- 15.6 The current number of housing applicants on the public housing waiting list has declined by 2.2 per cent over the past 12 months to June 2007. There are now 34,150 applicants waiting for housing.
- 15.7 In September 2006, in recognition of housing affordability concerns by the community, the government released the *Towards an integrated Victorian housing strategy* aimed at addressing the State's future housing challenges.
- 15.8 The Committee noted that the Treasurer has stated that to make home ownership more affordable: in December 2006 stamp duty on the average family home was reduced by 14 per cent: the First Home Bonus was extended to 30 June 2009: land tax reforms will result in a saving of \$700 on the price of an average block of land; and the introduction of a new Electronic Conveyancing System that will reduce the expenses of buying a home.
- 15.9 The Committee noted that the government announced an extra \$510 million for social and public housing, aimed to provide 2,350 new or redeveloped dwellings.
- 15.10 The government should develop quantity and timeliness performance measures concerning housing affordability for inclusion in the budget papers and the Department of Human Services' annual report.

15.1 Introduction

In considering the budget estimates pertaining to the *Caring Communities* vision of the *Growing Victoria Together* initiative, the Committee asked a total of 190 questions, which represented 27.6 per cent of all questions asked during the budget estimates hearings.

Answers provided at the estimates hearings were recorded in *Hansard* and the transcripts of evidence were contained in Appendix 1 of the *Report on the 2007-08 Budget Estimates – Part One* and the *Report on the 2007-08 Budget Estimates – Part Two*. The material received to the questions on notice and unasked questions since the Part Two report is presented in full in Appendices 4 and 5 respectively of this report. These responses are categorised according to the applicable *Growing Victoria Together* vision to which they relate.

This chapter sets out an analysis of various issues pursued by the Committee at the budget estimates hearings that relate to the *Caring Communities* vision of the *Growing Victoria Together* (GVT) initiative.

15.2 Road traffic fatalities attributable to suicide

The Committee noted that a review conducted in 2003 of suicide and natural deaths in road traffic at a local, national and international level found that:²¹¹

- relative to other methods of suicide and injury, literature on suicide and natural deaths in road traffic was scarce, particularly for pedestrian suicides;
- driver suicides and natural driver deaths are relatively minor components of road traffic fatalities but may be underestimated;
- driver suicides are mostly male and aged 25-34 years; and
- risk factors are previous suicide attempts, a history of mental illness and the presence of alcohol.

In examining issues surrounding Victorian road deaths, the Committee at the estimates hearing inquired about the number of suicides that involved the use of a vehicle in country Victoria in the past 12 months.

The Minister for Police and Emergency Services advised that according to Victoria Police, 12 road deaths that occurred in country Victoria during 2005-06 were attributed to suicide (3.6 per cent of the combined total of 334 road deaths).²¹²

The Committee believes that, although these figures are not formally included in road toll statistics²¹³ and subject to associated reporting and analysis, social research should be conducted to gather relevant and reliable information about the incidence of all road traffic fatalities attributable to suicide that involve characteristics such as:

²¹¹ V Routley, C.Staines, C.Brennan, N.Haworth, J.Ozanne-Smith, *Suicide and Natural Deaths in Road Traffic – Review*, Monash University Accident Research Centre, July 2003. p.iii

²¹² Hon. B Cameron MP, Minister for Police and Emergency Services, response to the Committee's question on notice, received 11 July 2007

²¹³ *ibid.*

- age and gender;
- previous suicide attempts;
- history of mental illness, depression or drug and/or alcohol abuse; and
- geographical location.

While the Committee recognises the difficulty in ascertaining true intent and psychological motivation, such research could also be aimed at identifying possible underlying causes of suicide involved in road deaths such as psychological factors (for example, lack of social connections in isolated communities, financial problems or interpersonal disputes) or contributing factors such as presence of addictive substances, for example, alcohol or drugs. Research showing the extent of suicide in road traffic, associated characteristics/profiles and likely causal factors could reveal whether additional programs and funding need to be directed at ensuring that appropriate road safety data systems capture this information (so that figures are reliable and not underestimated and anecdotal), monitoring of trends take place (particularly in comparison to national data) and protective measures applicable to suicide prevention can be developed are funded to address this problem in future.

The Committee recommends that:

Recommendation 47: **To determine the extent and underlying causes of deaths on Victorian roads due to suicidal intent and assess whether any budget related strategies need to be formulated to address this issue, the Department of Justice consider commissioning a research project that includes focus on country Victoria and includes pedestrian deaths.**

15.3 Housing affordability

Introduction

The Committee was interested in examining the issue of housing affordability to assess the strategies that have been put in place to ensure that people who want to own homes are not being priced out of the market or have to pay rising rents, thereby absorbing an ever increasing share of their income.

There are three measures that might be used for housing affordability: percentage of households spending 30 per cent or more of household income on rent or mortgage repayments, as a percentage of all occupied private dwellings, based on place of usual residence. (ABS 2006 Census); median price of unit/flat/apartment, 12 month average; and percentage of private rental affordable for people on benefits and occupied dwellings that are public housing (Australian Bureau of Statistics, 2006 Census).²¹⁴

While households can be considered to have affordability problems if they spend more than 30 per cent of their incomes on housing costs (Australian Bureau of Statistics, 1996), there is no accepted definition of housing affordability. It is a relative term that is about the capacity to enter the housing market; that is, cost and availability. The cost of housing in a municipality relates to the prosperity of the community, the functioning of the economy, location choices relating to employment opportunities and transportation issues. In Australia, the number of households above the 'rental stress' threshold, that is, spending more than 30 per cent of their income in rent, has climbed to 520,598. This makes a combined total of 1.1 million households under financial stress from their loan

²¹⁴ www.communityindicators.net.au, accessed 17 August 2007

and rental payments. Victoria is among the worst affected states, with households under mortgage stress jumping from 71,287 in 2001 to 140,960 in 2006 – an increase of 98 per cent. This compared with a national rise of 89 per cent (Australian Bureau of Statistics, 2007).²¹⁵

Increasing housing values

The Committee found that figures released by the Real Estate Institute of Victoria (REIV) show the median Melbourne house price at June 2007 was \$420,000, an increase of 11.7 per cent on this time last year and a significant increase on last quarter of 10.2 per cent. The median price has been calculated from almost 12,000 houses and 6,000 units and apartment transactions conducted in April, May and June.²¹⁶

Highlighting the increase in housing values, there are now no suburbs in metropolitan Melbourne with a median house price below \$200,000.²¹⁷

Increases in home mortgage interest rates and rental rates

Information released from the Housing Industry Association (HIA) show more than a third of Melbourne home owners are under mortgage stress. Since the August 2006 census, three interest rate rises have seen the number increase by a further 15.8 per cent, now having an impact on 110,603 owner-occupiers.²¹⁸

Research undertaken by the Committee has also revealed that increases in rental rates have been identified for many local government areas in Victoria. Figures compiled by the Victorian Council of Social Service (VCOSS) at March 2007 reveal 26 of 53 selected local government areas had an annual increase in rental rates of 10 per cent or more. That equates to a weekly increase in rental payments of between \$20 and \$100.²¹⁹

Number of applicants on the public housing waiting list and transfer list

As identified in the Committee's *Report on the 2006-07 Budget Estimates*, the number of public housing applicants waiting for the Office of Housing to house them at 30 June 2006 was 34,930. Of this total, 4,628 (13.2 per cent) were applicants for early housing (those most in need) and 30,302 (86.7 per cent) were applicants on the wait turn waiting list (those with less urgent needs).²²⁰

The current number of housing applicants on the waiting list has declined by 2.2 per cent over the past 12 months to June 2007. There are now 34,150 waiting for housing; of this total 4,799 (14.1 per cent) are in need of early housing and 29,351 (85.9 per cent) are on the wait turn list.²²¹

²¹⁵ *ibid.*

²¹⁶ www.reiv.com.au, *REIV Median Prices*, REIV News, 7 August 2007; Mr B Schneiders, 'Big surge in house values', *The Age* newspaper, July 28, 2007

²¹⁷ www.reiv.com.au, *REIV Median Prices*, REIV News, 7 August 2007

²¹⁸ www.hia.com.au, *Higher Rates Tip More Into Mortgage Stress*, HIA Latest News, 17 August 2007

²¹⁹ Victorian Council of Social Service, *VCOSS league table show rents continue to rocket*, media release, 21 August, 2007

²²⁰ Public Accounts and Estimates Committee, *Report on the 2006-07 Budget Estimates*, September 2006, Executive summary, p.23

²²¹ www.dhs.vic.gov.au, *Public Housing Transfer and Waiting List*, June 2007, p.1

Government initiatives

In September 2006, in recognition of housing affordability concerns by the community, the government released the *Towards and integrated Victorian housing strategy* aimed at addressing the State's future housing challenges. In this strategy the government acknowledges the significant increases in house prices, as in the rest of Australia, and the resultant increase in financial security for home owners and some home buyers. However, the government also acknowledges that many lower to middle income Victorians are finding it more difficult to buy or rent a home and the potential for this trend to divide people geographically according to wealth and income. Such a division is contrary to the government's vision of a State that is more socially cohesive and provides opportunities for all.²²²

In presenting the budget estimates to Parliament, the Treasurer indicated that while Victoria enjoys the highest rate of home ownership of any Australian State, many Victorian families cannot afford to buy a home or pay rent in the private market. The Treasurer acknowledged that housing affordability is a significant issue across Australia and stated that to make home ownership more affordable:²²³

- in December 2006 stamp duty on the average family home was reduced by 14 per cent;
- the First Home Bonus was extended to 30 June 2009 and increased to \$5,000 for newly constructed homes;
- land tax reforms will result in a saving of \$700 on the price of an average block of land; and
- the introduction of a new Electronic Conveyancing System that will reduce the expenses of buying a home.

The Treasurer also announced an extra \$510 million for social and public housing, providing 2,350 new or redeveloped dwellings and improving services for homeless Victorians. This will bring total investment in social and public housing in Victoria to \$1.4 billion over the next four years.²²⁴

At the estimates hearing the Minister advised the Committee that the commitment of \$500 million includes:²²⁵

- \$200 million over four years to provide 800 redeveloped and new public housing units to boost the supply of public housing; and
- \$300 million to create an investment fund: \$60 million for 350 additional social housing units and the housing fund will commit \$240 million over four years to build or acquire 1,200 units of public housing.

The Committee noted with satisfaction that the \$300 million investment fund was sourced from funding in 2006-07 derived from a greater than expected budget surplus. Notwithstanding the additional funding provided in the budget, the Committee believes that given the rises in residential property values, home mortgage interest rates and rental rates and the high demand for rental properties, the government is faced with ongoing challenges in its efforts to ensure that public housing in Victoria:

²²² Department of Human Services, *Towards an integrated Victorian housing strategy: a framework to address our future housing challenges*, September 2006, p.4

²²³ Budget Paper No.1, *2007-08 Treasurer's Speech*, p.10

²²⁴ *ibid.*

²²⁵ Mr R Wynne MP, Minister for Housing, 2007-08 Budget Estimates hearing, transcript of evidence, 17 May 2007, p.12

- is available to needy groups;
- is equitably distributed between rural and regional Victoria;
- has maximum effect on reducing the length of waiting lists; and
- is adequately and appropriately managed and maintained.

The Committee believes the government should develop quantity and timeliness performance measures concerning housing affordability for inclusion in the budget papers and the Department of Human Services' annual report.

The Committee recommends that:

Recommendation 48: As occurred in the 2007-08 budget, consideration should be given in future years to applying a significant portion of any budget surplus in excess of the initial prediction to increase the level of public housing.

Recommendation 49: To enhance accountability, the government develop quantity and timeliness performance measures concerning housing affordability for inclusion in the budget papers and the Department of Human Services' annual report.

CHAPTER 16: VIBRANT DEMOCRACY

Key findings of the Committee:

- 16.1** The government has implemented a range of funding and operational approaches to address the reduction in the number of criminal and non-criminal matters disposed of by Victoria's courts due, in the main, to the increased complexity and volume of cases coming before the courts.
- 16.2** Continued effort needs to be directed at improving clearance rates of criminal and non-criminal matters, given Victoria's poor performance compared to the other states and territories.
- 16.3** The Committee found that on average the administrative cost per lodgement of criminal cases at \$672 for Victoria was higher than three other states (Queensland, South Australia and Tasmania) and lower than the remaining four states and territories. In relation to the average administrative cost per lodgement of civil cases at \$436 for Victoria, this outcome for 2005-06 was the second lowest among the states and territories apart from Tasmania.
- 16.4** Given that patronage on the metropolitan train network has increased by more than 20 per cent over the past two years which has led to overcrowding on some trains, various initiatives have been introduced by the government to address this situation (such as additional funding of some \$360 million in the budget to accelerate the purchase of new trains, the introduction of new timetables and various capital works).
- 16.5** In view of the overcrowding on some trains, the Committee considers there is a need for surveys of overcrowding to include those passengers who have not been able to board their regular train due to overcrowding.
- 16.6** There is scope for expanding performance indicators of overcrowding to cover tram and bus networks.

16.1 Introduction

In considering the budget estimates pertaining to the *Vibrant Democracy* vision of the *Growing Victoria Together* (GVT) initiative, the Committee asked a total of 254 questions, which represented 36.9 per cent of all questions asked during the budget estimates hearings. Given the fundamental importance of holding government accountable for how the use of budget outlays is to be measured in future, in terms of categorisation against the GVT visions, a large proportion of the Committee's questions related to the accountability goal of the *Vibrant Democracy* vision.

Answers provided at the estimates hearings were recorded in *Hansard* and the transcripts of evidence were contained in Appendix 1 of the *Report on the 2007-08 Budget Estimates – Part One* and the *Report on the 2007-08 Budget Estimates – Part Two*. The material received to the questions on notice and unasked questions since the Part Two report is presented in full in Appendices 4 and 5 respectively of this report. These responses are categorised according to the applicable *Growing Victoria Together* vision to which they relate.

In setting out an analysis of various issues pursued by the Committee at the estimates hearings that relate to the *Vibrant Democracy* vision, this chapter brings together:

- one issue relating to enhancing more accountable government in connection with the performance standards disclosed in the budget papers (i.e. refer to section 16.2 dealing with the reduction in the number of criminal and non-criminal matters disposed of by Victoria's courts); and
- another issue relating to greater public participation, whereby the Victorian public will be involved in contributing to decision making through being consulted in decisions of a policy nature that affect them (i.e. refer to section 16.3 dealing with the overcrowding of public transport during peak periods).

16.2 Handling of court cases

16.2.1 Reduction in the number of criminal and non-criminal matters disposed of by Victoria's courts

In relation to the *Criminal and non-criminal matters disposed* output, the Committee was interested to understand the reasons for the performance target for 2007-08 of 316,500 being less than the 2006-07 target (317,700), the expected outcome for 2006-07 (318,850) and the actual result for 2005-06 (319,414)²²⁶, bearing in mind that the budget provided a total of \$45.3 million in output and asset investment over four years (\$11.5 million in 2007-08) to reduce delays in the criminal and civil justice systems.²²⁷

Research undertaken by the Productivity Commission

The Committee also noted that, according to research undertaken by the Productivity Commission, Victorian courts had some of the lowest clearance rates among the states and territories in 2005-06 as shown in table 16.1. However, the Committee noted that in relation to the clearance rates for electronic infringement notices, Victoria clearly out performed those states (Queensland, Western Australia and South Australia) where the workload and expenditure of the electronic infringement and enforcement system, while coming under the ambit of the Magistrates' Court, were separately identified to allow for a more comparable interpretation of Magistrates' Court data.²²⁸ The 'clearance rate' is an output (efficiency) indicator showing whether the volume of case finalisations has matched the volume of case lodgements during the reporting period. It indicates whether a court's pending caseload has increased or decreased over that period. In interpreting the information shown in table 16.1, a figure of less than 100 per cent indicates that, during the reporting period, the court finalised fewer cases than were lodged, and the pending caseload has increased.²²⁹

²²⁶ Budget Paper No.3, *2007-08 Service Delivery*, p.162

²²⁷ *ibid.*, pp.313, 318

²²⁸ Productivity Commission, *Report on Government Services 2007*, Volume 1 Part C (Justice) Chapter 6 Court Administration, pp.6.6– 6.7

²²⁹ *ibid.*, p.6.34

Table 16.1: Clearance rates (finalisations/lodgements), 2005-06 (per cent)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust courts
Supreme/Federal									
Criminal	102.9	97.0	92.1	95.2	119.7	100.4	86.1	110.3	..
Civil ^{a, b}	103.5	84.8	91.5	98.1	124.5	132.1	91.2	100.9	105.8
<i>Total</i>	103.4	85.8	91.6	97.7	123.4	122.8	90.1	105.9	105.8
District/county									
Criminal ^c	95.5	85.0	105.2	110.5	88.5	..	..	..	..
Civil ^b	110.4	121.5	130.6	130.8	106.8	..	..	..	..
<i>Total</i>	101.9	103.1	116.7	122.0	100.8	..	..	..	..
Magistrates'									
Criminal	101.0	93.5	96.0	108.0	99.3	71.9	113.7	100.0	..
Civil ^d	93.2	84.2	99.2	97.7	118.3	103.1	106.2	89.9	..
<i>Total</i>	96.8	88.2	97.1	104.1	105.3	76.5	109.8	96.4	..
Children's									
Criminal	99.4	81.0	99.7	99.8	102.5	79.7	94.6	117.4	..
Civil ^e	97.9	80.1	98.8	108.4	99.2	91.6	94.3	124.7	..
<i>Total</i>	98.8	80.7	99.5	100.5	102.0	81.8	94.5	118.1	..
Family courts	..	..	..	86.4	..	..	..	..	107.0
Federal Magistrates	..	..	..	..	..	..	..	..	99.4
Electronic^f	..	144.8	88.0	44.2	87.2	..	..	..	..
Coroners' courts	82.3	93.6	89.3	79.6	108.2	105.2	96.0	105.4	..

^a Excludes probate matters. ^b Queensland data are extrapolated. ^c Queensland District Court appeals finalised have been extrapolated. ^d The Victorian Magistrates' Court civil data include a proportion of hearings from the Victorian Civil and Administrative Tribunal. ^e The Queensland Children's Courts civil data for 2005-06 is based on a count of cases, not the number of children involved in the care and protection case. ^f The clearance rate relates to unpaid infringement notices. Excludes unpaid court fines. .. Not applicable.

Notes: (a) Some clearances are underestimated due to the following:²³⁰

- in Queensland, some Children's Court matters are heard in the District Court. As a result, the inclusion of all Children's Court matters in the Magistrates' Court will lead to a slight overestimation of the Magistrates' Court total and an underestimation of the District Court total; and
- in the Victorian Magistrates' Court and the Australian courts the 12 month deeming rule for inactive cases has not been used. This may result in an underestimate of the finalised cases according to the report's counting rules for these courts.

(b) Under the deeming rule, lodgements that have not been acted upon in the past 12 months are counted as finalised for the purpose of the report, the aim being to focus on those matters that are part of an 'active pending' population. For this Report, the Victorian Magistrates' Courts have not applied this deeming rule, which may result in an increased pending caseload with longer duration. Some courts (e.g. the Australian courts) proactively manage all their civil cases. Consequently, cases that, by their nature, cannot be finalised for a lengthy period are not deemed finalised, but continue to be monitored from time to time by these courts²³¹

Source: Productivity Commission, Report on Government Services 2007, Volume 1 Part C (Justice) Chapter 6 Court Administration, p.6.35

²³⁰ *ibid.*, p.6.19, tables 6.5 and 6.6

²³¹ *ibid.*, p.6.27

The *Report on Government Services 2007* indicated increasing delays and lower clearance rates (due in part to long and complex trials relating to police corruption, gangland killings and organised crime),²³² however it also confirmed that Victorian courts have continued to improve in many areas.

Despite the continued increase in lodgements, Victoria's courts still continued to increase its finalisations. A total of 1,089,900 civil and criminal lodgements (excluding probate lodgements) were received in 2005-06 (increase of 5 per cent over 2004-05),²³³ but the courts continued to increase also its finalisations. In 2005-06 Victoria's courts finalised 1,380,700 civil and criminal cases,²³⁴ compared to 1,342,400 for 2004-05 (an increase of 3 per cent).²³⁵

Victoria had the highest number of finalisations of the electronic courts, second highest number of civil finalisations, and third highest number of criminal finalisations. Despite a fall in clearance rates in some jurisdictions, Victoria has kept these rankings from previous years.²³⁶

Cost per finalisation indicates how much output is being generated for the level of funding for the court. A lower cost per finalisation indicates the same amount of output being done for less funding.²³⁷ In cost per finalisation, Victoria still compares favourably with the other states and territories. The lower the cost per finalisation, the lower (and better) the ranking. Victoria ranks third (out of five states) in criminal matters and sixth out of eight states and territories in civil matters.²³⁸

The Supreme Court particularly showed improvements. Despite the impact of the long and complex trials dealing with police corruption, gangland killings and organised crime, and an increasing workload of 7 per cent per year, the Supreme Court's clearance rate for the period 2002-03 to 2005-06 for all matters improved from 68 per cent²³⁹ to 86 per cent.²⁴⁰ Also the level of finalisations have continued to rise since 2002-03 when 4,091 finalisations were achieved, representing an average annual increase since 2002-03 of 17 per cent a year.

At the end of 2005-06 the number of cases pending had increased, however despite the rise in cases pending, the Supreme Court has been able to improve on its backlog. Backlog is measured in percentage of cases pending greater than 12 months and percentage of cases pending greater than 24 months. The lower the percentage means lesser cases pending.²⁴¹ The proportion of its backlog pending for more than 12 months came down from 34.2 in 2003-04 to 28.9 per cent for 2005-06.

The Magistrates' Court of Victoria had the lowest in percentage of civil cases pending for more than 6 months (24 per cent)²⁴² and the second lowest in percentage of criminal matters pending for more than 6 months (20 per cent)²⁴³. In cases pending greater than 12 months, Victoria Magistrates' Court was third lowest in both civil and criminal.²⁴⁴

²³² Hon. R Hulls MP, Attorney-General, 2007-08 Budget Estimates hearing, transcript of evidence, 30 May 2007, p.4

²³³ Productivity Commission, *Report on Government Services 2007*, Volume 1 Part C (Justice) Chapter 6 Court Administration, pp.6.16, 6.17

²³⁴ *ibid.*, p.6.19

²³⁵ Productivity Commission, *Report on Government Services 2006*, Volume 1 Part C (Justice) Chapter 6 Court Administration, p.6.18

²³⁶ *ibid.*, p.6.19

²³⁷ *ibid.*, p.6.37

²³⁸ *ibid.*, pp.6.38, 6.40

²³⁹ Productivity Commission, *Report on Government Services 2004*, Volume 1 Part C (Justice) Chapter 6 Court Administration, p.6.50

²⁴⁰ Productivity Commission, *Report on Government Services 2007*, Volume 1 Part C (Justice) Chapter 6 Court Administration, p.6.35

²⁴¹ *ibid.*, pp.6.24, 6.25

²⁴² *ibid.*, p.6.29

²⁴³ *ibid.*, p.6.26

²⁴⁴ *ibid.*, p.6.26, 6.29

The cost per finalisation for Victoria's Magistrates' Court is the second lowest in the country at \$91.²⁴⁵

Low clearance rates and increases in backlogs were experienced due to the additional workload and the more complex cases, however this should not overshadow the improvements that have been gained over time.

The Committee also observed that the Productivity Commission found that in relation to net expenditure per criminal and civil finalisation for Magistrates' Courts in 2005-06 (excluding electronic and childrens' courts), Victoria incurred lower costs than other states and territories in relation to the following types of cases:²⁴⁶

- criminal matters – New South Wales, Western Australia, the Australian Capital Territory and the Northern Territory; and
- civil matters – New South Wales, Queensland, Western Australia, South Australia, the Australian Capital Territory and the Northern Territory.

Funding initiatives provided in the 2007-08 budget

The Committee noted that the 2007-08 budget committed a further \$318 million over five years and \$167 million TEI to strengthen the justice system.²⁴⁷ Initiatives to be delivered under this funding included employing 350 new police officers, providing new or upgraded police stations and appointing additional judges to the Supreme and County Courts to reduce court delays. The funding will also be used to enhance Victoria's emergency response capability.²⁴⁸

In improving access to justice, the Committee also noted that of the \$43 million provided over four years to provide for the additional judges and support staff for the Supreme and County Courts,²⁴⁹ the additional funding will also provide for an additional Supreme Court Master, and additional prosecutors and support staff for the Office for Public Prosecutions and Corrections Victoria to increase capacity for prosecutions and to reduce court delays.²⁵⁰

Deliberations emanating from the budget estimates hearing

At the estimates hearing, the Attorney-General explained that the 2007-08 target for fewer matters to be disposed has been based on the increasing complexity and length of major trials and hearings (such as those connected with police corruption, gangland killing and organised crime) as well as more matters coming before the courts.²⁵¹ In relation to this latter point, the Attorney-General brought to the Committee's notice that the Productivity Commission found that low clearance rates and delays have been experienced in the courts due to a continual increase in cases initiated. In terms of increased workload, the Attorney-General stated that: *'we have got more police out there, and more police means more people are being charged and more matters are coming before our courts'*.²⁵²

Some of the measures that have been applied to address this situation are set out below:²⁵³

²⁴⁵ *ibid.*, p.6.42

²⁴⁶ *ibid.*, p.6.42, figure 6.7

²⁴⁷ Budget Paper No.3, *2007-08 Service Delivery*, p.6

²⁴⁸ *ibid.*

²⁴⁹ *ibid.*, pp.27, 313, 317

²⁵⁰ *ibid.*, p.27

²⁵¹ Hon. R Hulls MP, Attorney-General, 2007-08 Budget Estimates hearing, transcript of evidence, 30 May 2007, p.4

²⁵² *ibid.*

²⁵³ *ibid.*

- funding provided in the budget to provide two additional judges in the Supreme Court, two judges in the County Court, an additional master in the Supreme Court, additional resources for the Office of Public Prosecutions (OPP) for in-house and external prosecutions and also to help implement a strategy to encourage early pleas of guilty. Those resources will also go to Corrections Victoria, the Juries Commissioner and the Victorian court reporting service;
- the introduction of a new criminal trial practice note, which provides for criminal matters to be listed for a mention hearing (the first listing of an application in court) within 14 days of committal;
- a more aggressive approach to listing of criminal matters in the County Court;
- the introduction of a new electronic briefing system in the next 6 to 12 months by Victoria Police;
- the introduction and training of new procedures and stronger case management at the OPP; and
- courts examining the introduction of specialised lists.

The Attorney-General acknowledged the need to continue to monitor how courts can address their casework in a better way and the resources supplied to Victoria's courts, while courts will need to look at specialisation in future.²⁵⁴

In the light of these comments, the Committee raised with the Attorney-General whether the need to continue with committal hearings is to be examined in the context of reviewing how the higher courts could be made more efficient. The Attorney-General's advice on this matter is set out below:²⁵⁵

It is a good question. We have obviously conducted a review of committals, and there are some who say we should abolish committals altogether and just allow the Director of Public Prosecutions (DPP) to directly present. Others say – and this is how the argument went – that the committal process is actually efficient because it actually weeds out a lot of the issues and crystallises what the issues are at trial and, as a result, trials are shorter as a result of committals.

We have introduced a whole range of reforms in relation to the committal process to ensure that certain witnesses cannot be cross-examined about certain matters. Those reforms are coming through the system and they are working. It means that people, particularly in sexual assault matters, cannot be cross-examined up hill and down dale, and basically you are able to crystallise at an earlier stage what the issues are.

My view is that it is false economy to abolish committals; committals play a very important role in the system and they lead to shorter trials. That does not mean that we cannot continue to work on trying to make the committal system more efficient, but I certainly do not believe, as some do, in abolishing the committal process. I think it works well, but we have to continue to monitor it to make sure it is efficient as it can be.

The Committee noted the additional funding in the 2007-08 budget that is directed at reducing court delays in relation to the Supreme Court, County Court and OPP, the various initiatives that have been introduced aimed at addressing delays in the justice system and the acknowledgement by the government to continue monitoring ways to improve the efficiency of the court system.

²⁵⁴ *ibid.*

²⁵⁵ *ibid.*, p.5

16.2.2 Case processing timelines in criminal matters

In examining case processing timelines in criminal matters, data collected by the Productivity Commission on the 'backlog indicator' for criminal matters as at 30 June 2006 revealed that Victoria performed well compared to most of the other states and territories in relation to the following courts:²⁵⁶

• Higher: appeal	Pending caseload cases > 12 months	10.6 per cent
• Higher: appeal	Pending caseload cases > 24 months	3.1 per cent
• Higher: non-appeal	Pending caseload cases > 12 months	17.6 per cent
• Higher: non-appeal	Pending caseload cases > 24 months	2.9 per cent
• Supreme: non-appeal	Pending caseload cases > 12 months	19.9 per cent
• District/county: appeal	Pending caseload cases > 12 months	8.6 per cent
• District/county: appeal	Pending caseload cases > 24 months	3.7 per cent
• District/county: non-appeal	Pending caseload cases > 12 months	17.3 per cent
• District/county: non-appeal	Pending caseload cases > 24 months	2.3 per cent
• Magistrates	Pending caseload cases > 6 months	20.1 per cent
• Magistrates	Pending caseload cases > 12 months	5.4 per cent
• Children's	Pending caseload cases > 6 months	13.2 per cent
• Children's	Pending caseload cases > 12 months	1.6 per cent

16.2.3 Case processing timelines in civil matters

In examining case processing timelines in civil matters, data collected by the Productivity Commission on the 'backlog indicator' for civil matters as at 30 June 2006 revealed that Victoria performed well compared to most of the other states and territories in relation to the following courts:²⁵⁷

• Higher: non-appeal	Pending caseload cases > 12 months	35.4 per cent
• Higher: non-appeal	Pending caseload cases > 24 months	17.4 per cent
• Supreme/Federal: non-appeal	Pending caseload cases > 12 months	30.2 per cent
• Supreme/Federal: non-appeal	Pending caseload cases > 24 months	10.9 per cent
• District/county: appeal	Pending caseload cases > 12 months	2.2 per cent
• Magistrates (a)	Pending caseload cases > 6 months	23.6 per cent

(a) data excludes Children's Courts but includes a proportion of pending caseload from the Victorian Civil and Administrative Tribunal²⁵⁸

²⁵⁶ Productivity Commission, *Report on Government Services 2007*, Volume 1 Part C (Justice) Chapter 6 Court Administration, p.6.26, table 6.9

²⁵⁷ *ibid.*, p.6.29, table 6.10

²⁵⁸ *ibid.*, p.6.30, table 6.10 notes (d) and (e)

16.2.4 Costs per lodgement for criminal cases and civil cases

Using information compiled by the Productivity Commission on court administration recurrent expenditure and lodgements in the criminal and civil jurisdictions, the Committee calculated the average administration cost per lodgement for 2005-06 in each of these jurisdictions.

This information, which is presented in tables 16.2 and 16.3, shows that on average the administrative cost per lodgement of criminal cases at \$672 for Victoria was higher than three other states (Queensland, South Australia and Tasmania) and lower than the remaining four states and territories. In relation to the average administrative cost per lodgement of civil cases at \$436 for Victoria, this outcome for 2005-06 was the second lowest among the states and territories apart from Tasmania.

Table 16.2: Average administration cost per lodgement for criminal cases, 2005-06

	NSW (\$)	Vic (\$)	Old (\$)	WA (\$)	SA (\$)	TAS (\$)	ACT (\$)	NT (\$)
Average cost per lodgement for criminal cases	883	672	456	865	564	205	1,132	1,110

Source: Productivity Commission, *Report on Government Services 2007, Volume 1 Part C (Justice) Chapter 6 Court Administration*, pp.6.12, 6.16–6.17

Table 16.3: Average administration cost per lodgement for civil cases, 2005-06

	NSW (\$)	Vic (\$)	Old (\$)	WA (\$)	SA (\$)	TAS (\$)	ACT (\$)	NT (\$)
Average cost per lodgement for civil cases	658	436	490	934	784	389	1,013	1,443

Source: Productivity Commission, *Report on Government Services 2007, Volume 1 Part C (Justice) Chapter 6 Court Administration*, pp.6.12, 6.16–6.17

16.2.5 Role of the Victorian Auditor-General – examination of administrative systems of courts

The Committee also was pleased to see that, in response to its recommendation that the Department of Justice finalise the necessary protocols to allow the Auditor-General to conduct performance audits of the administrative systems and processes of Victoria’s courts, in mid 2006 a performance audit protocol was endorsed by the Supreme, County and Magistrates’ Courts.²⁵⁹ The first performance audit of such systems and processes covered the administration of certain non-judicial functions of the Magistrates’ Court of Victoria. This audit report, which was tabled in June 2007, included an

²⁵⁹ Victorian Auditor-General, *Administration of Non-judicial Functions of the Magistrates’ Court of Victoria*, June 2007, p.7

... we have had an unexpected increase in the metropolitan rail network patronage of 18.4 per cent in 2004 and 2005-06 ... in the last calendar year we had a 12 per cent growth in patronage on the train network ... the forecast is that it will grow by an average of 3.5 per cent to 2012 and is expected to grow by 4.9 per cent in 2007-08 due to the removal or abolition of zone 2 fares. This is expected to result in about an additional 1.8 million train trips

As shown in table 16.4, the Committee noted that there has been a 12.8 per cent increase in Melbourne public transport over the last two financial years and a 21.9 per cent increase in rail patronage. Total Melbourne patronage exceeded 400 million in 2006-07 – the last time that occurred was 40 years ago, in 1966-67.

**Table 16.4: Metropolitan Melbourne Public Transport patronage
Historical time series – excluding Commonwealth Games (a)**

Financial Year	Train				Tram				Bus ^(b)				Total			
	Boardings (million)		Annual growth (%)		Boardings (million)		Annual growth (%)		Boardings (million)		Annual growth (%)		Boardings (million)		Annual growth (%)	
1998/99	118.0		4.4		120.4		3.1		91.5		-0.8		329.9		2.5	
1999/00	124.2		5.3		127.3		5.7		91.6		0.1		343.1		4.0	
2000/01	130.3		4.9		129.4		1.6		92.0		0.4		351.7		2.5	
2001/02	131.8		1.2		131.9	(c)	1.9		92.0	(c)	0.0		355.7		1.1	
2002/03	133.8		1.5		134.7		2.1		93.9		2.1		362.4		1.9	
2003/04	134.9	(d)	0.8		135.9	(d)	0.9		93.6		-0.3		364.4	(d)	0.6	
2004/05	145.1	(e), (f)	4.0	(g)	145.3	(e)	2.0	(g)	90.0		stable	(g)	380.4	(e)	2.5	(g)
2005/06	159.1	(a), (f)	9.7	(a), (f)	149.6	(a)	2.9	(a)	79.1	(a), (e), (f)	stable	(a), (e)	387.8	(e)	4.9	(h)
2006/07	178.6		12.2		154.9		3.6		85.0		7.4		418.4		7.9	

- Notes:
- (a) The figures in this table differ from the 2005-06 annual report which included additional patronage associated with the Commonwealth Games (CG). The annual report states train at 162.4 million (growth of 11.2 per cent including CG & 9.4 per cent excluding CG) tram at 151.1 million (growth of 4 per cent including CG & 2.9 per cent ex CG) and at Bus 78 million (stable growth)
 - (b) Bus includes metropolitan school bus services
 - (c) The 2001-02 patronage estimates for tram and bus are different to those published in the DOI Annual Report for 2001-02. Those in the Annual Report for trams and metro bus are incorrect due to an error introduced in the production of that report
 - (d) Patronage estimates for 2003-04 are based on operator supplied growth of 0.9 per cent for metro trams and 0.8 per cent for metro trains applied to the base patronage figures for 2002-03
 - (e) Patronage estimates for the three metropolitan modes are based on a new and improved measurement methodology from 2004-05. This methodology involves factoring up ticket validations from the Automatic Ticketing System database with a 'validation rate' obtained from surveys to obtain an estimate of patronage for each mode. This change in methodology means a step-change in patronage estimates from 2003-04 to 2004-05 for train and tram and 2004-05 to 2005-06 for bus. This needs to be considered when comparing estimates across years.
 - (f) These figures have been amended slightly from those in the annual report because of definitional changes and recovery of missing data. Train for 2004-05 was reported at 146 million and in 2005-06 at 162.4 million, with an inclusive CG growth rate of 11.2 per cent and exclusive CG growth rate of 9.4 per cent. Bus was revised upwards from 78 million
 - (g) Growth figures for 2004-05 are estimates arrived at jointly by DOI, Metlink and the operators due to the change in patronage measurement methodology between 2003-04 and 2004-05
 - (h) Total metropolitan public transport growth of 4.9 per cent assumes bus was stable from 2004-05 to 2005-06.
- The double line in the above table shows the break in series.

Source: Public Transport Corporation and the passenger businesses, franchisees / bus operators / Department of Infrastructure, Metlink

The Committee also noted from the budget papers the trend in the use of public transport as a proportion of motorised trips towards the government's long term indicative target of 20 per cent by 2020.²⁶³ The Committee looks forward to further reporting on this by the Minister to Parliament and by the department in its annual report.

The issue of the overcrowding of trains during peak periods was of interest to the Committee, particularly in the light of the government's goals for greater use of public transport and lower carbon emissions.

The Minister provided the Committee with the following information:²⁶⁴

... the overcrowding is obviously an issue as a result of the incredible patronage growth that we have seen over the last two years, which was greater than what was anticipated. About 3 to 4 per cent growth each year has been anticipated, and then over the last two years we saw significant patronage growth largely as a result – not only as a result – of the spike in petrol prices. But what we saw this time, rather than what happened last time, was there was not a dramatic drop-off in public transport usage once the petrol prices dropped, so that has meant that we have had greater patronage growth than anticipated.

The large part of that is actually during the peak periods, particularly in the mornings ... The busiest time of the day for Connex is during that 7.30 to 9.00 a.m. period during the weekdays, and, as I mentioned, whilst it occurs in the evening it tends to be less severe because it is spread out over a period of several hours.

Under the franchise agreement, a railway line is considered overcrowded if, during a given hour, the average number of passengers per train exceeds 798. This is known as a load breach. Crowding levels are measured at the stations on the fringes of the CBD – that is, when trains are at their most crowded heading into or out of town ...

The department does conduct surveys of crowding levels on trains once a year, and that is conducted in May. If a load breach is recorded, Connex is required to submit a plan to the department showing what it intends to do to eliminate the breach. If the breach cannot be eliminated without significant capital expenditure, Connex is required as a minimum to demonstrate it is doing everything it reasonably can to provide extra services. The May 2006 load survey revealed load breaches on the Pakenham, Cranbourne, Frankston, Broadmeadows, Epping, Sydenham and Werribee lines, and the worst overcrowding was concentrated on the Sydenham, Cranbourne and Pakenham lines. As a result of that the 2006 timetable change targeted extra services onto those lines.

Services are changed, obviously looking at issues of capacity, where trains can be moved and services can be changed, and one of the reasons we have provided the 10 extra trains in this budget, or the initiation of the purchase of those trains, is as a response, because it is significant capital expenditure ... There are requirements of Connex, when it is within its power to actually deal with those, but obviously because of the significant patronage growth that we have had, particularly over the last 12 months, we are bringing forward the purchase of those 10 extra trains, as well, I should say, as keeping the 6 Hitachi trains in service, which have gone some way to alleviating the issue of overcrowding.

²⁶³ Budget Paper No.3, 2007-08 Service Delivery, p.364

²⁶⁴ Hon. L Kosky MP, Minister for Public Transport, 2007-08 Budget Estimates hearing, transcript of evidence, 9 May 2007, pp.10–11

We are looking at other issues. Obviously the Dandenong triplication project is very important in terms of providing extra capacity within the system. There are also the works at Sunshine and the works that are occurring at Clifton Hill. With North Melbourne station, one of the reasons that is being redeveloped is so that where people are changing services it can actually be a more pleasant area to change in ... I should say the load breaching does not mean that there are safety breaches. It is just based on what is judged as comfortable in terms of the overcrowding on the trains.

At the estimates hearing, the Committee was also told that the extent of overcrowding was measured every May, on all lines and at all times of day, with a concentration on the morning peak when the level of crowding is at its greatest. Given the significant growth in patronage in recent times, the Minister has directed that there needs to be more frequent and intensive monitoring, including the need to obtain information about whether people are being left behind and, if so, where. This information, together with details about where people have to stand if the seating capacity is no longer available, flow into timetabling decisions going forward.²⁶⁵

The Committee understands that the May 2007 survey was more extensive than previous surveys, in that more stations further out in the network were surveyed. There does seem to be some issues in regard to survey methodology and the gathering of meaningful data.

The Committee noted that, despite being informed at the budget estimates hearing that surveys of overcrowding on the train network would be expanded to determine the extent of Melbourne commuters unable to board crowded trains and, if so, where, it is understood from subsequent reports in the media that this concept will not occur as it would be too difficult to gather this data as part of monitoring passenger numbers. While there will be passenger counts at more places citywide, the Minister has been reported as saying that:²⁶⁶

One of the difficulties with the count of passengers who are left behind is determining why they've decided not to board the carriage ... the advice is that its much better to do the count on the overcrowding on the trains

The Committee remains of the view that data on passengers left behind at stations or indeed at tram stops is a useful additional indicator of overcrowding as well as evidence of actual overcrowding on trains and trams. Bypasses of stops is also another meaningful indicator. Bus drivers or tram drivers could be required as part of shift reports to indicate whether they were forced to bypass stops because of overcrowding.

The Committee believes there is scope for more frequent surveys of overcrowding and for improvement in survey methodology.

The Committee recommends that:

Recommendation 51: **More frequent surveys of overcrowding using improved methodology be undertaken, including surveys of actual numbers on vehicles/carriages and surveys of stranded passengers. Consideration also be given to including in shift reports of drivers, details of stops that they were forced to bypass because of overcrowding.**

²⁶⁵ Mr J Betts, Director, Public Transport, Department of Infrastructure 2007-08 Budget Estimates hearing, transcript of evidence, 9 May 2007, p.11

²⁶⁶ A Gardiner, 'Commuters Out for the count', *Herald Sun* newspaper, 27 July 2007, p.4

The Committee also observed that measures addressed in the budget to address the overcrowding and reliability pressures on Melbourne's train network included output funding of \$22.2 million (\$2.6 million, 2007-08) and asset funding of \$339.8 million (\$37.7 million, 2007-08) over four years to increase the number of metropolitan train services.²⁶⁷ This budget allocation includes funding for the purchase of an additional 10 trains, associated capital stabling, maintenance facilities and operating costs.²⁶⁸

In view of the 21.9 per cent increase in patronage growth that has occurred on the metropolitan train network over the past two years²⁶⁹, the Committee was interested in examining whether the provision of new rolling stock would be responsive to the increase in passenger growth. To ensure timely delivery of the 10 new six-carriage trains, the Minister for Transport announced on 16 July 2007 that two companies would be invited to tender for the delivery of two primary train models that were already on Melbourne's network and were accredited by the independent safety regulator. The Minister also advised that the government had brought forward the \$360 million funding in this year's budget to accelerate the purchase of new trains. In terms of the timelines for the delivery of the new trains, the Minister pointed out that:²⁷⁰

Trains are not bought off the shelf and immediately rolled out of the warehouse. New trains need to be designed and constructed and then extensively tested on our tracks to ensure safety ... These 10 trains are part of a bigger \$800 million plan to buy more trains for the metropolitan network over the next decade. In the meantime the government is introducing new timetables to reduce overcrowding on Melbourne's transport network. New morning peak services have already been added on the Dandenong line, and in October there will be 39 new daily services, including nine in peak periods.

The Committee also noted that the new Premier, the Hon. John Brumby MP, will give further priority to public transport. In announcing the new Cabinet, the Premier stated that:²⁷¹

Easing congestion on the public transport network by accelerating the government's \$10.5 billion transport action plan 'Meeting our Transport Challenges' is another key priority for the next three years

²⁶⁷ Budget Paper No.3, 2007-08 Service Delivery, pp.299–302

²⁶⁸ *ibid.*, p.300

²⁶⁹ Hon. L Kosky MP, Minister for Public Transport, *Tender for new trains on Melbourne tracks*, media release, 16 July 2007

²⁷⁰ *ibid.*

²⁷¹ Hon. J Brumby MP, Premier, *Premier announces new cabinet*, media release, 2 August 2007