

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2007–08

Melbourne — 16 May 2007

Members

Mr G. Barber	Mr G. Rich-Phillips
Mr R. Dalla-Riva	Mr R. Scott
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Ms J. Munt	Dr W. Sykes
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Witnesses

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

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

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

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

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

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

The CHAIR — That is correct.

Dr SYKES — Better than the Victorian trains!

Mr BATCHELOR — You are wrong.

Overheads shown.

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

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

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

The CHAIR — Correct.

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

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

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

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

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

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

Mr BATCHELOR — That's all right.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr BATCHELOR — Precisely.

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

Ms MUNT — About halfway down.

Mr BATCHELOR — I was looking at the wrong section.

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

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

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

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

Mr BATCHELOR — What page is that?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The CHAIR — All right.

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

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

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

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

The CHAIR — Like Neighbourhood Renewal?

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

Mr BARBER — A good program.

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

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

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

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

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

Mr BATCHELOR — That will be comprehensively across the DVC.

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

The CHAIR — It makes it easier for people.

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

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

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

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

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

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

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

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

The CHAIR — Thank you.

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

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

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

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

Mr BATCHELOR — You ducked for cover, did you?

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

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

Dr SYKES — Tenth.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr BARBER — Yes, I have seen those.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The CHAIR — The regional — —

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

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

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

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

Mr BATCHELOR — It is.

The CHAIR — It is 5,5,5,5.

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

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

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

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

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

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

Mr BATCHELOR — Yes.

Ms GRALEY — Because it has been — —

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

The CHAIR — How publicised is this?

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

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

Mr BATCHELOR — Yes.

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

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

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

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

Mr BATCHELOR — We will provide that information.

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

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

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

Mr BATCHELOR — Can I say the same?

The CHAIR — Touché!

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

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

Mr BATCHELOR — You can ask him tomorrow.

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

Mr BATCHELOR — You would get a more constructive answer.

Mr WELLS — I will leave it at that.

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

Mr BATCHELOR — Yes.

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

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

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

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

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

Witnesses withdrew.