

CHAPTER 8: DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

Transcript of evidence

8.1 Aboriginal Affairs portfolio

Please note the Aboriginal Affairs transcript and the Local Government transcript are combined into one transcript.

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2008–09

Melbourne — 21 May 2008

Members

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

Chair: Mr B. Stensholt

Deputy Chair: Mr K. Wells

Staff

Executive Officer: Ms V. Cheong

Witnesses Aboriginal Affairs and Local Government portfolios

Mr R. Wynne, Minister for Aboriginal Affairs, and Minister for Local Government,
Mr Y. Blacher, Secretary, and
Mr S. Gregory, Chief Finance Officer, Corporate Finance.

Witnesses Aboriginal Affairs

Ms A. Jurjevic, Executive Director, Aboriginal Affairs Victoria,

Witnesses Local Government

Ms P. Digby, Acting Deputy Secretary, Planning and Local Government, and
Mr C. Morrison, Acting Director, Governance and Legislation and Local Government Programs,
Department of Planning and Community Development.

The CHAIR — On behalf of the committee I welcome to the table Mr Yehudi Blacher, Secretary of the Department of Planning and Community Development; Ms Angela Jurjevic, Executive Director, Aboriginal Affairs Victoria; Mr Stephen Gregory, Chief Financial Officer; and Mr Morrison, Acting Director, Governance and Legislation and Local Government programs, all from the DPCD. I call on the minister to give a brief presentation of no more than 5 minutes on the more complex financial and performance information on the Aboriginal Affairs portfolio.

Mr WYNNE — Thanks very much, Chair. Joining me is the director of Aboriginal Affairs Victoria, Angela Jurjevic; Yehudi Blacher, the secretary, and Stephen will deal with any more complex financial matters. We have got a presentation for you to have a look at. If we can, Angela will hand those around. I wanted to firstly say, Chair, that this is the first opportunity I have had to present to you as Minister for Aboriginal Affairs. I was delighted to have the opportunity, provided by the Premier, to take up the Aboriginal Affairs portfolio, and although my previous experience with Aboriginal Affairs had been as parliamentary secretary to the Attorney-General in our first term of government, when we were putting together the very successful structure for the Aboriginal justice agreements, it was particularly pleasing to be provided with this opportunity to work with the Aboriginal community.

The broad message that I wanted to briefly touch upon today was how the government is seeking to tackle the issue of the Aboriginal community in Victoria more generally, and I wanted to indicate to the committee — and it is a much vaunted term, but in fact the government has a whole-of-government response to Aboriginal affairs. We have a Ministerial Taskforce on Aboriginal Affairs, which is chaired by the Deputy Premier, Rob Hulls. I think it is very appropriate that the Deputy Premier, a person with a very keen interest in social policy and social justice outcomes, is the chair of the committee.

Other committee members are Jacinta Allan, Minister for Skills and Workforce Participation; Maxine Morand, Minister for Children and Early Childhood Development; Tim Holding, Minister for Finance, WorkCover and the Transport Accident Commission; Bronwyn Pike, Minister for Education; Lisa Neville, Minister for Community Services; and obviously me, as Minister for Aboriginal Affairs.

Underneath the ministerial task force is a secretaries group, of which Yehudi Blacher is a member, but indeed secretaries of all departments across government are involved in a coordinated way in the Ministerial Taskforce on Aboriginal Affairs; that is the important link between the political arm and the bureaucracy to implement the outcomes of the task force's work. The broader framework is the Victorian Indigenous affairs framework, which would be well known to members of the committee, which is a long-term strategy about overcoming the fundamental disadvantage experienced by the Aboriginal community.

We all know of the really appalling health outcomes for Aboriginal people in this state, where the average age of an Aboriginal person is 17 years less than for a non-Indigenous person, and we want to, through that ministerial task force and the key policy and strategic objectives of the Aboriginal Affairs framework, really work in a very systematic way to seek to make a difference in the lives of Aboriginal people.

On page 2 of the document there you will see the key outcomes that we are seeking to achieve: improve maternal health and early childhood health; literacy and numeracy — we know that if an Aboriginal young person is maintained in education to year 12 completion or the equivalent, their pathways going forward are infinitely improved. Preventing family violence and improving justice outcomes are self-evident — we know that Aboriginal people are incarcerated somewhere in the order of 14 times more than non-Indigenous people and their interactions with the criminal justice system often have a very negative outcome for them, so the sorts of initiatives that the Attorney-General has implemented — things like the Koori Court, alternative dispute resolution mechanisms — which try to divert people away from the criminal justice system, are obvious ones that we would all be seeking to support.

Building indigenous capacity in Aboriginal communities is in our view an absolutely fundamental thing and one with which the government is very committed to trying to support Aboriginal people both in their interactions with government and also within their own communities as well. Finally, Chair, the outcomes for Aboriginal people must be inextricably linked to land. The association between Aboriginal people and their land, what can be done on their land, who speaks for the land, who speaks for country, improved economic development outcomes for Aboriginal people would be self-evident, but again they are issues that we are trying to tackle in a systemic way. What underpins that of course are the achievements in 2007–08. All of those are pretty self-evident I think on the

third slide, 'Achievements in 2007–08'. And in the fourth slide we indicate what is our forward program for 2008–09. I will be happy to elaborate on any of those matters through question time.

That was very harsh, Chair; it was my first go at it.

The CHAIR — That is all right; we have only got 5 minutes, otherwise my colleagues would say, 'We've got 25 minutes for questions'. I note that in terms of your outputs and outcomes on page 194 — I know they are departmentally specific, but they do not really relate a whole lot to the strategic areas for action. Maybe that is something to look at.

Ms MUNT — Minister, can I refer you to page 292 of budget paper 3 and the initiatives listed there under 'Improving the Lives of Indigenous Victorians'. Can I ask you to please comment on why there is no reference in that list to funding for the stolen generations, and also what the government is doing to address the circumstances of the stolen generation, and what support was provided for the national apology?

Mr WYNNE — I had the honour of being able to go to Canberra to represent us at what was an extraordinary and historic day — the national apology to the Aboriginal people by Kevin Rudd, which was at the start of their term of government. It was an extraordinary day because we actually went there with a whole group of stolen generation Victorians. We assisted a whole group of I think in the order of 70 to 80 people, I am advised by Angela.

They went up to be part of the apology. As I say, I had the opportunity to be there. The night before, they had a function for many of the participants, members of the stolen generations from across Australia. I was a bit reluctant to go to this event, but I was very warmly welcomed not only by our own delegation but more broadly by the groups from across Australia.

There was an incredible sense of anticipation there on the night about how this event would go, and it was just a wonderful opportunity to meet with people. I remember meeting with this really, really old man who had come from way, way outback Western Australia, a tiny little Aboriginal man, very small, very frail — I think he was about 87 years old — and he stood there with tears in his eyes, and he said to me, 'I never thought I'd live to see this day'. That was incredibly powerful, just the sense in which people were saying that the government was prepared to acknowledge that a wrong had happened to them, and that on behalf of the broader body politic, our federal government — our national government — was prepared to say, 'We were wrong; you have been wronged, and we apologise for that, and we build a bridge and we move forward'. It was very powerful.

The next day was extraordinary. After the apology, there was this amazing — as I am sure you heard or saw — eruption of emotion; of grief, of joy, of tears, just this mixture in all of the Aboriginal people around me. It was extraordinary. It was an amazing moment to be there and to be involved with this. I have said before, sometimes when you change a government, you can change the nation, and I think the nation did change that day, and we turned a page. This was very important and very symbolic, and we have moved forward from there.

Just in relation to Stolen Generations Victoria, as you know we established Stolen Generations Victoria with funding of \$5.1 million over four years, and the Victorian group did a mighty job in Canberra. It was very difficult to hold together a group of people who have come with different sets of expectations about what might happen, bringing their grief with them. It was very, very difficult. But they did an absolutely fantastic job, and they are doing a great job here in Melbourne. They are working with the Public Record Office in tracing people's lineage, where people have come from, and on stolen wages. They are working on those sorts of initiatives, but they are doing things around practical reconciliation as well, things around grief, counselling, family support, Sorry Day activities — these are good things — and they are terrific on information and advocacy as well. As anyone who has been around Aboriginal communities and talked to them would know, the damage that has been done is incredibly profound, and Stolen Generations is doing a great job, I think, in helping to repair that. It was a great event and I had the honour of being able to represent us there.

Mr WELLS — Minister, how many staff do you have in your department? What is the staffing? How many are actually Aboriginal?

Mr WYNNE — How many are Aboriginal?

Mr WELLS — No, how many are in your department, and how many are actually Aboriginal?

Mr WYNNE — We have got 87 staff, and about 30 odd.

Mr WELLS — Thirty odd would be Aboriginal?

Mr WYNNE — Yes.

Mr WELLS — I refer to your handout with the prevention of family violence and child abuse, and I think it is about \$24.7 million that you are going to spend on that. How many indigenous rehabilitation centres are being funded and where are they situated?

Mr WYNNE — Indigenous rehabilitation centres?

Mr WELLS — In regards to specific family violence.

Mr WYNNE — Oh, the healing services?

Mr WELLS — Yes, the healing services.

Mr WYNNE — We have four services.

Sorry, could you just ask that question again? You asked it in a slightly convoluted way. Please say it again.

Mr WELLS — We are trying to get the terminology right, I think that is the issue. So the issue is family violence and child abuse, and there is a commitment of funds towards that. Are they the healing services that are directed to reducing family violence and child abuse?

Mr WYNNE — In part, yes, and in part, no. Some of this is around men's behaviour change programs, intensive case management for indigenous men and family violence outreach services. The healing centres have been largely based around dealing with issues around alcohol and obviously the other impact of that being family violence as well.

Mr WELLS — Where are the healing centres?

Mr WYNNE — Have you got the locations of those, Angela? You can answer that.

Ms JURJEVIC — One in East Gippsland at Lakes Entrance, one in northwest Melbourne, that is the Maya living free centre — —

Mr WYNNE — That is in Northcote.

Ms JURJEVIC — There is one being established at Rochester, and there is also another one at — —

Mr WYNNE — One in Ringwood.

Ms JURJEVIC — One in Ringwood, and there are also some time out services.

Mr WELLS — So the fourth healing centre is at Ringwood.

Ms JURJEVIC — It is eastern metro, at Ringwood.

Mr WELLS — So it is Ringwood, Lakes, Rochester and — —

Ms JURJEVIC — Lakes Entrance, Rochester and northwest Melbourne, and Maya in Thornbury.

Mr SCOTT — I refer the minister to page 194 of budget paper 3, and the output measures for Aboriginal affairs, and I ask the minister to comment on what the government is doing to improve the representational arrangements for Aboriginal people in Victoria.

Mr WYNNE — This is an initiative I picked up from Gavin Jennings, who spent a lot of time going around Victoria talking to Aboriginal communities about what they thought would be the most appropriate structure to have a conversation with government, and he developed what we call these local indigenous networks (LINS). He got funding of 10.8 million over four years, which was allocated from January 2006, to really build the

community capacity and a locally-based structure from which Aboriginal people could engage more broadly at a regional level but also a structure in which voices that might not often get heard through the Aboriginal community could be heard by government.

It has been very much a community up type of response. We are on track to have 16 new local indigenous networks (LINs) by the end of June this year, building on the 8; so it is 24 and we have another 16 to go. We are well and truly advanced in that work and I think this is an important initiative by us to build an alternative structure to be able to engage with Aboriginal people. I said 16; I should have said 14 — 14 to go.

If you think about the way that governments tend to talk to Aboriginal communities, we have a plethora of advisory structures. Many leaders in the Aboriginal communities spend half their lives running around talking to government. We think there is a possibility for us to have a further refinement in the way that meaningful and very much community-based engagement with Aboriginal people occurs. If you think about it, we have Aboriginal advisory committees in justice, in health and education. You name any portfolio and we have an Aboriginal advisory committee, and some poor soul has to go off and work their way around all of these structures. I am up for a discussion more broadly within government about how we can get a good structure in place which is very strongly engaged at the community level and actually refines down the consultative processes.

It begs the question of course of how the commonwealth in the future seeks to engage with Aboriginal communities in the light of there not being an ATSIC any longer. We will continue discussions with Jenny Macklin about how we are seeking to approach it, but the important thing about our LINs is unlike ATSIC they are not funded to provide services. We want them to be inclusive and anybody is encouraged to join and be a part of it. We want our LINs to be supported to achieve really the aspirations of their local communities. It is an important initiative and one that we are on target to achieve the outcomes that we agreed upon. If you do get in place a good community process and a good community voice, inevitably you will get better outcomes going forward for the Aboriginal community. So we think it is a good initiative.

Mr RICH-PHILLIPS — Minister, on the issue of Aboriginal unemployment, your department has acknowledged that Aboriginal unemployment is far higher than broader community unemployment. There is \$2 million going into an Aboriginal youth employment program with this budget. Can you tell the committee how you will select a service provider to roll out that program, and how you will assess the success of that program — i.e., recording the number of Aboriginal people that go into genuine private sector employment post their involvement in a government program.

Mr WYNNE — Your specific question is not within my portfolio area, but I would be very happy to talk to you about the broader employment strategies that we are engaged with. If you think about a place like Shepparton, where there is a very large Aboriginal population there. Rumbalara is a great community Aboriginal organisation there, with great leadership there of people like Paul Briggs who is recognised probably around Australia as being one of the great Aboriginal advocates around the place. I know Dr Sykes knows him well. By any measure they are a group of people having a red-hot go, and we support them. I was up there two Saturdays ago.

All I would say to you is look around the community there. How many Aboriginal kids have a job in Shepparton? The answer is may be a handful, and that is after all the work that has been done — the COAG process, the processes of our own government and the support that has gone in there. So we have to do things differently to achieve outcomes particularly for young people. Some of those, as you know, Mr Rich-Phillips, are about keeping kids in school and keeping them engaged in school. It is an absolutely fundamental, key proposition that we have supported through the Aboriginal framework. If you keep a kid in school to year 12, you have a prospect of holding on to them, getting them into training, getting them into employment and getting them into college, university or whatever. That is fundamental. The second aspect of it is for those kids who have dropped out of the system, how do you get them re-engaged? So you have to get those kids re-engaged as well.

I was up in Wodonga recently talking to one of the Aboriginal co-op's there, and they are having a terrific go at trying to get young kids who are in danger of dropping out of the school system into a bit of trade training, to say 'Hey, listen, come with us. Come and get involved in a bit of pre-apprenticeship training with us around the building industry, plumbing and construction and so forth', trying to hold those kids together, giving them a chance and being mentored by Aboriginal people, giving them the opportunity to say there is another way than basically

going down a destructive path. These sorts of interventions I think are incredibly important and really worth supporting going forward.

From our own point of view, our land and economic development program, which we may want to have some discussion about, is really trying to look at opportunities for strategic investment in Aboriginal-owned and run organisations where there is an opportunity for not only ongoing employment but in fact ongoing business opportunities. I would be happy to talk about that further if you want, because I know time is running out on us.

They are the sorts of interventions that are really going to make a difference, but it goes back to the core framework. And that core framework for young Aboriginal people is to give them the best start in life through the maternal and child health interventions, keep them engaged in school, keep them engaged in school to year 12, give them the opportunities of employment and training outcomes, and that investment is going to succeed over time.

Mr RICH-PHILLIPS — Just quickly, Minister, on page 292 of budget paper 3 there is a list of the whole-of-government Aboriginal programs. Could you just let us know which ones you are responsible for versus other ministers?

Mr WYNNE — We will just quickly scan our way through those and tell you which ones are ours.

The CHAIR — These are the output initiatives which are government-wide.

Mr WYNNE — The indigenous leadership strategy — 0.4, the last one — that is us.

Mr RICH-PHILLIPS — All the rest are other ministers?

Mr WYNNE — Yes.

The CHAIR — Which almost goes back to my original comment, which was that the outputs of your department relate only a very little bit to the strategic areas, which of course are government-wide.

Mr WYNNE — Yes, it is a broader, whole-of-government framework.

The CHAIR — I guess it raises the question: are we handling it right, in terms of looking at outcomes in the way we record them?

Mr WYNNE — We have clearly articulated what the broad frameworks are, and I indicated those earlier, Chair. They are signed onto by all the government ministers; we have the secretaries group engaged in that. As you know, we have to report every year on the outcomes, both the positives and the negatives, to the Parliament. It is a pretty significant discipline upon government.

Local Government Portfolio

The CHAIR — Minister, I call on you to give a brief presentation of no longer than 5 minutes on the more complex financial and performance information in regard to local government.

Mr WYNNE — I have a handout. I will only briefly touch upon this, given we have limited time, except to say it is a big year for local government.

Mr WELLS — What, there is more to be done?

Mr WYNNE — No, council elections, 79 of them, coming up at the end of the year, with four-year terms coming up. We will have hotly contested council elections, we hope, because we are very keen to encourage active democracy.

Mr BARBER — You should pay accordingly, Minister; you will get them hotly contested.

Mr WYNNE — I am very happy to talk about councillor remuneration, no difficulty at all.

The CHAIR — Minister, if you just — —

Mr WYNNE — Chair, I am under severe provocation here.

The CHAIR — I know; just ignore it.

Mr WYNNE — We had a great meeting of pretty much all the mayors and CEOs last week. We came together to talk about strategic directions going forward for local government. That was an excellent meeting, where we signed the Victorian State-Local Government Agreement, an historic agreement which spells out the mutual responsibilities of state and local government, and which is very strongly supported.

All of us are great friends of public libraries. I had the opportunity to attend out in Broadmeadows, in the Premier's electorate, at the Hume Global Learning Village the launch of the Premier's Reading Challenge Book Fund, which is \$6 million over four years. What a great program this is, what a huge success, getting kids to read — it is unbeatable. It is a fantastic outcome that has really taken off. I am sure that any of you who have young kids — or those who are still on the way down that path — would know how they are engaged. It will be a cracker opportunity for young kids to really engage in the imagination of reading.

It is worth pointing out, Chair, that it was only in 2003 that Broadmeadows got a library — it is extraordinary — but it is a fantastic facility and beautifully located. It has everything you could want there — community access and internet. It is a wonderful library with great lending facilities. It is just a sensational place.

We saw another 10 libraries either replaced or newly built at Kyneton, Caroline Springs, Geelong West, Romsey, Craigieburn, Frankston — right across Victoria. The libraries program has \$30 million in recurrent funding in 2007–08 and \$31 million in 08–09. The introduction of wireless internet over two years has \$1 million, which will be really very much welcome, not only by libraries but also by neighbourhood houses. There is a \$1 million program to monitor access by people to the internet services at libraries. That is all good stuff.

On neighbourhood houses, I know everyone is a fan of neighbourhood houses. Last week I was out at the Jika Jika neighbourhood house in Northcote, where we celebrated Neighbourhood House Week. Again, this has been a good record by the government in terms of the increase in support to neighbourhood houses over successive years. Most if not all our neighbourhood houses are receiving a staffing subsidy. There is still a small handful — —

Dr SYKES — There were 30 unfunded; how many are there now?

Mr WYNNE — I will give you the answer to that when I have finished my presentation. It is not 30 unfunded. We funded another 10 in the last round for a small staffing component, but significant capital works and disability access to many of our neighbourhood houses. Going to the point by Cr Barber on councillors' allowances, we have had an independent panel process.

Mr BARBER — Former Cr Barber.

Mr WYNNE — Former Cr Barber.

Mr BARBER — What has led you to councillor?

The CHAIR — I think you have used your 5 minutes up, Minister.

Mr WYNNE — I said former councillor — former Cr Barber, on councillors allowances and the independent panel process we have come up with a good, I think a reasonable set of remuneration packages and supports to councillors, and a better local governance discussion paper, that you are well aware of. That went out for broad community consultation. That goes to dealing with some key questions around clarifying for councillors conflicts of interest, trying to deal with those issues, certainly dealing with issues around disputes between councillors, trying to deal with those at a local level wherever possible, recognising and respecting the autonomy of local government, and where they cannot be dealt with there they will be potentially go to VCAT.

We will have two tranches of legislation going into the Parliament this year. The first will be in the next couple of months, around some electoral reform matters, and the second will be around the good governance aspects. So we will need to put two tranches into the Parliament, and the Parliament will deal with that accordingly. The Best Value Commission has completed its work. That has been now integrated very much into the day-to-day operations of local government. We thank the Best Value Commission for its work there.

We have \$4.7 million for a councils reforming business package, which I spoke about and which I am happy to speak about in detail if we get some time today; and, finally, community planning, which has got to be in my view an integral part of the way that local government conducts its business going forward.

The CHAIR — Thank you, minister.

Mr NOONAN — Minister, it will be worth for the councils' benefit your elaborating on the councils reforming business, the 4.7 million over 2 years — I think you are projecting year 1 this year — and talking about what outcomes are expected through that particular allocation?

Mr WYNNE — This is, I think, a great initiative. It is one we are doing in partnership with the MAV. The first kick-off of it was in relation to affordable housing. We got together \$250 000 from housing and \$250 000 from local government to put together a package of \$500 000 to go out to local councils, to say, 'Let's move past the rhetoric about affordable housing and let's look for opportunities for some practical outcomes in terms of getting land rezoned and getting it back into the marketplace, offering it up to government as affordable housing opportunities'.

We got a terrific number of expressions of interest right across local government. It was quite a tough process. We got six councils involved: Darebin, Manningham, Maribyrnong, Surf Coast, Swan Hill and Wodonga — a broad sweep across metropolitan and regional Victoria. Already many of these councils have identified land that they own themselves, land that they may own in partnership with the state government, or indeed it might be private sector land that they want to see redeveloped to get better outcomes in terms of housing affordability going forward.

The key to this has been getting land rezoned. Once you have got the land rezoned you have moved into really a marketable proposition, whether it is with me as the Minister for Housing, whether it is more broadly with VicUrban, whether it is a joint venture project with the housing association — let us see how they come forward. But I think this is a terrific initiative and one that we will do more of if it is as successful as I think it will be.

The other area that I think is really very important is procurement. I think there are enormous opportunities in terms of unlocking the bulk-buying capacities of local government not only in Victoria but right up the east coast of Australia. If you think about the buying power of local government up the east coast, it is an enormous opportunity to garner the collective buying capacity and to offer real savings back to local governments where they can reinvest those savings back into social or physical infrastructure on behalf of their councils.

We are very keen to pursue that much further with the MAV. Local laws — inconsistency of local laws is a huge bugbear for business. So we are going to do a lot more work in this area, again with local government, to try to straighten out inconsistencies in local laws. This will be, I think, of significant benefit — and also the greater use of shared services. I think they are an important opportunity for us, particularly where you have small, rural

municipalities and a larger council close by. What are the opportunities for shared service outcomes to the benefit of both organisations and indeed the communities they serve? So there is a good agenda going forward, a good amount of money in there, with I think potentially some very good practical outcomes.

The CHAIR — Thank you, Minister.

Mr DALLA-RIVA — Minister, in your presentation to the Public Accounts and Estimates Committee you outline your 2007–08 achievements in that you mention ensuring local government partnerships with the Victorian state-local government agreement signed. You then go on to some of the other achievements — ‘Empowered local residents and communities’ — and that is about community planning.

Mr WYNNE — Yes.

Mr DALLA-RIVA — You then move on to the forward estimates period, for which you have listed seven priorities. I will not read them all out, but two of them bring note to my question. They are: ‘Joined up government’ — that is obviously the continuation of the agreement that I outlined earlier, and the implementation. The other one is, ‘Empowered local residents and communities’, again along the same lines of community planning.

Given that you are an advocate for those particular issues and they are your priorities moving forward, how do you see that local government, now having had its powers stripped in local planning decisions, links up to your priorities into the next period? With that in mind, are there any financial implications in the budget moving forward in relation to the changing of heart, as it were, today from the Premier in relation to stripping the planning powers from local government?

The CHAIR — Insofar as it relates to your portfolio, Minister. It might be directed to the Minister for Planning who is to appear on Friday.

Mr WYNNE — I am very aware of the decision that the government has made in relation to activity centres. I support the decision. I think it is a good decision, because it is one that is about having a partnership between the state and local government.

Mr BARBER — Like when the mafia comes to your restaurant and says, ‘We are your new business partners’?

Ms MUNT — No, not like that at all.

The CHAIR — Minister, you can answer insofar as it relates to your portfolio in terms of the question on community planning and council-state government agreement.

Mr WYNNE — If you look carefully at the decision-making process, councils will be responsible for the development overlays in their principal activity centres. It will be their business; it will be their business to put in place the structure plans. It will be their business to decide what are the community aspirations for those 26 principal activity centres. I want to reiterate, as the Minister for Planning has done, that there will be no diminution of third-party appeal rights.

Once the structure plan is put in place — and there is the whole process around how all that occurs — then, as the applications come through the system for developments to occur within those principal activity centres, you will have a development approval committee (DAC), which is made up of two state government, two local authority representatives and an independent chair to deal with those matters. It strikes me that this is quite a sensible and streamlined way to deal with applications within the broad structure plan that has been resolved by the council.

I have to say, Mr Dalla-Riva, that I do not accept the assumption that you make that it is stripping away rights of communities to have a say. Communities will have absolutely a say in the structure planning process. It is a long and involved structure planning process, as you know very well. The councils will decide on the basis within the structure plan of where third-party appeal rights will be. Through that process it will be the council, and there will be no diminution in the capacity of third-party rights.

Mr DALLA-RIVA — Just as a follow-up — —

The CHAIR — Insofar as it relates to the minister's portfolio.

Mr DALLA-RIVA — It does. Part of these new committees, will they have the responsibility for planning — —

The CHAIR — I think it is actually outside the minister's portfolio.

Mr DALLA-RIVA — I just want to know — —

The CHAIR — Insofar as it relates to his portfolio, I am happy for that.

Mr DALLA-RIVA — He just mentioned it. I want to know if there is any financial impost in terms of the establishment of those committees. If they are not within his portfolio, that is fine.

Mr WYNNE — They are not within my portfolio.

Mr DALLA-RIVA — Thank you very much.

Mr WYNNE — It is a matter for the Minister for Planning. But in broad terms — —

Mr DALLA-RIVA — There is a financial impact, but thank you. We are here for the forward estimates apparently.

The CHAIR — I do not think the minister commented on the financial impact one way or another.

Mr WYNNE — Let us be clear, Mr Dalla-Riva, you have asked me the question. I said it is not within my portfolio responsibility.

Mr DALLA-RIVA — No, I understand that. The Chair is sort of holding me up when I am asking about the cost that is going to be to the government. I do not need to be stepped on, I just want to know whether it was.

The CHAIR — We will ask the planning minister on Friday.

Mr DALLA-RIVA — If we cannot ask about the forward estimates, why are we here?

The CHAIR — We can, but we ask the ministers in respect of their portfolios.

Mr PAKULA — Minister, there has already been some commentary during the hearing about councillors' remuneration. I want to ask about councillors' conduct, particularly bearing in mind page 21 of budget paper 3, the output measures on local government. What is the government doing over the budget period to include local councillor conduct?

Mr WYNNE — As you go around local government and talk to people, the vast majority of local government councillors are professional, conduct themselves in a proper and appropriate fashion — the vast majority. From time to time, you will get circumstances of conflict and inappropriate behaviours. There is a big difference between, in my view, robust debate as we ought to have in a democracy and behaviours that are unacceptable — behaviours of bullying, standing over, that sort of behaviour that is particularly unacceptable. I know in talking to a range of women councillors, they have said this sort of behaviour is not a space that they want to be in and something needs to be done about it.

All of the councils have got in place principles of good governance and behaviours, but it is a difficult situation for a council to govern itself around some of these conflicts. Certainly in developing the good governance paper, we were very cognisant of trying to put together a proposition that would be helpful to local government when you get into these conflictual situations.

Our first priority was to say, 'Right, when you get into a conflict that you cannot actually resolve between yourselves, we will bring in some outside support for you' — that is, some outside mediation, some experienced people who have been involved in the local government sector, drawn from a list agreed by the MAV and the VLGA of people who are good at this sort of work, who can come in and assist the council in trying to resolve these matters and offer suggested outcomes for them, whether it be mediation, some counselling, whatever is required to try to resolve it at the local level.

I hope this is in a very rare number of cases. If that cannot be resolved at the local level, then of course the potential will be there in the legislation which the house will debate an opportunity for this to be elevated to the next level, which will be VCAT. What potentially attends to that is penalties that would be engaged in that, including suspension. People have the right to natural justice and the capacity to be represented and heard through the whole process, but at the end of the day, it is trying to put in place something that is broadly supported by the local government sector.

I would indicate to the committee that thus far, the advice I have received across the sector is people welcome this intervention, they think it is a useful tool to be used and one that hopefully will get passage through the Parliament obviously prior to the elections, which will set in place a framework going forward for local government.

Mr BARBER — I think it will be a lot stronger than the framework that applies to MPs, for example.

On the general subject, then, and it is to do with another matter that you are legislating or hoping to move forward on, that is, the Winky Pop case — I had to be the first guy to say that in *Hansard*! — in terms of this coming budget year, are there any particular activities that your department needs to undertake to clarify matters there; is it a case of providing information out to councils; and will you be able to achieve that, I suppose, before the elections come around, which is quite a crucial period?

Mr WYNNE — For those who are unaware of the Winky Pop decision, this was a decision of Justice Kaye in the Supreme Court on 16 November regarding an application pertaining to an applicant at Hobsons Bay council which reflected on the conflict of interest and natural justice obligations of councillors. It was an interesting decision. In effect Justice Kaye's decision, in lay language, was that the council denied the applicant natural justice in that the councillors were implacably opposed to a particular development proposal and therefore were not even prepared to really hear that there might be an alternative proposition — that, in effect, their minds were closed to any alternative proposition — and that that —

Dr SYKES — That is like the decommissioning of Lake Mokoan — I got it in!

Mr WYNNE — The decision noted that the appropriate test was whether the councillors' views were so demonstrably fixed that they were not open to being dislodged by reason or argument. That is at the core of the decision, and in fact the council's decision was overturned, which is famously now called the Winky Pop decision.

The potential implication of this was that if somebody seeks to stand for local government and they are standing on a particular ticket, hypothetically in opposition to a major development, and subsequently that development comes along and it is dealt with by the council, is that councillor then Winky Popped by that decision, because they are implacably opposed to this development? We have taken advice from the Victorian Government Solicitor in relation to this matter. He is obviously considering the implications of the Winky Pop decision, and if there is any further advice we need to provide to local government about that, we will do so in due course. But it is a most interesting decision.

The CHAIR — So do you provide a lot of assistance, or just a Wee Willie Winkie bit?

Mr PAKULA — Why is it called Winky Pop?

Mr WYNNE — Winky Pop was the applicant. It is Winky Pop Pty Ltd.

The CHAIR — Minister, I have just a couple of quick questions before we wind up. You mentioned neighbourhood houses. Most of us have some in our areas. I know a lot has been done, and you mentioned this in your presentation material. What are you going to do next year and the out years?

Mr WYNNE — I have always looked forward to your support on these matters, Chair. The current funding for 2008–09 is \$19.3 million. That is a huge increase; that is a threefold increase since we came to government. In January, as I indicated, 11 neighbourhood houses were added to the neighbourhood house coordination program to receive growth recurrent funding. That was a good start for them. In 2007, 29 houses received the one-off capacity grants — small amounts of about \$3000 to \$3500 — to continue to provide community based activities. Through our recently released *A Fairer Victoria*, \$17.4 million is available for the improvements to the infrastructure as part of our modernising neighbourhood house program.

These are good initiatives, and we think going forward the neighbourhood house sector is in very good shape. They want more funds to get their staffing levels up from pretty much the base funding received by some of those initial 11 that we brought on. We will continue to advocate, of course, for neighbourhood houses within the broader state budget policy settings, and I look forward to your continued support for neighbourhood houses.

The CHAIR — I am sure you have my continued support and Dr Sykes's continued support.

Dr SYKES — This was a toss-up: whether I ask a question about Lake Mokoan, the Food Bowl Alliance or the impoverished state of a number of country councils. I will go with the country councils one.

Mr WYNNE — Yes, do, that is a good one.

Dr SYKES — Within the context of the budget, there was a recent Auditor-General's report that identified a number of councils of questionable sustainability.

The CHAIR — Three.

Dr SYKES — But there were 21 all up that were at risk. I know that in addition to the Auditor-General identifying that, both the MAV and the VFF have expressed concerns, as have we politically. Locally, for example, at Benalla our rates are going up 8 or 9 per cent each year, and they will go up for five years. That means a 50 or 60 per cent increase in rates, and in our case it is in a community where one-third of the people have household incomes of less than 25 000 and are having difficulty in funding it; and that applies also to Strathbogie, Mansfield et cetera. What have you got in mind to address that untenable situation that confronts a number of councils out there?

Mr WYNNE — It is an excellent question, Dr Sykes. I talked about this in some detail at our local government forum last week, and I hope you got some positive feedback from your councils about that.

The Auditor-General identified three councils — Colac Otway, Central Goldfields and Moorabool. In fact the cabinet was at Central Goldfields yesterday, and we talked with the mayor and councillors and the senior administration there. The total rate budget of Central Goldfields is 5 million. The council in my area, the City of Yarra, would probably get that, and more, in parking fines, I suspect. This is a huge problem.

As you rightly identified, there are 21 councils that have been identified in Victoria that are in some financial strain. The answer to this is we have to change the conversation with the commonwealth government. They are the key funders of local government through financial assistance grants, both tied and untied. As you know, there has been a gradual erosion of financial assistance grants over the last decade or so, from 1 per cent of commonwealth taxable down to 0.6. That means for Victoria alone, \$200 million a year. That is a big amount of money that you could start to be redirecting into the sheer sustainability of those small local councils. If you think about them — the Moorabools, the Colac Otways and some of those small councils up in further north, through the Wimmera and so forth — —

Dr SYKES — You have got Strathbogie, Benalla, Mansfield and Alpine.

Mr WYNNE — Many of them have declining populations. Some of them are going through very harsh economic times with limited capacity to raise rates. You have got to have a different conversation, and that conversation has got to be changing the way that financial assistance grants are allocated to local government. We have got to change, in my view, both the quantum and the formula, because the formula is not picking up the systemic problem of those small local councils.

You cannot be in a situation where you have got a council that is reliant, long term, for survival on more than 50 per cent, sometimes 55 per cent, of its income coming in from commonwealth and states grants, because their capacity to raise funds is just not there from the rates.

Dr SYKES — You would be aware that The Nationals have a policy of using a percentage of the GST to go direct to councils, à la the federal Roads to Recovery funds?

Mr WYNNE — Yes. Of course that is not even going to the question of road funding; that is a whole separate issue of its own.

Dr SYKES — But that would actually be within the state control by some agreement between the state and the commonwealth. Again we get back to the agreement of targeting the 21 most in need. Whatever system you come up with, they need more money otherwise there are going to be serious problems.

Mr WYNNE — Indeed, as you know it is not a Victorian problem alone; it is a national problem. Every state is confronting this sustainability question. You would be aware, I am sure, the announcement that Ken Henry is going to be undertaking significant work in this area around the whole financial assistance arrangements. Of the two areas that they have annexed off, one is the GST. I think there was one other area; I have just forgotten it. Certainly the GST is annexed off from any — —

The CHAIR — There is superannuation for people over 65 or 60 as well.

Mr WYNNE — Superannuation for people over 60, so they are the two areas that are annexed off, so hold no hope for GST.

Dr SYKES — Just send us the money, send us the cheque and we will — —

The CHAIR — You will find that Victoria passes on more than other states do in terms of grants.

Mr WYNNE — I have already raised this in a ministerial council meeting with Anthony Albanese, the federal minister. I said, ‘In this debate we want to be right with you in terms of finding another way of dealing with the sustainability of small councils, because they cannot go on like this’.

Dr SYKES — But you have also got to stop the ongoing cost shifting á la the weed control, where 20 million is coming to DPI and DSE and councils, but the cost of weed control for councils is going to be more than that, so you have got to avoid that continuation of cost shifting as well.

The CHAIR — Are you suggesting amalgamation?

Dr SYKES — I would leave that to this courageous and politically astute government to address those sorts of issues.

The CHAIR — I thought Pat might have given you a bit of advice!

Dr SYKES — No; I will just ask the cashed-up government to look favourably.

The CHAIR — That concludes the consideration of the budget estimates for the portfolios of housing and Aboriginal Affairs and local government. I thank the minister and departmental officers for attending today. The committee has a couple of issues to follow up with you, and maybe some other questions will be forwarded to you in writing at a later date. The committee requests that responses to these matters be done within 30 days. Thank you, Minister.

Mr WYNNE — Thank you very much.

Committee adjourned.

Transcript of evidence

8.2 Community Development portfolio

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2008–09

Melbourne — 22 May 2008

Members

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

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

Staff

Executive Officer: Ms V. Cheong

Witnesses

Mr P. Batchelor, Minister for Community Development,
Ms G. Myles, Deputy Secretary,
Mr D. Ferrie, Executive Director, community Programs, and
Mr S. Gregory, Chief Financial Officer, Department of Planning and Community Development.

The CHAIR — I thank the Minister and on behalf of the committee I welcome to the table Gillian Miles, deputy secretary, DPCD; Damian Ferrie, executive director community programs; and Steven Gregory, chief financial officer. I call the minister to give a presentation of no more than 10 minutes — it can be shorter if you like — on the community development portfolio.

Mr BATCHELOR — I am happy to negotiate the length of the presentation if the mark of the time I save means that we can go home earlier, otherwise I am not in the mood.

The CHAIR — We are already about 5 minutes behind time, you see, and I know my colleagues would like to quiz you for as long as possible.

Overheads shown.

Mr BATCHELOR — What I want to do is to give you a presentation today for a brief 10 minutes on A Fairer Victoria, then on the things we are doing to move forward, particularly in relation to place-based investment, volunteering, community enterprise, financial inclusion, the Victorian government action plan and the Community Support Fund.

On A Fairer Victoria, this year was the fourth occasion on which we used this budget statement to really address mechanisms and have policies for introducing fairness to reduce disadvantage and create opportunities. There were four key priority areas in A Fairer Victoria this year. The first of those was getting the best start in life, and we have allocated \$163 million out of the \$1 billion investment in new initiatives. And under this theme of getting the best start in life we are trying to strengthen the maternal and child health services to expand our capacity to support the growth in births that Victoria is experiencing. You will have heard the Treasurer talk about this being a budget for babies.

We are also providing another \$29 million to provide 1000 early childhood intervention service places to assist children who have a disability or a developmental delay, and that helps us support an additional 150 children with a disability to attend preschool. Twenty-four million dollars has been provided to continue our family violence reforms with a stronger emphasis on prevention, particularly in those communities experiencing high levels of violence.

Our second priority area in A Fairer Victoria was improving education and helping people get into work. We are spending some \$218 million there, \$71 million of it supports our school reforms, including the appointment of 67 school improvement leader positions, so that is one for each of the school networks that exist. This is really designed to lift performance in schools right across the state. We have \$33 million to expand support for students who require additional assistance, whether it is helping children with a disability or a behaviour-related issue, or those who have a specific learning issue. We have \$22 million for our literacy improvement teams. You would understand the theory and policy driver behind these is the best start in life; helping children at the preschool stage helps them progress through their journey at school. By helping those who are at greatest risk and need extra assistance at school, you help them become much more job-ready.

Our third priority area was improving health and wellbeing, and nearly \$400 million has been designated for this, the largest area of A Fairer Victoria. There is 233 for improved disability services and outcomes. There has been a big focus of \$20 million to reduce the burden of chronic disease. Chronic disease is disproportionately carried by those communities that are disadvantaged. We are also maintaining our long-term commitment to tackling mental illness with a further \$76 million has been provided there to provide ongoing social support for people with mental illness. The simple subtext again in this area of A Fairer Victoria is that if people are chronically ill, they cannot get a job or they cannot hold one down, and as we know, and as I have said on many occasions, the best way of helping someone is to actually get them job-ready and help them keep a job. If you do that you are able to lift them into a lifetime journey of improvement, rather than providing them with a bit of emergency relief or something that is typified by the traditional handout process in the welfare state.

The fourth priority area is developing livable communities. We want to provide some more generous concessions, which include an increase of 15 per cent in the cap on water and sewerage concessions and some extra assistance for those who have multiple sclerosis. In terms of livability, we are also providing some \$29 million to attack homelessness and to assist housing services.

That is the context of our overall budget initiatives. There are a couple of areas I want to place a bit more emphasis, and that goes to place-based investments. We have a number of streams of departmental activity and spending initiatives that direct money towards those places that have greatest disadvantage. We are undertaking a number of initiatives to further continue that work in community renewal, community building initiatives and transport connections in particular, which are all focused at areas of disadvantage or, in the case of our transport connections, on those parts of the community that are transport asset poor, trying to work with communities to improve them.

Dr SYKES — Does that mean they do not have a car?

Mr BATCHELOR — No, we do not provide cars. It means that they are — —

Dr SYKES — I was just clarifying what ‘transport asset poor’ is. That sounded like jargon. Can you just translate it?

Mr BATCHELOR — They do not have much public transport.

Mr BARBER — It is everybody, then.

Dr SYKES — Everyone in country Victoria.

The CHAIR — Minister, you are just about running out of time.

Mr BATCHELOR — I will skip to the first overhead on the Community Support Fund. This is the explanation of the use of the Community Support Fund in the last financial year. In understanding this, it is important to understand that the Community Support Fund was established under the Gambling Regulation Act. It is operated in the public account. Cabinet determines the allocation funding to departments for initiatives that are consistent with the legislation. The legislation sets out what it is to be spent on, and we make sure that it fits in with those statutory requirements.

A series of programs are delivered by the appropriate departments — for example, the Victorian community support grants, which you can see there, are administered by the Department of Planning and Community Development, but the other initiatives, including gambling services, are administered through the Department of Justice. There are other community services and grants programs administered by the relevant departments, so the Minister for the Arts, through the Department of Premier and Cabinet, and other relevant departments administer those.

If you go to the next overhead, that outlines what we propose to do with the expenditure in the year ahead in terms of the programs that are in place to utilise the funds available through the Community Support Fund.

Ms MUNT — At the end of your presentation, Minister, you briefly touched on the Community Support Fund. I was wondering if you could tell me what effect the announced changes that will be put in place for Victoria’s gaming industry post-2012 will have on the Community Support Fund?

Mr BATCHELOR — As you would know, the government recently announced a reform to the structure of the gaming industry. That is to take place past 2012, and a number of changes are going to be introduced. But as to the amount of money, in my areas of responsibility they relate to the Community Support Fund. It is anticipated that they will be more or less the same — that is, approximately 8.33 per cent. Within this context, however, we are intending to review how the Community Support Fund operates post 2012 in a similar way to the way the review has been undertaken of how the gaming industry, which triggers the revenue flow for the Community Support Fund, will operate.

There is no doubt that the Community Support Fund will continue to operate in one form or another. Why I am confident about that is because of the role that the Community Support Fund has played in assisting communities in a whole range of areas and the very wide support that it has got in the community as a whole. But we are proposing to undertake a review during the course of this year.

Mr RICH-PHILLIPS — Minister, I would like to ask you about the no-interest loan scheme. Last year you indicated that additional funding had been provided for the next four years, and you were targeting 4000 loans under that scheme per annum. Can you tell the committee how many loans will be provided in 07–08 under the

scheme, what is the average size of the loans given under the scheme, and what type of default rates have been experienced under that scheme?

Mr BATCHELOR — The government committed \$4.7 million over four years to the NIL scheme — the no-interest loan scheme. That applies right across Victoria, it is undertaken or assisted by some community organisations. There are about just over 30 of those. We help them to deliver their skills and organisational capabilities to deliver the NILS to low-income people.

The program is delivered in partnership with the Good Shepherd Youth and Family Services Organisation and the National Australia Bank, and the NAB is providing \$3.3 million in loan capital. The expanded scheme will increase the number of providers from 41 to 77 and the number of loans from 850 to 4000 over four years. The average loan works out to be about \$1000, and to date the repayment rate has been about 98 per cent.

Since the announcement in July 2006 the expansion has established 18 additional providers; we do not provide it ourselves. It has established some specialist programs in relation to domestic violence and young carers, and it has provided a website, which we hope is more accessible with the information that it provides not only to individuals but to community organisations. We have provided loan capital to organisations up to the value of about \$2.6 million, so far.

It is a small scheme that is really designed to help individuals who are doing it tough. But the success in terms of getting the repayments through comes from the fact that it is undertaken with the support of a case management approach to the management of the issues through Good Shepherd. You just do not rock up, put a case and get an amount of money and that is the end of it; they try to provide some help and assistance with a form of financial counselling and ongoing support. It is, if you like, a tool Good Shepherd uses to provide support and assistance to help people over time. It provides an access or a pathway to giving people a confidence to seek that.

Mr RICH-PHILLIPS — How much has the scheme expanded towards your target of 4000 loans that you set a year ago?

Mr BATCHELOR — I have not got the — —

Dr SYKES — I know it is coming to Benalla, so I welcome that.

Mr RICH-PHILLIPS — Is that a target: that you will have 4000 in four years' time? Or is that 4000 every year?

Mr BATCHELOR — No, it is over the four years.

Mr RICH-PHILLIPS — Growing from 850 to 4000?

Mr BATCHELOR — To 4000, yes.

Mr RICH-PHILLIPS — Will you get, perhaps on notice, how you have progressed on that?

Mr BATCHELOR — Yes.

Mr SCOTT — Minister, I would like to refer to the presentation and the summary you gave of the A Fairer Victoria 2008 statement. What will the impact be of the commonwealth social inclusion agenda on the Victorian government's A Fairer Victoria framework and on the community development portfolio over the budget period?

Mr BATCHELOR — We have, if you like, led the development of this social inclusion agenda, and particularly through A Fairer Victoria. We are trying to get other jurisdictions to take it up, including the commonwealth. South Australia is very well advanced in the social inclusion agenda, and the new commonwealth government has placed a new emphasis on the sorts of activities that we undertake here in Victoria. They are calling it social inclusion; we are calling it A Fairer Victoria.

Essentially it seeks to have the same sorts of objectives. We are trying to get the commonwealth to join in with initiatives that we undertake or to lead in areas of similar concern, particularly in place-based activities. My departmental officers have met with the newly-established inclusion unit which has been set up in the office of the

Deputy Prime Minister, and I have met with the parliamentary secretary to try to work through how we might work collaboratively. Our priorities in A Fairer Victoria this year that I have set out are the sorts of policy initiatives that the commonwealth is interested in. It is interested in early years development; it is interested in addressing place-based disadvantage.

It, and particularly the Prime Minister, has placed a strong emphasis on homelessness and employment assistance, and we think it is in line with our policy; that is, getting the best start in life, helping people get job-ready. A number of initiatives that we have included in this year's budget, we believe, will be the sorts of things that the commonwealth might like to mimic and try to implement as well.

Also we have got some programs, like our community enterprises, which we think are very good in terms of providing employment opportunities to particular disadvantaged groups — migrant women, youth, refugee communities — and we would like the commonwealth to be much more active in this process. Again, it is based on our philosophy of: if you can help someone to get a job. Here we are helping people to start a business, and that is much more enduring for them as an individual not only financially but in helping them to be much more socially engaged and active.

The establishment of our Office for the Community Sector, which will be set up within the Department of Planning and Community Development in Victoria, should provide us with an access point for close collaboration, and hopefully from the commonwealth's point of view, the expansion of its social inclusion agenda.

Dr SYKES — My question relates to the Community Support Fund and the estimated expenditure coming up for 2008–09 of 108 million. What percentage of that 108 million will go to what I would describe as on-the-ground works versus going to departments to recoup the expenses involved in the management of these funds?

I will give you a couple of examples — not related to your portfolio. We had the funding of Craig's Hut reconstruction after the fires. The grant was in the order of \$300 000. Of that, 46 000 went back to the DSE for its input into the reconstruction of Craig's Hut. Similarly with the fox bounty there was \$1 million allocated; 600 000 was distributed as bounty and 400 000 went back to the department for various costs.

Mr BARBER — Are you saying that the fox bounty came out of the CSF?

Dr SYKES — No, I am giving you an example of where there was money announced — I said at the start that it was not the minister's portfolio.

The CHAIR — The minister can only answer in respect of his portfolio and the estimates.

Dr SYKES — I have just given him a couple of examples, and now I am asking him — —

The CHAIR — Can you get on with it!

Dr SYKES — If you want to keep talking about the fox bounty — —

The CHAIR — You are a serial offender.

Mr BATCHELOR — Just go ahead with it, Bill; don't let them put you off.

Dr SYKES — Minister, under pressure of distraction, my question is: how much of the 108 goes to on-the-ground works and how much goes back to departments to cover various costs involved in the administration of the fund?

Mr BATCHELOR — This is a particularly relevant and important question because almost all of it — —

Ms MUNT — You have finally had one — a relevant and important question!

Mr BATCHELOR — Leave him alone.

The CHAIR — Minister, your answer, please.

Dr SYKES — I am mortally offended.

Mr BATCHELOR — It is terrible, I have got to defend The Nationals!

Dr SYKES — Strange bedfellows, Minister.

Mr BATCHELOR — That is right. In terms of the Community Support Fund I cannot answer for the fox bounty and the other examples you gave.

Dr SYKES — We will get onto the scent of that; that is all right.

Mr BATCHELOR — In terms of the Community Support Fund, almost all of it goes to projects; very little of it is retained for administration. In fact \$105.4 million was spent on programs and only 2.2 was retained for administration. We need to have money retained for administration not only so that we can evaluate programs and choose the best ones but also to make sure that the money is spent on the sorts of initiatives that it is claimed for, but you can see that it is a small amount. We call for applications; we have got to assess and monitor them.

They come from community organisations who need some help in preparing grant applications, and we try to assist them. We try to give out as much of the money as we can. We do not want the nature of community organisations to be a barrier to being successful in the grants. There are other administrative costs — overheads that have got to be met — but overwhelmingly the vast amount of the program funding gets spent on on-the-ground activities, as you call them.

Dr SYKES — A good answer to an important question.

Mr NOONAN — I guess my question has some relevance to Dr Sykes' question. It concerns page 201 of budget paper 3 which talks about the establishment of the Office for the Community Sector. I wonder if you could advise the committee what the proposed functions of that office will be and the rationale for the investment.

Mr BATCHELOR — The relationship of this department to community organisations is different, say, from the relationship between community organisations and the Department of Human Services, where they have entered into a contractual arrangement. We see the Department of Planning and Community Development, if you like, as being a bit of a champion of community organisations — we are on their side, if you like. We do that because we think community organisations are an important part of our civil society and of our economy. If you just look at what community organisations do for the delivery of government services, and we pay them to deliver services. They are currently delivering about \$2 billion worth of services or about 5 per cent of the state budget. They make a significant economic contribution.

We have undertaken some dialogue with the community sector to try and make sure that they are better equipped and have a larger capacity to deal with that responsibility and to do that in an efficient manner. One of the initiatives that has arisen out of our response to the review undertaken by Allan Fels, the stronger community organisations project, has been to set up the Office for the Community Sector, which will be placed within the Department of Planning and Community Development.

That is just one of a series of 25 action plans that will form our response to that review by Allan Fels and a review by the State Services Authority. They are designed to reduce red tape, to provide capability framework for their workforce, to provide and strengthen and make more sustainable the organisations themselves, to develop leadership skills and management requirements, all from the point of view of taking the existing community framework and making them better able to deal with their responsibilities.

They will range from, as I said, the establishment of the Office for the Community Sector to seeing if they want to set up a new peak body organisation to better represent their views, to providing leadership and governance training for local boards. It is designed to try to help not only the very big organisations like the Brotherhood of St Laurence or the peak organisations like VCOSS but also the little local sporting clubs and surf rescue organisations and all of those very local organisations that really keep our community well glued together and active.

We see the role of helping them in an institutional and an organisational way as being very important. This idea came out of that dialogue with community organisations, where they recognised that they are increasingly having more complex tasks asked of them, entering into longstanding contractual arrangements to deliver service, and understood they needed to be able to improve their management and organisational skills.

The other issue that they raised was attracting and retaining staff. In an economy where things are moving along strongly, in the community sector there is not the capacity to pay the higher wage rates as do other organisations, so we are looking at how we might set in place some arrangements to encourage people, their having learnt skills for that sector, to stay employed there. The proposals ranged from helping organisations to understand what their capability requirements are through to simple things like providing career path opportunities by allowing people to move from one organisation to another, either by formal exchange programs or through providing some form of portable long-service leave.

This action plan, which is the government's response to those two reviews, will be coordinated and delivered by the Office for the Community Sector.

The CHAIR — Thank you very much, that is very interesting.

Mr BARBER — Minister, the flexible transport solutions grants are shown as a discontinued output in the budget papers, and there are a declining number of grants there down to its last year.

Mr BATCHELOR — What page are you on?

Mr BARBER — I am on page 446 of BP3. What it seems to be replaced with, on page 200, is the same measure but now it is only saying 100 per cent of grants — which does not tell me anything; they might have been one grant. Is this program actually being discontinued; if so, why?

The CHAIR — It says this particular program is finished.

Mr BARBER — And in general terms, what is the program for transport? People do not have a community when they cannot get anywhere.

Mr BATCHELOR — That is right. We have a program that we are funding called Transport Connections, which is a program where we provide assistance to mostly their country municipalities and where we provide funding to the council to employ a transport coordinator. Their role is to undertake a number of activities over a four-year period. Typically they would start off doing an asset examination — an audit of existing transport assets — and then trying to work out what is the unmet demand in their communities. Remember, this is a community based response; it is not a full-scale route service provision mechanism, because that is provided by the Department of Transport. The community transport coordinator would work with the community organisations to try to match together these existing assets and, with volunteers and other organisations, to provide new and innovative local solutions. At almost every location they are entirely different.

There is an additional part of the funding stream, which you are referring to — the flexible transport solutions — which is now housed within what is now the Department of Transport. It just provides a pool of money so if they need some assistance in developing their local community idea, they can apply to the Department of Transport to fund it.

What sorts of outcomes do they achieve? In some areas they have got the bus company and the taxi operators to coordinate a trial of a sort of a new route service, so that they do not have to buy a new bus; they can use the underutilised taxi services during part of the day to effectively provide a small localised service in Timboon and Cobden so they can connect with the V/Line services.

In other areas they have made arrangements for TAFE students to use the existing school bus services. School buses have an extensive network across country Victoria, and many of them have capacity on them. Through negotiations with the parent community and the school community the local coordinators have been able to get other parties to get access to that spare capacity. So in Wellington shire, for example, they provide trips for senior citizens to go in and out of the major towns. In other areas they provide it for TAFE students.

In another area they have got the buses that might have been provided by a health service provider or a community health centre, and through the drawing together of volunteers they can provide local transport connections when the bus is not needed for health services. This was best brought home for me by a volunteer driver, because I asked him how he had got involved in it. He told me that he was at a local football match one day, when a policeman collared him and asked him how he had got there, and he thought he was in a bit of trouble. He said that he just drove himself each week. The policeman suggested, 'Why don't you get the community health centre's bus? You can

drive it, and any kids that do not have access to a car, or their parents cannot drive them, you can put them in the bus'.

It is those sorts of very little local initiatives that Transport Connections provides. But on some occasions it will provide a bit of financial assistance, and they are provided and assessed under the Flexible Transport Solutions initiative, which is housed within the Department of Transport.

Mr BARBER — There were 28 of them last year; 4 were expected in the previous financial year. Is it discontinued because the program is discontinued? I do not see anything popping up in the former Department of Infrastructure's outcomes.

Mr BATCHELOR — No. It is driven by requests that come from local communities. It is a pool of funds that will exist during the course of this program, and it is driven by the requests that come from those local teams.

Mr BARBER — What is the pool?

Mr BATCHELOR — It is about \$4 million, I think.

Mr BARBER — A year, and it is ongoing?

Mr BATCHELOR — It is about \$4 million over the life of the program.

The CHAIR — Thank you, Minister. Just talking about small local initiatives, you are allocating \$5.3 million to establish 12 local community foundations. I must admit we have established a community foundation in our area. It is called the Edge to give a bit of an edge to people living on the edge. It has helped 70 kids. It is in a neighbourhood renewal area. No doubt you have copied this from us, Minister, but how are you going to roll this one out, and what is the reason behind it?

Mr BATCHELOR — We have copied this idea from a number of successful community initiatives that are already in place, yours being one. There is the big Melbourne central one, the Melbourne Community Foundation, which has been going for a number of years now.

The CHAIR — There is also a youth foundation, which has been established.

Mr BATCHELOR — There is one in Ballarat, and the Bendigo Bank supports various ones.

The CHAIR — Community banks as well.

Mr BATCHELOR — So we have observed its success in a number of iterations and manifestations. That is an observation we have made. Secondly, a series of place-based initiatives are being undertaken. In my area of responsibility we have the community renewal program, which is in places in metropolitan Melbourne, and we also have the community building initiative in country Victoria. Again the metropolitan ones were modelled on the successful neighbourhood renewal program, which is out of the Department of Human Services, not in my area, but it is a similar sort of program.

We were addressing funds and activity towards geographically located areas of disadvantage, and in country Victoria people involved with the CBI go to look at places that are suffering from population decline or population increase that is putting stress on their local communities. And through a community planning process we have been able to identify, or the community has been able to identify, the things it regards as being important. We are assisting them to then approach relevant different sources of funding opportunities: commonwealth, local government, state government, philanthropics, local activities et cetera.

One of the things that we have noticed is that some communities have better capabilities at accessing grants; others do not. Also we thought it would be important to try and put in place some ongoing source of funds that would be available to help support these community planning initiatives when our schemes are discontinued, because they are time based and some point they will cease. We will hopefully set in place a community mechanism that will be enduring. So we are trying to find ways and means of supporting that on an ongoing basis through community foundations. So what we are proposing to do is to use the money that has been provided in the budget — \$5.3 million has been provided over four years; we plan to establish 12 of these community foundations. Essentially what we will do is use that money to match contributions from other sources to set up an endowment

that would provide ongoing disbursements to meet local community needs. We think this will be successful because Victoria is the home of philanthropic organisations.

There are more philanthropic organisations here in Victoria than the rest of Australia. Some of them have got substantial amounts of money and are wanting to make contributions to disadvantaged communities, but because there is no structured vehicle to receive the money that they have confidence in providing it to we thought that this would be a way that would help state, local and federal governments and also philanthropic organisations provide money to community organisations. We have set a modest target of setting up 12 of these. They are likely to be based around areas the size of local government areas; it is an area that most people are familiar with and happy about. We will set up 12 and get them running, and then evaluate them in due course and, if they are successful, see how can set up more — all with the view of helping a number of organisations get engaged with their communities and give them the confidence and the benefit to continue that type of community engagement. This would provide them with a funding source so they could fund the decisions and conclusions that they come to.

Mr RICH-PHILLIPS — Minister, can I take you to page 203 of budget paper 3? It is note (k), which talks about — —

Mr BATCHELOR — Note (a)?

Mr RICH-PHILLIPS — Note (k), which talks about the output cost for the community strengthening output group and makes reference to the Community Support Fund. It says that this year you will receive \$103.3 million, you are going to spend \$108 million, and there is a difference of \$4.7 million. The question is: given the CSF comes through — —

Mr BATCHELOR — It is 4.5 in my copy of the budget papers.

Mr GREGORY — No, it is 4.7

Mr BATCHELOR — It is 4.7, is it? Yes.

Mr RICH-PHILLIPS — Given the CSF comes through special appropriation and you have got a positive balance in there now, why is this money coming through the ordinary appropriation and going into the CSF?

Mr BATCHELOR — I might ask Mr Gregory to answer that. It is a bit too technical an issue.

Mr GREGORY — One of the issues that was faced when the department was established was that there were actually no numbers on the operations of the CSF in the output numbers. So there was a view that it would be good to reflect the actual total operations of the CSF in each budget form. So therefore the actual impact on the state budget is the difference between how much revenue is paid into the CSF and how much is paid out, which is the operating cost in a sense of the CSF. So we have an appropriation amount within that output cost, and on top of that we add the deficit, or the difference between revenue and expenditure for the year, to give a total cost of that output. Again, it is not a pure thing, but it was a way of having the whole CSF transparent in a sense in the budget papers.

Mr RICH-PHILLIPS — And that difference will be paid from accumulated surpluses?

Mr GREGORY — Yes, I would say there are balances already, previous balances, and we will fund that deficit through the cash balance within the CSF.

Mr RICH-PHILLIPS — So although that is shown as an output cost, it is not actually picked up in the ordinary appropriation for the department?

Mr GREGORY — No. In budget paper 4 you will see a special output in our operating statement, but in relation to general outputs it is not. So if you go to our income statement in budget paper 4, you will see two items, two numbers, there. One will be our general output appropriation, and there will be the special appropriation for gaming revenue paid into the CSF.

Mr BATCHELOR — It is really an accounting treatment of the policy. What we are trying to do — and I alluded to it before — there is no value in storing up the money that comes into the CSF; we want to get it out and spend it. When we came into office there was an accumulation, a bank of money — I forget how — —

Mr GREGORY — About 140.

Mr BATCHELOR — It was about \$140 million, so we have been progressively trying to reduce that over time and manage the flow of funds in and out to enable us to get that money back into the community. That is the policy behind it. That is the accounting treatment and explanation.

Mr RICH-PHILLIPS — So there is no double counting across the output groups?

Mr BATCHELOR — No.

Ms MUNT — On page 38 of budget paper 3 I have noticed an item — 2 million to help establish a community enterprise catalyst to give emerging community enterprises the support they need to get started and succeed. I was wondering if you could give the committee some information on what sort of emerging community enterprises will be supported and what form that support will take?

Mr BATCHELOR — Our community enterprise catalyst is a new initiative that comes out of our response to our action plan — strengthening community organisations. We have allocated some \$2 million to it. What we are trying to do is to provide some assistance to small organisations to establish social enterprises or community enterprises. This new investment builds on a process that we have undertaken in previous budget years. Between 04 and 07 some \$6.3 million was allocated to the community enterprise strategy, and another \$3 million was allocated in 07–08 to support 30 community enterprises over four years. Typically it is designed to encourage social investors and community business partnerships to help people or communities who might otherwise find it very difficult to find full-time employment.

We have been able to see the successful establishment during that period of time of some 76 community enterprises and a series of jobs being created and training experiences provided to individuals. Because of the nature of the groups that are targeted through these schemes, typically they go to young people, or they might go to migrant women who are socially isolated, or refugees, and the sorts of enterprises that are established — yesterday we launched one that was being auspiced by the Melbourne Citymission in Fitzroy, where they are getting young people to develop a silk-screen printing business. They use silk-screen printing instead of producing stencils, I suppose, for community art and put it onto T-shirts and other apparel to create a business opportunity and make money.

Dr SYKES — ‘Save Lake Mokoan’ T-shirts or ‘Anti-pipeline’ T-shirts?

Mr BATCHELOR — It depends how much you pay them.

Dr SYKES — We are paying heaps to send water to you guys.

Mr BATCHELOR — They will explore any business opportunity. The kids who are involved in it find this a really exciting opportunity because what it does is recognise the creative abilities that they have, provides them with social contact and network, and because it is auspiced by the Citymission there is a mentoring element and guidance provided. They are looking forward to setting up this little business. Clearly they would not have the capital or the wherewithal to set it up, so we provide some establishment assistance, in this case through the Citymission. Another instance has been the establishment of what looks like being quite a successful organic mushroom growing business at CERES in Brunswick.

Dr SYKES — You treat us like mushrooms, Minister.

Mr BATCHELOR — No.

The CHAIR — Do not denigrate primary industry, please.

Mr BATCHELOR — That is where Karen refugees from Burma are getting instruction from a refugee from Bhutan, and they have set up a fantastic little organic mushroom growing business where they grow high-value shiitake and other sorts of mushrooms and sell them to yuppie gourmet shops. You have probably seen them, Greg.

The CHAIR — Thank you, Minister. Dr Sykes, bring us back on line, please.

Dr SYKES — That is a great challenge for me, Chair. Minister, last year during these discussions you mentioned a plan to set up what we would call a one-stop shop, one gateway of entry for government grants. Can you just give us an update on what is happening on that front, because I think it is a great initiative?

Mr BATCHELOR — We have set up within the Department of Planning and Community Development a website, an e-grant portal. It gives details of all the grants within the department, provides for a simplified application process and allows you to not only get the explanation and the criteria about the grant and a simplified application form but also enables you to do it online, if that is what you would like to do, or you can use it as a template and print it out. It was implemented, I think, in July 07, and currently about 65 per cent of the programs are being transitioned onto this portal, and we hope the remaining programs will be there by July 08. So if you want to get the information, you can get it all from there.

Dr SYKES — This is all government grants or grants administered by your department at this stage?

Mr BATCHELOR — The first stage is getting the grants administered by Planning and Community Development, and we would hope that in the long run it would provide the example to the government and it could be expanded. It would have to be expanded on a department-by-department-type basis, but that is what we would like to look that. But we have got to get ours set up and operational, and we are well on the way to doing it. We think it will improve policy outcomes. It will make it easier and it will be much more helpful in us planning and managing our own grant programs. It is a department largely based on grant funding, so it is a much more efficient way of doing it.

The CHAIR — It is a very helpful portal, and certainly community groups have found it very useful.

Mr SCOTT — My question relates to government support for volunteering. Minister, I refer you to budget paper 3, page 182. Under the heading ‘Major policy decisions and directions’ there is a dot point ‘increased opportunities for participation’. Could you outline how the government’s continued support for volunteering will further this direction?

Mr BATCHELOR — I think I mentioned before the role of community organisations, and of course what underpins those community organisations is the role of volunteers. They are really the backbone of our community. As part of the 07–08 budget the government is allocating some \$4.4 million from the Community Support Fund over the next four years to continue its support for volunteers. It extends an already existing and successful small grants program. It is to provide practical support to small community organisations to create opportunities for volunteering and to promote volunteering as a worthwhile effort in its own right but also to increase the opportunities for people who would like to volunteer. It builds upon our second-term investment, when we spent \$14 million to provide support to volunteers, and that has delivered a whole host of small grants to community organisations — about 930 to date.

Essentially what we are trying to do is to help organisations recruit new volunteers, train them and, by paying for some organisational support, retain the volunteers that they have access to. We find that about a third of Victorians are interested in volunteering and have been in the past, but there is a significant trend that is emerging, in that volunteering is changing and the volunteering trend of people, particularly those who are leading fairly busy and active lives, is edging towards something that is a bit more flexible. Particularly if they have got specialist skills, they are looking to try to make sure that those intrinsic skills are made use of in the organisations they are volunteering in. So people are very keen to volunteer. We want to encourage that of course; we want to help the organisations make best use of those who are volunteering, and if this trend continues, to help the organisations notice or become aware of the trend and change the base of their organisations to accommodate it.

Mr RICH-PHILLIPS — Minister, I would like to ask you about accountability of the Community Support Fund. You indicated on your slides that a lot of funding is delivered through other agencies, through their various programs, departments et cetera. Under the Gambling Regulation Act the Minister for Community Development is responsible for ensuring those funds are acquitted in accordance with the purposes laid down in the act. What compliance or accountability mechanisms do you have in place to ensure that where grants are delivered through other agencies and other programs that they do comply with the requirements of the Gambling Regulation Act?

Mr BATCHELOR — As you say, the funds within the CSF are applied by the minister with responsibility for the fund. The programs or projects are subject, firstly, to cabinet approval as part of the budget

process, and therefore they are examined in a whole-of-government way by the relevant ministers and me as part of that process. Cabinet determines the allocation of funding to the department for initiatives that are consistent with the legislation, and that includes the drug and alcohol programs and the gambling treatment and financial counselling services. They are administered within those departments and the ministers take responsibility for that.

Our comfort, if you like, is provided by the fact that the Auditor-General audits all of those departments and audits the use of those funds within those departments. That is what provides the accountability, if you like, that satisfies my responsibilities in making sure that those funds expended by my fellow ministers meet those requirements, because that is examined by the Auditor-General.

The CHAIR — There is further explanation on page 569 of our recent performance outputs report, which provides a description of the evaluation processes which the minister has described.

Mr RICH-PHILLIPS — So there is a specific requirement for the Auditor-General — —

Mr BATCHELOR — There are MOUs and funding agreements that exist between those other departments and mine in order to ensure that they meet the requirements under the act.

Mr RICH-PHILLIPS — And the Auditor-General specifically looks at the GRA requirements when he audits those other agencies that receive funding from CSF?

Mr BATCHELOR — Yes.

The CHAIR — That is what the minister said. The minister said the Auditor-General just audits the departmental statements, whatever the department.

Mr RICH-PHILLIPS — Which obviously does not indicate whether they comply with the GRA or not.

The CHAIR — Which obviously includes whatever grants they are. I think from memory the Auditor-General has already done one specific audit in respect of the Community Support Fund, and I think we have got it on the forward program as well.

Mr RICH-PHILLIPS — So was your answer yes or no, Minister?

Mr BATCHELOR — My answer was as I said before. But there are funding agreements and there are MOUs at the departmental level, and on the expenditure of departmental funds, the departments have to acquit those funds, and that is audited by the Auditor-General.

The CHAIR — I think we might finish up on that note. No-one has got anything on notice. Thank you, Minister, and thank you to the departmental officers. That concludes consideration of the budget estimates for the portfolios of energy and resources and community development. The committee has a couple of issues which need follow-up. We will probably write to you on those, but you might actually get in earlier and respond to us. I request that any such written responses be provided within 30 days.

Committee adjourned.

Transcript of evidence

8.3 Local Government portfolio

Please note the Local Government transcript and the Aboriginal Affairs transcript are combined into one transcript.

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2008–09

Melbourne — 21 May 2008

Members

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

Chair: Mr B. Stensholt

Deputy Chair: Mr K. Wells

Staff

Executive Officer: Ms V. Cheong

Witnesses Aboriginal Affairs and Local Government portfolios

Mr R. Wynne, Minister for Aboriginal Affairs, and Minister for Local Government,
Mr Y. Blacher, Secretary, and
Mr S. Gregory, Chief Finance Officer, Corporate Finance.

Witnesses Aboriginal Affairs

Ms A. Jurjevic, Executive Director, Aboriginal Affairs Victoria,

Witnesses Local Government

Ms P. Digby, Acting Deputy Secretary, Planning and Local Government, and
Mr C. Morrison, Acting Director, Governance and Legislation and Local Government Programs,
Department of Planning and Community Development.

The CHAIR — On behalf of the committee I welcome to the table Mr Yehudi Blacher, Secretary of the Department of Planning and Community Development; Ms Angela Jurjevic, Executive Director, Aboriginal Affairs Victoria; Mr Stephen Gregory, Chief Financial Officer; and Mr Morrison, Acting Director, Governance and Legislation and Local Government programs, all from the DPCD. I call on the minister to give a brief presentation of no more than 5 minutes on the more complex financial and performance information on the Aboriginal Affairs portfolio.

Mr WYNNE — Thanks very much, Chair. Joining me is the director of Aboriginal Affairs Victoria, Angela Jurjevic; Yehudi Blacher, the secretary, and Stephen will deal with any more complex financial matters. We have got a presentation for you to have a look at. If we can, Angela will hand those around. I wanted to firstly say, Chair, that this is the first opportunity I have had to present to you as Minister for Aboriginal Affairs. I was delighted to have the opportunity, provided by the Premier, to take up the Aboriginal Affairs portfolio, and although my previous experience with Aboriginal Affairs had been as parliamentary secretary to the Attorney-General in our first term of government, when we were putting together the very successful structure for the Aboriginal justice agreements, it was particularly pleasing to be provided with this opportunity to work with the Aboriginal community.

The broad message that I wanted to briefly touch upon today was how the government is seeking to tackle the issue of the Aboriginal community in Victoria more generally, and I wanted to indicate to the committee — and it is a much vaunted term, but in fact the government has a whole-of-government response to Aboriginal affairs. We have a Ministerial Taskforce on Aboriginal Affairs, which is chaired by the Deputy Premier, Rob Hulls. I think it is very appropriate that the Deputy Premier, a person with a very keen interest in social policy and social justice outcomes, is the chair of the committee.

Other committee members are Jacinta Allan, Minister for Skills and Workforce Participation; Maxine Morand, Minister for Children and Early Childhood Development; Tim Holding, Minister for Finance, WorkCover and the Transport Accident Commission; Bronwyn Pike, Minister for Education; Lisa Neville, Minister for Community Services; and obviously me, as Minister for Aboriginal Affairs.

Underneath the ministerial task force is a secretaries group, of which Yehudi Blacher is a member, but indeed secretaries of all departments across government are involved in a coordinated way in the Ministerial Taskforce on Aboriginal Affairs; that is the important link between the political arm and the bureaucracy to implement the outcomes of the task force's work. The broader framework is the Victorian Indigenous affairs framework, which would be well known to members of the committee, which is a long-term strategy about overcoming the fundamental disadvantage experienced by the Aboriginal community.

We all know of the really appalling health outcomes for Aboriginal people in this state, where the average age of an Aboriginal person is 17 years less than for a non-Indigenous person, and we want to, through that ministerial task force and the key policy and strategic objectives of the Aboriginal Affairs framework, really work in a very systematic way to seek to make a difference in the lives of Aboriginal people.

On page 2 of the document there you will see the key outcomes that we are seeking to achieve: improve maternal health and early childhood health; literacy and numeracy — we know that if an Aboriginal young person is maintained in education to year 12 completion or the equivalent, their pathways going forward are infinitely improved. Preventing family violence and improving justice outcomes are self-evident — we know that Aboriginal people are incarcerated somewhere in the order of 14 times more than non-Indigenous people and their interactions with the criminal justice system often have a very negative outcome for them, so the sorts of initiatives that the Attorney-General has implemented — things like the Koori Court, alternative dispute resolution mechanisms — which try to divert people away from the criminal justice system, are obvious ones that we would all be seeking to support.

Building indigenous capacity in Aboriginal communities is in our view an absolutely fundamental thing and one with which the government is very committed to trying to support Aboriginal people both in their interactions with government and also within their own communities as well. Finally, Chair, the outcomes for Aboriginal people must be inextricably linked to land. The association between Aboriginal people and their land, what can be done on their land, who speaks for the land, who speaks for country, improved economic development outcomes for Aboriginal people would be self-evident, but again they are issues that we are trying to tackle in a systemic way. What underpins that of course are the achievements in 2007–08. All of those are pretty self-evident I think on the

third slide, 'Achievements in 2007–08'. And in the fourth slide we indicate what is our forward program for 2008–09. I will be happy to elaborate on any of those matters through question time.

That was very harsh, Chair; it was my first go at it.

The CHAIR — That is all right; we have only got 5 minutes, otherwise my colleagues would say, 'We've got 25 minutes for questions'. I note that in terms of your outputs and outcomes on page 194 — I know they are departmentally specific, but they do not really relate a whole lot to the strategic areas for action. Maybe that is something to look at.

Ms MUNT — Minister, can I refer you to page 292 of budget paper 3 and the initiatives listed there under 'Improving the Lives of Indigenous Victorians'. Can I ask you to please comment on why there is no reference in that list to funding for the stolen generations, and also what the government is doing to address the circumstances of the stolen generation, and what support was provided for the national apology?

Mr WYNNE — I had the honour of being able to go to Canberra to represent us at what was an extraordinary and historic day — the national apology to the Aboriginal people by Kevin Rudd, which was at the start of their term of government. It was an extraordinary day because we actually went there with a whole group of stolen generation Victorians. We assisted a whole group of I think in the order of 70 to 80 people, I am advised by Angela.

They went up to be part of the apology. As I say, I had the opportunity to be there. The night before, they had a function for many of the participants, members of the stolen generations from across Australia. I was a bit reluctant to go to this event, but I was very warmly welcomed not only by our own delegation but more broadly by the groups from across Australia.

There was an incredible sense of anticipation there on the night about how this event would go, and it was just a wonderful opportunity to meet with people. I remember meeting with this really, really old man who had come from way, way outback Western Australia, a tiny little Aboriginal man, very small, very frail — I think he was about 87 years old — and he stood there with tears in his eyes, and he said to me, 'I never thought I'd live to see this day'. That was incredibly powerful, just the sense in which people were saying that the government was prepared to acknowledge that a wrong had happened to them, and that on behalf of the broader body politic, our federal government — our national government — was prepared to say, 'We were wrong; you have been wronged, and we apologise for that, and we build a bridge and we move forward'. It was very powerful.

The next day was extraordinary. After the apology, there was this amazing — as I am sure you heard or saw — eruption of emotion; of grief, of joy, of tears, just this mixture in all of the Aboriginal people around me. It was extraordinary. It was an amazing moment to be there and to be involved with this. I have said before, sometimes when you change a government, you can change the nation, and I think the nation did change that day, and we turned a page. This was very important and very symbolic, and we have moved forward from there.

Just in relation to Stolen Generations Victoria, as you know we established Stolen Generations Victoria with funding of \$5.1 million over four years, and the Victorian group did a mighty job in Canberra. It was very difficult to hold together a group of people who have come with different sets of expectations about what might happen, bringing their grief with them. It was very, very difficult. But they did an absolutely fantastic job, and they are doing a great job here in Melbourne. They are working with the Public Record Office in tracing people's lineage, where people have come from, and on stolen wages. They are working on those sorts of initiatives, but they are doing things around practical reconciliation as well, things around grief, counselling, family support, Sorry Day activities — these are good things — and they are terrific on information and advocacy as well. As anyone who has been around Aboriginal communities and talked to them would know, the damage that has been done is incredibly profound, and Stolen Generations is doing a great job, I think, in helping to repair that. It was a great event and I had the honour of being able to represent us there.

Mr WELLS — Minister, how many staff do you have in your department? What is the staffing? How many are actually Aboriginal?

Mr WYNNE — How many are Aboriginal?

Mr WELLS — No, how many are in your department, and how many are actually Aboriginal?

Mr WYNNE — We have got 87 staff, and about 30 odd.

Mr WELLS — Thirty odd would be Aboriginal?

Mr WYNNE — Yes.

Mr WELLS — I refer to your handout with the prevention of family violence and child abuse, and I think it is about \$24.7 million that you are going to spend on that. How many indigenous rehabilitation centres are being funded and where are they situated?

Mr WYNNE — Indigenous rehabilitation centres?

Mr WELLS — In regards to specific family violence.

Mr WYNNE — Oh, the healing services?

Mr WELLS — Yes, the healing services.

Mr WYNNE — We have four services.

Sorry, could you just ask that question again? You asked it in a slightly convoluted way. Please say it again.

Mr WELLS — We are trying to get the terminology right, I think that is the issue. So the issue is family violence and child abuse, and there is a commitment of funds towards that. Are they the healing services that are directed to reducing family violence and child abuse?

Mr WYNNE — In part, yes, and in part, no. Some of this is around men's behaviour change programs, intensive case management for indigenous men and family violence outreach services. The healing centres have been largely based around dealing with issues around alcohol and obviously the other impact of that being family violence as well.

Mr WELLS — Where are the healing centres?

Mr WYNNE — Have you got the locations of those, Angela? You can answer that.

Ms JURJEVIC — One in East Gippsland at Lakes Entrance, one in northwest Melbourne, that is the Maya living free centre — —

Mr WYNNE — That is in Northcote.

Ms JURJEVIC — There is one being established at Rochester, and there is also another one at — —

Mr WYNNE — One in Ringwood.

Ms JURJEVIC — One in Ringwood, and there are also some time out services.

Mr WELLS — So the fourth healing centre is at Ringwood.

Ms JURJEVIC — It is eastern metro, at Ringwood.

Mr WELLS — So it is Ringwood, Lakes, Rochester and — —

Ms JURJEVIC — Lakes Entrance, Rochester and northwest Melbourne, and Maya in Thornbury.

Mr SCOTT — I refer the minister to page 194 of budget paper 3, and the output measures for Aboriginal affairs, and I ask the minister to comment on what the government is doing to improve the representational arrangements for Aboriginal people in Victoria.

Mr WYNNE — This is an initiative I picked up from Gavin Jennings, who spent a lot of time going around Victoria talking to Aboriginal communities about what they thought would be the most appropriate structure to have a conversation with government, and he developed what we call these local indigenous networks (LINS). He got funding of 10.8 million over four years, which was allocated from January 2006, to really build the

community capacity and a locally-based structure from which Aboriginal people could engage more broadly at a regional level but also a structure in which voices that might not often get heard through the Aboriginal community could be heard by government.

It has been very much a community up type of response. We are on track to have 16 new local indigenous networks (LINs) by the end of June this year, building on the 8; so it is 24 and we have another 16 to go. We are well and truly advanced in that work and I think this is an important initiative by us to build an alternative structure to be able to engage with Aboriginal people. I said 16; I should have said 14 — 14 to go.

If you think about the way that governments tend to talk to Aboriginal communities, we have a plethora of advisory structures. Many leaders in the Aboriginal communities spend half their lives running around talking to government. We think there is a possibility for us to have a further refinement in the way that meaningful and very much community-based engagement with Aboriginal people occurs. If you think about it, we have Aboriginal advisory committees in justice, in health and education. You name any portfolio and we have an Aboriginal advisory committee, and some poor soul has to go off and work their way around all of these structures. I am up for a discussion more broadly within government about how we can get a good structure in place which is very strongly engaged at the community level and actually refines down the consultative processes.

It begs the question of course of how the commonwealth in the future seeks to engage with Aboriginal communities in the light of there not being an ATSIC any longer. We will continue discussions with Jenny Macklin about how we are seeking to approach it, but the important thing about our LINs is unlike ATSIC they are not funded to provide services. We want them to be inclusive and anybody is encouraged to join and be a part of it. We want our LINs to be supported to achieve really the aspirations of their local communities. It is an important initiative and one that we are on target to achieve the outcomes that we agreed upon. If you do get in place a good community process and a good community voice, inevitably you will get better outcomes going forward for the Aboriginal community. So we think it is a good initiative.

Mr RICH-PHILLIPS — Minister, on the issue of Aboriginal unemployment, your department has acknowledged that Aboriginal unemployment is far higher than broader community unemployment. There is \$2 million going into an Aboriginal youth employment program with this budget. Can you tell the committee how you will select a service provider to roll out that program, and how you will assess the success of that program — i.e., recording the number of Aboriginal people that go into genuine private sector employment post their involvement in a government program.

Mr WYNNE — Your specific question is not within my portfolio area, but I would be very happy to talk to you about the broader employment strategies that we are engaged with. If you think about a place like Shepparton, where there is a very large Aboriginal population there. Rumbalara is a great community Aboriginal organisation there, with great leadership there of people like Paul Briggs who is recognised probably around Australia as being one of the great Aboriginal advocates around the place. I know Dr Sykes knows him well. By any measure they are a group of people having a red-hot go, and we support them. I was up there two Saturdays ago.

All I would say to you is look around the community there. How many Aboriginal kids have a job in Shepparton? The answer is may be a handful, and that is after all the work that has been done — the COAG process, the processes of our own government and the support that has gone in there. So we have to do things differently to achieve outcomes particularly for young people. Some of those, as you know, Mr Rich-Phillips, are about keeping kids in school and keeping them engaged in school. It is an absolutely fundamental, key proposition that we have supported through the Aboriginal framework. If you keep a kid in school to year 12, you have a prospect of holding on to them, getting them into training, getting them into employment and getting them into college, university or whatever. That is fundamental. The second aspect of it is for those kids who have dropped out of the system, how do you get them re-engaged? So you have to get those kids re-engaged as well.

I was up in Wodonga recently talking to one of the Aboriginal co-op's there, and they are having a terrific go at trying to get young kids who are in danger of dropping out of the school system into a bit of trade training, to say 'Hey, listen, come with us. Come and get involved in a bit of pre-apprenticeship training with us around the building industry, plumbing and construction and so forth', trying to hold those kids together, giving them a chance and being mentored by Aboriginal people, giving them the opportunity to say there is another way than basically

going down a destructive path. These sorts of interventions I think are incredibly important and really worth supporting going forward.

From our own point of view, our land and economic development program, which we may want to have some discussion about, is really trying to look at opportunities for strategic investment in Aboriginal-owned and run organisations where there is an opportunity for not only ongoing employment but in fact ongoing business opportunities. I would be happy to talk about that further if you want, because I know time is running out on us.

They are the sorts of interventions that are really going to make a difference, but it goes back to the core framework. And that core framework for young Aboriginal people is to give them the best start in life through the maternal and child health interventions, keep them engaged in school, keep them engaged in school to year 12, give them the opportunities of employment and training outcomes, and that investment is going to succeed over time.

Mr RICH-PHILLIPS — Just quickly, Minister, on page 292 of budget paper 3 there is a list of the whole-of-government Aboriginal programs. Could you just let us know which ones you are responsible for versus other ministers?

Mr WYNNE — We will just quickly scan our way through those and tell you which ones are ours.

The CHAIR — These are the output initiatives which are government-wide.

Mr WYNNE — The indigenous leadership strategy — 0.4, the last one — that is us.

Mr RICH-PHILLIPS — All the rest are other ministers?

Mr WYNNE — Yes.

The CHAIR — Which almost goes back to my original comment, which was that the outputs of your department relate only a very little bit to the strategic areas, which of course are government-wide.

Mr WYNNE — Yes, it is a broader, whole-of-government framework.

The CHAIR — I guess it raises the question: are we handling it right, in terms of looking at outcomes in the way we record them?

Mr WYNNE — We have clearly articulated what the broad frameworks are, and I indicated those earlier, Chair. They are signed onto by all the government ministers; we have the secretaries group engaged in that. As you know, we have to report every year on the outcomes, both the positives and the negatives, to the Parliament. It is a pretty significant discipline upon government.

Local Government Portfolio

The CHAIR — Minister, I call on you to give a brief presentation of no longer than 5 minutes on the more complex financial and performance information in regard to local government.

Mr WYNNE — I have a handout. I will only briefly touch upon this, given we have limited time, except to say it is a big year for local government.

Mr WELLS — What, there is more to be done?

Mr WYNNE — No, council elections, 79 of them, coming up at the end of the year, with four-year terms coming up. We will have hotly contested council elections, we hope, because we are very keen to encourage active democracy.

Mr BARBER — You should pay accordingly, Minister; you will get them hotly contested.

Mr WYNNE — I am very happy to talk about councillor remuneration, no difficulty at all.

The CHAIR — Minister, if you just — —

Mr WYNNE — Chair, I am under severe provocation here.

The CHAIR — I know; just ignore it.

Mr WYNNE — We had a great meeting of pretty much all the mayors and CEOs last week. We came together to talk about strategic directions going forward for local government. That was an excellent meeting, where we signed the Victorian State-Local Government Agreement, an historic agreement which spells out the mutual responsibilities of state and local government, and which is very strongly supported.

All of us are great friends of public libraries. I had the opportunity to attend out in Broadmeadows, in the Premier's electorate, at the Hume Global Learning Village the launch of the Premier's Reading Challenge Book Fund, which is \$6 million over four years. What a great program this is, what a huge success, getting kids to read — it is unbeatable. It is a fantastic outcome that has really taken off. I am sure that any of you who have young kids — or those who are still on the way down that path — would know how they are engaged. It will be a cracker opportunity for young kids to really engage in the imagination of reading.

It is worth pointing out, Chair, that it was only in 2003 that Broadmeadows got a library — it is extraordinary — but it is a fantastic facility and beautifully located. It has everything you could want there — community access and internet. It is a wonderful library with great lending facilities. It is just a sensational place.

We saw another 10 libraries either replaced or newly built at Kyneton, Caroline Springs, Geelong West, Romsey, Craigieburn, Frankston — right across Victoria. The libraries program has \$30 million in recurrent funding in 2007–08 and \$31 million in 08–09. The introduction of wireless internet over two years has \$1 million, which will be really very much welcome, not only by libraries but also by neighbourhood houses. There is a \$1 million program to monitor access by people to the internet services at libraries. That is all good stuff.

On neighbourhood houses, I know everyone is a fan of neighbourhood houses. Last week I was out at the Jika Jika neighbourhood house in Northcote, where we celebrated Neighbourhood House Week. Again, this has been a good record by the government in terms of the increase in support to neighbourhood houses over successive years. Most if not all our neighbourhood houses are receiving a staffing subsidy. There is still a small handful — —

Dr SYKES — There were 30 unfunded; how many are there now?

Mr WYNNE — I will give you the answer to that when I have finished my presentation. It is not 30 unfunded. We funded another 10 in the last round for a small staffing component, but significant capital works and disability access to many of our neighbourhood houses. Going to the point by Cr Barber on councillors' allowances, we have had an independent panel process.

Mr BARBER — Former Cr Barber.

Mr WYNNE — Former Cr Barber.

Mr BARBER — What has led you to councillor?

The CHAIR — I think you have used your 5 minutes up, Minister.

Mr WYNNE — I said former councillor — former Cr Barber, on councillors allowances and the independent panel process we have come up with a good, I think a reasonable set of remuneration packages and supports to councillors, and a better local governance discussion paper, that you are well aware of. That went out for broad community consultation. That goes to dealing with some key questions around clarifying for councillors conflicts of interest, trying to deal with those issues, certainly dealing with issues around disputes between councillors, trying to deal with those at a local level wherever possible, recognising and respecting the autonomy of local government, and where they cannot be dealt with there they will be potentially go to VCAT.

We will have two tranches of legislation going into the Parliament this year. The first will be in the next couple of months, around some electoral reform matters, and the second will be around the good governance aspects. So we will need to put two tranches into the Parliament, and the Parliament will deal with that accordingly. The Best Value Commission has completed its work. That has been now integrated very much into the day-to-day operations of local government. We thank the Best Value Commission for its work there.

We have \$4.7 million for a councils reforming business package, which I spoke about and which I am happy to speak about in detail if we get some time today; and, finally, community planning, which has got to be in my view an integral part of the way that local government conducts its business going forward.

The CHAIR — Thank you, minister.

Mr NOONAN — Minister, it will be worth for the councils' benefit your elaborating on the councils reforming business, the 4.7 million over 2 years — I think you are projecting year 1 this year — and talking about what outcomes are expected through that particular allocation?

Mr WYNNE — This is, I think, a great initiative. It is one we are doing in partnership with the MAV. The first kick-off of it was in relation to affordable housing. We got together \$250 000 from housing and \$250 000 from local government to put together a package of \$500 000 to go out to local councils, to say, 'Let's move past the rhetoric about affordable housing and let's look for opportunities for some practical outcomes in terms of getting land rezoned and getting it back into the marketplace, offering it up to government as affordable housing opportunities'.

We got a terrific number of expressions of interest right across local government. It was quite a tough process. We got six councils involved: Darebin, Manningham, Maribyrnong, Surf Coast, Swan Hill and Wodonga — a broad sweep across metropolitan and regional Victoria. Already many of these councils have identified land that they own themselves, land that they may own in partnership with the state government, or indeed it might be private sector land that they want to see redeveloped to get better outcomes in terms of housing affordability going forward.

The key to this has been getting land rezoned. Once you have got the land rezoned you have moved into really a marketable proposition, whether it is with me as the Minister for Housing, whether it is more broadly with VicUrban, whether it is a joint venture project with the housing association — let us see how they come forward. But I think this is a terrific initiative and one that we will do more of if it is as successful as I think it will be.

The other area that I think is really very important is procurement. I think there are enormous opportunities in terms of unlocking the bulk-buying capacities of local government not only in Victoria but right up the east coast of Australia. If you think about the buying power of local government up the east coast, it is an enormous opportunity to garner the collective buying capacity and to offer real savings back to local governments where they can reinvest those savings back into social or physical infrastructure on behalf of their councils.

We are very keen to pursue that much further with the MAV. Local laws — inconsistency of local laws is a huge bugbear for business. So we are going to do a lot more work in this area, again with local government, to try to straighten out inconsistencies in local laws. This will be, I think, of significant benefit — and also the greater use of shared services. I think they are an important opportunity for us, particularly where you have small, rural

municipalities and a larger council close by. What are the opportunities for shared service outcomes to the benefit of both organisations and indeed the communities they serve? So there is a good agenda going forward, a good amount of money in there, with I think potentially some very good practical outcomes.

The CHAIR — Thank you, Minister.

Mr DALLA-RIVA — Minister, in your presentation to the Public Accounts and Estimates Committee you outline your 2007–08 achievements in that you mention ensuring local government partnerships with the Victorian state-local government agreement signed. You then go on to some of the other achievements — ‘Empowered local residents and communities’ — and that is about community planning.

Mr WYNNE — Yes.

Mr DALLA-RIVA — You then move on to the forward estimates period, for which you have listed seven priorities. I will not read them all out, but two of them bring note to my question. They are: ‘Joined up government’ — that is obviously the continuation of the agreement that I outlined earlier, and the implementation. The other one is, ‘Empowered local residents and communities’, again along the same lines of community planning.

Given that you are an advocate for those particular issues and they are your priorities moving forward, how do you see that local government, now having had its powers stripped in local planning decisions, links up to your priorities into the next period? With that in mind, are there any financial implications in the budget moving forward in relation to the changing of heart, as it were, today from the Premier in relation to stripping the planning powers from local government?

The CHAIR — Insofar as it relates to your portfolio, Minister. It might be directed to the Minister for Planning who is to appear on Friday.

Mr WYNNE — I am very aware of the decision that the government has made in relation to activity centres. I support the decision. I think it is a good decision, because it is one that is about having a partnership between the state and local government.

Mr BARBER — Like when the mafia comes to your restaurant and says, ‘We are your new business partners’?

Ms MUNT — No, not like that at all.

The CHAIR — Minister, you can answer insofar as it relates to your portfolio in terms of the question on community planning and council-state government agreement.

Mr WYNNE — If you look carefully at the decision-making process, councils will be responsible for the development overlays in their principal activity centres. It will be their business; it will be their business to put in place the structure plans. It will be their business to decide what are the community aspirations for those 26 principal activity centres. I want to reiterate, as the Minister for Planning has done, that there will be no diminution of third-party appeal rights.

Once the structure plan is put in place — and there is the whole process around how all that occurs — then, as the applications come through the system for developments to occur within those principal activity centres, you will have a development approval committee (DAC), which is made up of two state government, two local authority representatives and an independent chair to deal with those matters. It strikes me that this is quite a sensible and streamlined way to deal with applications within the broad structure plan that has been resolved by the council.

I have to say, Mr Dalla-Riva, that I do not accept the assumption that you make that it is stripping away rights of communities to have a say. Communities will have absolutely a say in the structure planning process. It is a long and involved structure planning process, as you know very well. The councils will decide on the basis within the structure plan of where third-party appeal rights will be. Through that process it will be the council, and there will be no diminution in the capacity of third-party rights.

Mr DALLA-RIVA — Just as a follow-up — —

The CHAIR — Insofar as it relates to the minister's portfolio.

Mr DALLA-RIVA — It does. Part of these new committees, will they have the responsibility for planning — —

The CHAIR — I think it is actually outside the minister's portfolio.

Mr DALLA-RIVA — I just want to know — —

The CHAIR — Insofar as it relates to his portfolio, I am happy for that.

Mr DALLA-RIVA — He just mentioned it. I want to know if there is any financial impost in terms of the establishment of those committees. If they are not within his portfolio, that is fine.

Mr WYNNE — They are not within my portfolio.

Mr DALLA-RIVA — Thank you very much.

Mr WYNNE — It is a matter for the Minister for Planning. But in broad terms — —

Mr DALLA-RIVA — There is a financial impact, but thank you. We are here for the forward estimates apparently.

The CHAIR — I do not think the minister commented on the financial impact one way or another.

Mr WYNNE — Let us be clear, Mr Dalla-Riva, you have asked me the question. I said it is not within my portfolio responsibility.

Mr DALLA-RIVA — No, I understand that. The Chair is sort of holding me up when I am asking about the cost that is going to be to the government. I do not need to be stepped on, I just want to know whether it was.

The CHAIR — We will ask the planning minister on Friday.

Mr DALLA-RIVA — If we cannot ask about the forward estimates, why are we here?

The CHAIR — We can, but we ask the ministers in respect of their portfolios.

Mr PAKULA — Minister, there has already been some commentary during the hearing about councillors' remuneration. I want to ask about councillors' conduct, particularly bearing in mind page 21 of budget paper 3, the output measures on local government. What is the government doing over the budget period to include local councillor conduct?

Mr WYNNE — As you go around local government and talk to people, the vast majority of local government councillors are professional, conduct themselves in a proper and appropriate fashion — the vast majority. From time to time, you will get circumstances of conflict and inappropriate behaviours. There is a big difference between, in my view, robust debate as we ought to have in a democracy and behaviours that are unacceptable — behaviours of bullying, standing over, that sort of behaviour that is particularly unacceptable. I know in talking to a range of women councillors, they have said this sort of behaviour is not a space that they want to be in and something needs to be done about it.

All of the councils have got in place principles of good governance and behaviours, but it is a difficult situation for a council to govern itself around some of these conflicts. Certainly in developing the good governance paper, we were very cognisant of trying to put together a proposition that would be helpful to local government when you get into these conflictual situations.

Our first priority was to say, 'Right, when you get into a conflict that you cannot actually resolve between yourselves, we will bring in some outside support for you' — that is, some outside mediation, some experienced people who have been involved in the local government sector, drawn from a list agreed by the MAV and the VLGA of people who are good at this sort of work, who can come in and assist the council in trying to resolve these matters and offer suggested outcomes for them, whether it be mediation, some counselling, whatever is required to try to resolve it at the local level.

I hope this is in a very rare number of cases. If that cannot be resolved at the local level, then of course the potential will be there in the legislation which the house will debate an opportunity for this to be elevated to the next level, which will be VCAT. What potentially attends to that is penalties that would be engaged in that, including suspension. People have the right to natural justice and the capacity to be represented and heard through the whole process, but at the end of the day, it is trying to put in place something that is broadly supported by the local government sector.

I would indicate to the committee that thus far, the advice I have received across the sector is people welcome this intervention, they think it is a useful tool to be used and one that hopefully will get passage through the Parliament obviously prior to the elections, which will set in place a framework going forward for local government.

Mr BARBER — I think it will be a lot stronger than the framework that applies to MPs, for example.

On the general subject, then, and it is to do with another matter that you are legislating or hoping to move forward on, that is, the Winky Pop case — I had to be the first guy to say that in *Hansard*! — in terms of this coming budget year, are there any particular activities that your department needs to undertake to clarify matters there; is it a case of providing information out to councils; and will you be able to achieve that, I suppose, before the elections come around, which is quite a crucial period?

Mr WYNNE — For those who are unaware of the Winky Pop decision, this was a decision of Justice Kaye in the Supreme Court on 16 November regarding an application pertaining to an applicant at Hobsons Bay council which reflected on the conflict of interest and natural justice obligations of councillors. It was an interesting decision. In effect Justice Kaye's decision, in lay language, was that the council denied the applicant natural justice in that the councillors were implacably opposed to a particular development proposal and therefore were not even prepared to really hear that there might be an alternative proposition — that, in effect, their minds were closed to any alternative proposition — and that that —

Dr SYKES — That is like the decommissioning of Lake Mokoan — I got it in!

Mr WYNNE — The decision noted that the appropriate test was whether the councillors' views were so demonstrably fixed that they were not open to being dislodged by reason or argument. That is at the core of the decision, and in fact the council's decision was overturned, which is famously now called the Winky Pop decision.

The potential implication of this was that if somebody seeks to stand for local government and they are standing on a particular ticket, hypothetically in opposition to a major development, and subsequently that development comes along and it is dealt with by the council, is that councillor then Winky Popped by that decision, because they are implacably opposed to this development? We have taken advice from the Victorian Government Solicitor in relation to this matter. He is obviously considering the implications of the Winky Pop decision, and if there is any further advice we need to provide to local government about that, we will do so in due course. But it is a most interesting decision.

The CHAIR — So do you provide a lot of assistance, or just a Wee Willie Winkie bit?

Mr PAKULA — Why is it called Winky Pop?

Mr WYNNE — Winky Pop was the applicant. It is Winky Pop Pty Ltd.

The CHAIR — Minister, I have just a couple of quick questions before we wind up. You mentioned neighbourhood houses. Most of us have some in our areas. I know a lot has been done, and you mentioned this in your presentation material. What are you going to do next year and the out years?

Mr WYNNE — I have always looked forward to your support on these matters, Chair. The current funding for 2008–09 is \$19.3 million. That is a huge increase; that is a threefold increase since we came to government. In January, as I indicated, 11 neighbourhood houses were added to the neighbourhood house coordination program to receive growth recurrent funding. That was a good start for them. In 2007, 29 houses received the one-off capacity grants — small amounts of about \$3000 to \$3500 — to continue to provide community based activities. Through our recently released *A Fairer Victoria*, \$17.4 million is available for the improvements to the infrastructure as part of our modernising neighbourhood house program.

These are good initiatives, and we think going forward the neighbourhood house sector is in very good shape. They want more funds to get their staffing levels up from pretty much the base funding received by some of those initial 11 that we brought on. We will continue to advocate, of course, for neighbourhood houses within the broader state budget policy settings, and I look forward to your continued support for neighbourhood houses.

The CHAIR — I am sure you have my continued support and Dr Sykes's continued support.

Dr SYKES — This was a toss-up: whether I ask a question about Lake Mokoan, the Food Bowl Alliance or the impoverished state of a number of country councils. I will go with the country councils one.

Mr WYNNE — Yes, do, that is a good one.

Dr SYKES — Within the context of the budget, there was a recent Auditor-General's report that identified a number of councils of questionable sustainability.

The CHAIR — Three.

Dr SYKES — But there were 21 all up that were at risk. I know that in addition to the Auditor-General identifying that, both the MAV and the VFF have expressed concerns, as have we politically. Locally, for example, at Benalla our rates are going up 8 or 9 per cent each year, and they will go up for five years. That means a 50 or 60 per cent increase in rates, and in our case it is in a community where one-third of the people have household incomes of less than 25 000 and are having difficulty in funding it; and that applies also to Strathbogie, Mansfield et cetera. What have you got in mind to address that untenable situation that confronts a number of councils out there?

Mr WYNNE — It is an excellent question, Dr Sykes. I talked about this in some detail at our local government forum last week, and I hope you got some positive feedback from your councils about that.

The Auditor-General identified three councils — Colac Otway, Central Goldfields and Moorabool. In fact the cabinet was at Central Goldfields yesterday, and we talked with the mayor and councillors and the senior administration there. The total rate budget of Central Goldfields is 5 million. The council in my area, the City of Yarra, would probably get that, and more, in parking fines, I suspect. This is a huge problem.

As you rightly identified, there are 21 councils that have been identified in Victoria that are in some financial strain. The answer to this is we have to change the conversation with the commonwealth government. They are the key funders of local government through financial assistance grants, both tied and untied. As you know, there has been a gradual erosion of financial assistance grants over the last decade or so, from 1 per cent of commonwealth taxable down to 0.6. That means for Victoria alone, \$200 million a year. That is a big amount of money that you could start to be redirecting into the sheer sustainability of those small local councils. If you think about them — the Moorabools, the Colac Otways and some of those small councils up in further north, through the Wimmera and so forth — —

Dr SYKES — You have got Strathbogie, Benalla, Mansfield and Alpine.

Mr WYNNE — Many of them have declining populations. Some of them are going through very harsh economic times with limited capacity to raise rates. You have got to have a different conversation, and that conversation has got to be changing the way that financial assistance grants are allocated to local government. We have got to change, in my view, both the quantum and the formula, because the formula is not picking up the systemic problem of those small local councils.

You cannot be in a situation where you have got a council that is reliant, long term, for survival on more than 50 per cent, sometimes 55 per cent, of its income coming in from commonwealth and states grants, because their capacity to raise funds is just not there from the rates.

Dr SYKES — You would be aware that The Nationals have a policy of using a percentage of the GST to go direct to councils, à la the federal Roads to Recovery funds?

Mr WYNNE — Yes. Of course that is not even going to the question of road funding; that is a whole separate issue of its own.

Dr SYKES — But that would actually be within the state control by some agreement between the state and the commonwealth. Again we get back to the agreement of targeting the 21 most in need. Whatever system you come up with, they need more money otherwise there are going to be serious problems.

Mr WYNNE — Indeed, as you know it is not a Victorian problem alone; it is a national problem. Every state is confronting this sustainability question. You would be aware, I am sure, the announcement that Ken Henry is going to be undertaking significant work in this area around the whole financial assistance arrangements. Of the two areas that they have annexed off, one is the GST. I think there was one other area; I have just forgotten it. Certainly the GST is annexed off from any — —

The CHAIR — There is superannuation for people over 65 or 60 as well.

Mr WYNNE — Superannuation for people over 60, so they are the two areas that are annexed off, so hold no hope for GST.

Dr SYKES — Just send us the money, send us the cheque and we will — —

The CHAIR — You will find that Victoria passes on more than other states do in terms of grants.

Mr WYNNE — I have already raised this in a ministerial council meeting with Anthony Albanese, the federal minister. I said, ‘In this debate we want to be right with you in terms of finding another way of dealing with the sustainability of small councils, because they cannot go on like this’.

Dr SYKES — But you have also got to stop the ongoing cost shifting á la the weed control, where 20 million is coming to DPI and DSE and councils, but the cost of weed control for councils is going to be more than that, so you have got to avoid that continuation of cost shifting as well.

The CHAIR — Are you suggesting amalgamation?

Dr SYKES — I would leave that to this courageous and politically astute government to address those sorts of issues.

The CHAIR — I thought Pat might have given you a bit of advice!

Dr SYKES — No; I will just ask the cashed-up government to look favourably.

The CHAIR — That concludes the consideration of the budget estimates for the portfolios of housing and Aboriginal Affairs and local government. I thank the minister and departmental officers for attending today. The committee has a couple of issues to follow up with you, and maybe some other questions will be forwarded to you in writing at a later date. The committee requests that responses to these matters be done within 30 days. Thank you, Minister.

Mr WYNNE — Thank you very much.

Committee adjourned.

Transcript of evidence

8.4 Planning portfolio

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2008–09

Melbourne — 23 May 2008

Members

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

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

Staff

Executive Officer: Ms V. Cheong

Witnesses

Mr J. Madden, Minister for Planning,
Mr Y. Blacher, Secretary,
Ms G. Overell, Executive Director, Planning, Heritage and Urban design,
Ms P. Digby, Acting Deputy Secretary, Planning and Local Government,
Mr S. Gregory, Chief Finance Officer, Corporate Finance, and
Ms M. Ferrie, Director, Corporate Strategy, Department of Planning and Community Development.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2008-09 budget estimates for the portfolio of planning. On behalf of the committee I welcome Mr Justin Madden, Minister for Planning; Yehudi Blacher, Secretary of the Department of Planning and Community Development; Genevieve Overell, executive director, planning, heritage and urban design; Prue Digby, acting deputy secretary, planning and local government; Stephen Gregory, chief financial officer; and Monica Ferrie, director, corporate strategy. Departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff, can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording proceedings in this 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 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, and any other documents tabled, will then be placed on the committee's website. Following a 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 invite the minister to give a brief presentation of no more than 10 minutes on the more complex financial and performance information that relates to the budget estimates for the portfolio of planning.

Mr MADDEN — Thank you, Chair. I appreciate being here and being able to present today. First of all we might start with the overheads.

Overheads shown.

Mr MADDEN — The Department of Planning and Community Development was established in August 2007 to lead and support the development of livable communities in Victoria through improved planning and design for sustainable communities; ensuring better access to housing, infrastructure, jobs and services; and increasing opportunities for participation.

Enhancing that livability is a key priority. It will be achieved through implementing planning reforms, delivering investments, helping support population and economic growth, and addressing the issues of disadvantage across different parts of the state. There is strong evidence to indicate that livable communities can be achieved by what works in a local context, working with local governments and communities to ensure that investments and social infrastructure are delivered in a coordinated and timely manner.

Growing Victoria remains a key policy driver within the policy. The major goals that relate to the department are growing and linking Victoria and a fairer society. DPCD also contributes to a significant and diverse range of government policy directions and priorities, including A Fairer Victoria, the Victorian indigenous affairs framework, Melbourne 2030, Sport and Recreation Victoria 2005–2010, and Future Directions: An Action Agenda for Young Victorians.

The DPCD 08–09 budget is particularly focused on meeting the budget priorities of improving urban development planning, housing affordability, with a strong continued focus on progressing A Fairer Victoria, through driving service delivery reforms, building human capital and expanding economic opportunities for those who continue to miss out.

I would like to now turn to planning. This year a number of significant initiatives have been announced in the budget. These clearly demonstrate the Brumby government's actions to address the challenges of a booming population in Victoria as well as preserving and enhancing Victoria's livability. In total, \$151.6 million has been allocated in this year's budget to the planning portfolio, which is up \$37.4 million from the 2007–08 budget, of \$14.2 million. The 2007–08 budget has been restated following the recent machinery-of-government changes, and

140.8 million has been allocated to implement government strategies for sustainable metropolitan regional development, including transit cities, and 10.8 has been allocated to heritage protection.

Melbourne 2030 was released in 2002 but Melbourne 2030 included a commitment to audit it after five years. The Melbourne 2030 audit has been successfully completed. On Wednesday I released the audit expert group's report called *Planning for all of Melbourne*, which is the government's response to the Melbourne 2030 audit.

The audit expert group found the fundamental principles underpinning Melbourne 2030 are more relevant than ever. An implementation of strategies and principles are now more urgent due to the increased population growth, transport congestion, housing affordability, climate change and peak oil. *Planning for all of Melbourne* addresses these challenges and sets the framework for action over the next five years and beyond. New funding of 24.2 is provided in the 08–09 budget for the implementation of 2030 initiatives.

As well as new funding announced under this year's state budget, two significant programs are continuing to provide direction for local government for structure planning in activity centres. The \$3 million expert assistance program continues for its second year, and this is the fourth year of the \$13.5 million Creating Better Places program. The 2008–09 state budget announced another 52 million for the successful transit cities and urban revitalisation program for three projects: \$24 million for the key revitalisation in central Geelong, 8.36 for improvements to the main street in Broadmeadows town centre, and 14.9 towards a new government services building in central Dandenong to help kick-start development and provide better services in the region.

VicUrban has an increasing focus on urban renewal in support of Melbourne 2030 and improving sustainability standards, and the major projects include Docklands, revitalising central Dandenong and Aurora — and Aurora is Australia's largest 6-star development in Melbourne's north that will be transformed over 20 to 25 years into a community of 8000 homes and 25 000 people.

The government has maintained its agenda to continuously improve the planning system. The latest of these is cutting red tape in planning. Key projects to be implemented this year include the introduction of code assist, the removal of minor matters from the need for planning approval; revised planning provisions for heritage, car parking and advertising; and the simplification of local policy. As well as that, the e-planning roadmap is an innovative five-year strategy and 1.2 million has been targeted to develop a pilot system with six councils and associated applicants and authorities.

On making local policy stronger, I have taken the immediate action to make local policy stronger by having work started on developing new residential zones for Victoria — there has been a discussion paper out — and that will include at some stage revising the state planning policy framework to make it easier to apply and simplify the local planning policy framework of all planning schemes.

New residential zones are being developed to directly align with objectives of state and local planning policies and to provide better tools for councils to, in particular, manage their communities' housing needs. I released a discussion paper in February this year and that will inform the development of the draft new zones, particularly with further extensive consultation.

The current Planning and Environment (Fees) Regulations 2000 sunset in mid-2010 and work has commenced to determine the best model for prescribing fees, and I look forward to more work in that space in the time to come.

I refer to the urban development program. There is a commitment to maintain and monitor the extent of zoned and unzoned land in Melbourne's growth areas and particularly, as well as Melbourne, in the Geelong region. That will assist in supporting the Growth Areas Authority undertaking the work they need to do and speed up the delivery of new land in these growth areas in order to accommodate the strong demand of population growth, with 1200 people moving to Melbourne each week. There is significant work taking place in that area.

In terms of regional Victoria, 500 000 was allocated in last year's budget to assist five regional cities with planning for growth and, in addition, we have committed further funding this year to initiatives right across Victoria, and no doubt that will have a significant impact on regional Victoria.

On the rural land use program there is \$500 000 to assist the transition arrangements for many councils to sort out the arrangements in relation to farming zones and rural land use, and also under coastal planning we have provided

\$200 000 in implementation, particularly to the Gippsland coastal councils and the Glenelg shire to undertake work that needs to be done strategically.

In terms of future farming, building on land and land use efforts in farming areas, DPCD will establish an expert group to identify and plan future scenarios for farming and farming communities, particularly in the context of climate change and other land use change processes. Funding of 3.79 million over four years will be provided to establish an expert group and support the strategic work that needs to be done, and the group will help identify barriers that need adjustment.

In terms of building activity, very quickly as we get into the last stages of my presentation, we have had a record year; 2007 was a record year for building with an increase of about 9.6 per cent on the 2006 year, with building activity reaching \$18.26 billion. Heritage Victoria is instrumental in maintaining and protecting the things we love and will continue to maintain and support local communities and councils in managing the heritage places, objects and collections through our \$2.2 million allocation in terms of grants in the 08–09 year.

Priorities for the forthcoming year, as I get to the last little bit here, Chair, briefly are: undertake a review of the Planning and Environment Act as outlined in the annual statement of government intentions; implementing the initiatives and actions identified and the government response to the Melbourne 2030 audit; continue to work with local government in the planning for activity centres; and implementing projects in priority centres through both the expert planning assistance and creating a better places program; continued investment with local government, the development industry and state agencies in the development of transit cities.

It also includes: continued support of Victoria's regions including by working together with local councils through the rural land use planning program; and ongoing implementation of the regional town development program in partnership with regional centres, as well as providing planning capacity, delivering on regional plans and other initiatives including future farms, where DPCD will establish a regional strategic planning expert group to provide advice about identifying and strategic planning for the future of farming in rural communities; continued work through the growth area authorities to streamline land rezoning and cut red tape including implementing the urban growth zone and precinct structure planning; continued implementation of the Victorian Coastal Strategy and Coastal Spaces Landscape Assistance Study; continuation of cutting red tape in planning implementation; implementation of the Victorian Housing Strategy and legislative review of the Building Regulations and Building Act to enhance consumer protection, affordable housing and equity and address sustainability and climate change.

Also: the development of improved energy efficiency and sustainability measures beyond those currently incorporated in the 5-star residential building standard, and it will be a key priority from my department in meeting the huge challenge of climate change going into the future. Thank you, Chair.

Ms MUNT — It is going to be a busy year.

The CHAIR — Thank you very much, Minister. There is certainly a lot on your plate. So, just to start off, you mentioned the audit of Melbourne 2030 and the government's response and, of course, funding in the budget, I think from memory, was 24 million. Can you just elaborate a bit more for us on the initiatives under the budget to implement the government's metropolitan strategy?

Mr MADDEN — There is no doubt a lot of discussion this week about the response to the Melbourne 2030 audit. I know that a number of members in this forum are particularly interested in our response to that. The 2030 audit was concluded with the release of the government response that I mentioned earlier, *Planning for All of Melbourne*, on 21 May 2008. The audit consisted of an analysis of recent trends, the 2006 census information and the report of the independent audit expert group chaired by Professor Rob Moodie. The expert group found that the fundamental principles underpinning Melbourne 2030 to be more relevant than ever due to the pressures of increased population growth, transport congestion, housing affordability and climate change, and *Planning for All of Melbourne* addresses these challenges and sets up the framework and the action required over the next five years. *Planning for All of Melbourne* includes the following initiatives totalling \$24.2 million over four years. They are as follows: streamlined growth area planning and approvals, 1.644 million; Growth Areas Authority leadership and growth areas structure planning, 5.568 million; simpler residential zones and housing supply, 3.242 million; targeted investment in urban renewal projects, 3.031 million; and targeted investment in urban renewal, \$10 million. Sustainable green wedges staffing and operation costs are in the order of 0.362 million, and sustainable green wedges management grants, 0.350 million.

We are introducing reforms to streamline our planning decision-making process, including a new partnership with local government, a shared partnership approach and new development assessment committees. As mentioned this week, we will make planning decisions in principal activity centres and key metropolitan areas. We will support local councils to engage communities early in the planning process about the rules of development in their local areas, and we are simplifying planning and development in activity centres through a new activity centre zone and tailored development frameworks to give communities more certainty about future development. *Planning for All of Melbourne*, no doubt, is a landmark step in the ongoing work to manage growth and ensure that Melbourne remains one of the world's most livable capital cities.

The CHAIR — Thank you, Minister. There are quite a few things there, and I am sure as we go along there will be further questions on the various elements.

Mr WELLS — Minister, I would like to refer you to page 186 of budget paper 3 in regard to transit cities, which you mentioned in your presentation. Why is the government planning for a 20 per cent failure rate — I notice that the projects are marked for 80 per cent — and does that 20 per cent failure rate comply with government policy on quality, timeliness and economic management; can the minister explain why 20 per cent of the projects are falling behind in quality and not running on time; and has there been an audit done to give reasons why there is a 20 per cent failure rate?

The CHAIR — Minister, particularly in regard to the estimates.

Mr DALLA-RIVA — I thought that is what it was.

Mr WELLS — Am I reading from the right page — page 186?

The CHAIR — This is the transit cities project work.

Mr WELLS — Yes, that is what I am referring to.

Mr MADDEN — I think you have misinterpreted those figures, Mr Wells. This is not about a failure rate at all. It is critical in relation to the way in which these projects are managed, rolled out and delivered, particularly issues about the delivery of the project, land acquisition, cash-flow arrangements, that those measures and those targets, because they are ongoing projects over a long period of time, deliver as much of the project as we can in any specific year, but those variables will change from time to time. To give you some examples of those, in any one precinct there will be significant infrastructure investment; there might be funding for government buildings into those projects, or as well as that there might be land acquisition in some of those locations as well. There is no doubt that land acquisition is one of those issues that is critical in terms of delivering the project, but it also has to be managed in a very sensitive way and delivered in a way in which everyone can have full confidence about the transparency of that process and confidence in the support of the local communities.

In the arrangements for the progress of the transit cities we have made inroads in a number of areas. In Dandenong in particular we have committed 290 million to revitalise central Dandenong. Of course that saw the release of the urban master plan for central Dandenong in November 2007. Land acquisitions also commenced to create a new city walk linking the station to the retail heart of Dandenong. There are some more details of the plans being finalised in relation to street works and physical works, and they are scheduled to commence early in 2009.

In Footscray, a one-stop planning shop has been opened in Nicholson Street. There have been significant mall works undertaken. Likewise in Ringwood, a precinct plan has been approved by council for the expansion of the Eastland Shopping Centre, and there has been investment in terms of the design work, particularly around the transport interchange. In Broadmeadows, again, design works and business planning around the civic plaza and public realm improvements are part of the program there. In Box Hill there is the redevelopment of the main street, the Market Street mall and public realm improvements to Bruce Street. As well as that in Frankston there are new planning controls to implement the transit cities structure plan, options for the design of the Kananook Creek boardwalk and associated works. They are on public exhibition — they were in 2007. I understand that the council delivered the final concept plan in April.

Across all of those projects there is a lot of work being undertaken. They will continue to roll out. Elements of those are not in any way a failure at all, Mr Wells. They are actually staged in a way in which we can continue to make significant progress in all of those projects.

Mr WELLS — Just to make sure that we are interpreting the figures correctly, if you are saying that there is an 80 per cent target, are you saying that there is an 80 per cent target that they will be completed by a certain date? Why is that figure not 100 per cent if you are so confident things are working properly?

Mr MADDEN — No, it is about the progress made in relation to specific nominated items along the program. So the intention is to achieve in the order of 80 per cent progress in that area, which is not to say a project will be completed in that given year. As you would understand, with all these transit cities, these are big programs for the long haul. These things will not happen overnight, and they are not one-year or two-year programs; these are, particularly in the likes of Footscray and Dandenong, significant and major urban renewal projects. The other critical component to that is bringing together investment from the private sector and other partners in order to capitalise on that investment, or leverage that investment. We think they are ambitious projects but fairly realistic in terms of the progress that will be made in any given year in relation to the elements and the attributes of the program.

Mr WELLS — Minister, you mentioned Ringwood. How much money has been allocated to Ringwood? I did not quite catch that.

Mr MADDEN — Significant amounts of money have been contributed. No doubt, they are eager to get even more money in relation — —

Mr WELLS — Into Ringwood?

Mr MADDEN — Into Ringwood, yes. I am very eager to see more money delivered to that project and am working with my colleagues to address that issue. I know some work is being done in relation to looking at some of the design aspects, particularly around not only the retail area but the transport hubs to make sure that the interaction between the transport hub, the station, the road network and the shopping centre work effectively. So I am looking forward to seeing that work finalised, and I am also looking forward to making some future announcements in relation to what funding might be available in relation to Ringwood.

Mr WELLS — Sorry, how much has been allocated?

Mr MADDEN — I am happy to provide you with that detail. I do not have it specifically in front of me, but I am happy to provide you with that detail.

Ms MUNT — Minister, you mentioned, I think, 24.2 million that has been put aside to fund the implementation of a number of Melbourne 2030 initiatives. As a member with a green wedge in my electorate that does have some issues. I was wondering how much of that budget will go towards green wedge policy to help maintain our public open space.

Mr MADDEN — Thank you very much, and I know you are particularly interested in many of the associated issues around green wedges and have been a very strong advocate for maintaining and protecting many of the green wedge elements, but also reflecting the views of your respective electorate in relation to this. So I am very conscious of your interest in the management of green wedges. Can I just make the point, too, Chair, that there is a definitive difference between the government's policy and the government's plan in relation to green wedge management, and the urban growth boundary, and that of the state opposition. We are committed to an urban growth boundary — —

Mr DALLA-RIVA — Hang on, no, he does this in the house.

Mr WELLS — You are committed to the boundary — —

Mr MADDEN — We are committed to the urban growth boundary and managing that and monitoring that. We are also committed — —

Mr RICH-PHILLIPS — No, you are not. You are messing it up.

Mr WELLS — But you are making adjustments to it.

The CHAIR — Can we just have the minister, please?

Mr DALLA-RIVA — Well, if he is going to have a go at us — —

Mr MADDEN — And, Chair, we are also committed to working — —

Mr WELLS — It is an absolute debacle because you are not keeping up the interest rates on the 2030 plan.

The CHAIR — Thank you very much, Deputy Chair.

Mr WELLS — Why would he say something like that? It is so ridiculous.

The CHAIR — Deputy Chair, thank you! Can we just have one at a time. Minister, without provoking — —

Mr WELLS — He is talking about the state opposition's plan. I just want to know what he meant by that. Would he like to expand on that?

The CHAIR — Thank you very much, and please try not to provoke people, Minister.

Mr MADDEN — Thank you very much. I will certainly try to couch my answers, appreciating the sensitivity of the opposition members who are here today.

Mr WELLS — Give us the plan on infrastructure. Chair, if you are going to let him keep going on about that we will need an explanation of the infrastructure plan for his 2030 and those growth boundary areas.

Mr MADDEN — Chair, all up, 23.5 million of the Melbourne 2030 budget is for initiatives that will help bring more housing to market more quickly and in the right areas. This will cater for our boom in population. So the demand for housing will contribute to improved housing affordability. Planning for more housing in our established areas and our dedicated growth areas does not directly impact green wedge policy, but it does support green wedge policy, because they are complementary. That is the point I was trying to make. In managing one you also have to manage the other, and they sit alongside each other. But if you were to not have an urban growth boundary, and we know there are some who would say that, then it is going to have a direct impact on green wedge policy. I know Mr Wells has made that point, and I know he is sensitive to that issue, but — —

Mr WELLS — Sorry, what did Mr Wells claim?

Mr MADDEN — I think in your budget reply speech last year, you said you were committed to dismantling the urban growth boundary, Mr Wells.

Mr WELLS — But you just said I would not have an urban growth boundary.

Mr MADDEN — You were going to dismantle the urban growth boundary.

The CHAIR — Minister, can you answer the question asked by Ms Munt, thank you.

Mr WELLS — You were not listening to what I said.

Mr RICH-PHILLIPS — You are misrepresenting Mr Wells.

Mr WELLS — You are clearly misrepresenting what I have said.

The CHAIR — I think it is not for us to sort out the — —

Mr WELLS — We said dismantle the 2030 boundary line — —

The CHAIR — Deputy Chair, thank you!

Mr WELLS — But you were assuming that I would not have an urban growth boundary line, and that is wrong.

Ms MUNT — Pleased to hear it.

Mr RICH-PHILLIPS — You are being dishonest.

Mr WELLS — No, you are misleading the committee.

Mr MADDEN — No, I am not misleading the committee.

Mr WELLS — And you are being dishonest. So I ask you to retract that, or otherwise it is going to get worse.

Mr MADDEN — I am happy to see, Mr Wells, that you have clarified it, that the state opposition has clarified its position on the urban growth boundary. I am very pleased to hear it.

Mr WELLS — If you had read it properly in the first place.

The CHAIR — Thank you, Mr Wells!

Mr WELLS — Pardon? What a joke! What is the point of having a public hearing if he is going to misrepresent what we are saying?

The CHAIR — We are having a public hearing and I would like you to restrain yourself. And, Minister, can you restrain yourself and confine yourself to answering the question asked by Ms Munt?

Mr WELLS — If he continues to mislead what I am saying or what I have said in the past, what do you expect.

The CHAIR — And if you continue to interrupt, quite frankly, I will close you down.

Mr WELLS — No, you are not closing me down. You are not doing it.

Mr MADDEN — The urban consolidation growth and area planning will reduce pressure to develop beyond the urban growth boundary, and it will reduce pressure on the ad hoc development through our valued green wedges. This is our strong commitment to managing urban sprawl. Certainly we want to manage the green wedges from ad hoc rampant development. We know there are others who have no regard for green wedges. We are committed to the protection — —

Mr WELLS — Who is that?

The CHAIR — I have asked — —

Mr WELLS — He has just said those not committed to the green wedges. I ask him to clarify it.

Mr MADDEN — We are committed to the protection of productive farming land and areas of high biodiversity value.

Mr WELLS — Who has written this for you?

Mr MADDEN — The principal difference is that we are committed to managing Melbourne's growth; we have a plan, and that plan helps protect green wedges and helps contain urban sprawl.

I know that Ms Munt mentioned the issue of resourcing: \$700 000 over two years is dedicated to the finalisation and implementation of green wedge management plans. This is a critical aspect of Melbourne 2030 that will ensure the unique qualities of our valued green wedges can continue to be protected.

The government response to the Melbourne 2030 audit, *Planning for all of Melbourne*, reiterates our strong commitment to the urban growth boundary as an effective tool for managing development. It also seeks to ensure that open space is properly planned for our growth areas and that open space is used effectively. *Planning for all of Melbourne* says that we will direct the Growth Areas Authority, working with councils and state agencies, to develop open space plans for each growth area, including the opportunity for multiple uses of undeveloped land. We will use these open space plans for informed precinct structure plans to ensure the provision — —

Mr WELLS — Would it be easier for him to table the document?

The CHAIR — Look, just stop that nonsense.

Mr MADDEN — It will ensure the provision of different types of open space. It also says that we will work with councils and state agencies to establish biodiversity corridors in areas such as along rivers and creeks, thus improving biodiversity outcomes. It is a significant step in the ongoing work to manage growth while reserving areas for open space, but in particular protecting green wedges and the biodiversity values in those green wedges.

These things are important contributors to Melbourne's livability and the 2008 budget delivers the resources to ensure that they are protected and that Melbourne will continue to remain one of the world's most livable cities.

The CHAIR — Thank you, Minister. Can I just remind members to avoid the interjections and, Minister, avoid reacting to any interjections and avoid provocation as well.

Mr MADDEN — Thank you for that direction.

Mr WELLS — You are going to start implementing that as of when?

The CHAIR — I have been implementing it and you have not been following it.

Mr WELLS — So that is as of now.

Mr RICH-PHILLIPS — Minister, you spoke about all the extra resources you are getting in planning this year. What I would like to know is when we are going to see some return on that investment, specifically with respect to the Narrawong DPO 7 issue. You said last December that it was a priority for you to address that issue. It is a matter of great concern to the residents and land-holders who are affected by that. The delay is causing enormous difficulties. When will you address that issue?

Mr MADDEN — I missed some of the details?

Mr RICH-PHILLIPS — The Narrawong DPO 7 call-in is sitting with you and you said last December you would address it.

Mr MADDEN — Thank you very much, Mr Rich-Phillips.

The CHAIR — The minister needs to relate it to the estimates. Can you clarify that?

Mr BARBER — It is a matter of when he will resolve it.

The CHAIR — We are not dealing with the outcome.

Mr RICH-PHILLIPS — The minister has said he has received \$37.4 million extra this year. Before the Parliament votes to give it, we might like to know how he is going to use it, given he has this backlog of these issues.

Mr MADDEN — Thank you very much, Mr Rich-Phillips. I am happy to give you the detail on notice, but I will try to do justice to the principle in the basics of the answer in the circumstances in relation to DPO 7. If it is the one that I think you are talking about, that is the one in the Glenelg shire; is that right?

Mr RICH-PHILLIPS — Yes.

Mr MADDEN — This is a particularly significant issue because it has been a long-going issue and we have seen a number of significant issues like this occur in the Glenelg shire. It is worth bearing in mind that councils are the principal planning authority at a local level in relation to these issues. Before they can have their planning scheme implemented, they have to do sufficient strategic work to make sure that it operates properly. In this case with Glenelg, they have made on a number of occasions some decisions which do not reflect good policy practice and this is one of those precincts which has been allowed to be opened up and developed without appreciating or taking into account some of the strategic issues that need to be borne in mind in matters like this.

I will give you some detail in relation to this matter. Whilst I know that there is certainly an issue about the land-holders in this precinct — and we have freed up parts of some of that area by staging what we can — the

critical issue here is that some of the land-holders in this location have been allowed permits by the council and they risk, because of climate change and coastal erosion and, I understand, the potential for sulphur acid soil — —

Mr BARBER — Acid sulphate.

Mr MADDEN — That's it, thank you very much. Thank you for the technical clarification there, Mr Barber.

There is a great risk to some of these residents. They are eager, of course, to get their hands on the land and to develop that, but what would be worse for them is if they built houses or developed those sites and a few months later either they could not get insurance for those homes because of the vulnerability of those areas or they had their houses washed away by coastal or tidal inundation. I know there have been some very strong advocates in relation to this matter, but the poor planning practices of the Glenelg council have brought about a position where these land-holders are caught between a rock and a hard place.

We are eager to resolve this issue. We have asked the council to resolve these matters and do the strategic work and bring that back to us. I understand that the area is currently subject to coastal mapping for sea level rise and the risk associated with that, and I understand also that development is currently being withheld to await the outcomes of that research. Basically it is a low dune system and the area is exposed to the sea. So it might be quite picturesque and it might initially sound like a lovely place to build a home, but it may not be a lovely place to build a home if there is a high risk of acid sulphate soils, as mentioned by Mr Barber, or tidal inundation and having your house basically washed away.

We are very keen to get this resolved, but it is not an easy matter to resolve. When you bear in mind the risks of climate change and what many experts are saying about the potential for sea rise, extreme weather events or coastal inundation because of tidal surge, then we have to be very cautious about what we allow strategically to take place in some of these areas. And this is in many ways a critical and test case for other coastal areas. Hence that is why we have had for some time our coastal management plan and the strategy that we have, because we have seen many people want to settle in coastal areas. The risk is loving our coast to death, and as well as that the great risk to proponents is that what might look like a picturesque location might also put them at enormous risk and also enormous and greater and financial risk than the situation they might currently be in.

Mr RICH-PHILLIPS — When will that matter be resolved, Minister?

Mr MADDEN — We have asked the council to do the work — their homework that they had not done in the first place. We have asked them to put in place the homework that they need to put in place. As I mentioned before, the area is being mapped in relation to sea level rises and the potential risks and threats, and I look forward to getting that resolved at the earliest possible date. It is an issue of great priority, but can I say that the last thing we would want is to have people settle in these locations and find that basically their houses have gotten washed away. Some of those scenes we see from overseas from time to time. Also bearing in mind that we have a number of coastal areas and we do not want to see some of the bad practices of the past replicated. People purchase land because it looked like it was a great location because of the vistas, only to find that they were never able to develop it. That has been the practice in some other locations, and they are matters that are being resolved currently with some of the other coastal councils. But it is very critical we get this right. This will also be representative of issues that need to be managed well into the future.

Mr RICH-PHILLIPS — Once you get the input from the council you are seeking how long will it take your department to resolve this issue? Obviously this cannot go on forever.

Mr MADDEN — Absolutely right.

Mr RICH-PHILLIPS — Once you get the information you need how long is it going to take you to settle it.

Mr MADDEN — Critically the responsibility from council is to get the homework done. It is sufficient to say if the homework they have done is sufficient too, we think we could get it closed very rapidly. But we have got to make sure that the council does the work. It is work that they had not done in the first place because it is quite substantial work. They have not done it in the first place, and now they have got to go back and do it. That has put some of their ratepayers at a great disadvantage.

Mr RICH-PHILLIPS — When you say ‘very rapidly’ what do you mean — three months, six months?

Mr MADDEN — I would just be presupposing an answer. Let us wait and see what the work is they provide to us. Let us see what the mapping says, and we will make a decision in relation to that as quickly as possible. But can I also point out that no doubt the land-holders would have issues associated with what the council may or may not have done in relation to these matters. It is not a matter of us just making a single decision and saying yea or nay; there are a whole lot of flow-on effects in relation to what it means for some of these stakeholders. We have to be very sensitive to that. I am sensitive to that and look to resolving this at the earliest possible date.

Mr PAKULA — Minister, even in recent days you have repeated publicly that Melbourne 2030 projections in terms of population are now likely to be more Melbourne 2020 in that the extra million people on current projections will be here a decade earlier than the original projections. With that in mind and given the ‘Planning for Victoria’ line item in budget paper 3 at page 343, what is the government planning to do in regard to Melbourne’s growth areas with the extra million people by 2020 in mind?

Mr MADDEN — Thank you very much, Mr Pakula. Certainly we have continued to hear how in a sense Melbourne’s livability, its attractiveness, the prosperity and the economic opportunity is attracting large numbers to Victoria but also to Melbourne in particular. We are at a distinct advantage by comparison to the other eastern seaboard capital cities. You have just got to see the prices in Perth as well. In terms of capital cities we are relatively affordable and very competitive in attracting people. That is good for the prosperity of the city. Growth is a good thing, and it also assists us in delivering a skilled workforce at a time of skills shortage. That attractiveness puts us at a great advantage, and the advantages that we already have are being built upon by people coming to Melbourne and Victoria.

But with the growth that is occurring so quickly there is a need to fast-track the planning of new communities, particularly in Melbourne’s growth areas. We have a plan to meet our growth challenges through our policy, 2030, and communities are at the forefront and the centre of Melbourne 2030, and indeed our actions respond to this growth. Budget paper 3 shows \$37 million is being invested for packages of initiatives to manage Victoria’s rising population through better planning for growing communities. Of this 36.6 million, 5.6 million will assist the Growth Areas Authority to focus on the delivery of precinct structure plans, whilst a further \$1.6 million has been allocated to the Department of Planning and Community Development to better streamline growth area planning and approvals. The Growth Areas Authority was established in 2006 to better coordinate development in the growth areas. Its role is to streamline planning processes and assist in the delivery of precinct structure plans in those growth areas. The Growth Areas Authority will continue to receive the annual allocation of \$4.7 million to continue this process of streamlining the development of growth areas.

As announced earlier this year by the Premier, through the precinct structure planning program the Growth Areas Authority is playing a significant role in reforming the planning process to speed up the release of land to the market for 90 000 new homes. This will maintain Melbourne’s competitive advantage, ensuring Melbourne remains the most affordable housing market on the eastern seaboard. The precinct structure plan program will oversee the implementation of the urban growth zone across the growth areas by cutting the time it takes to prepare land for development by more than 12 months. It will deliver housing more effectively in our growth areas by rezoning all remaining development of greenfield land inside the urban growth boundary in growth areas. It will streamline the existing planning process by stripping the system of unnecessary delays and removing overlaps in duplicating referral stages in the approval process and cutting thousands of dollars in development costs and significantly increasing the supply of new homes.

The streamlined precinct structure planning process in the urban growth zone will accelerate and lift the quality of planning in our newest communities, ensuring that we plan by choice and not by chance. The program will build on the work that has already been done over the 40 precinct structure plans, three of which have already been approved. Those three relate to Cranbourne North stage 1, Point Cook Homestead Road and *Merrifield Central, and will provide around 5500 new homes and around 17 000 new jobs. Those precinct structure plans will identify areas for housing, employment and other opportunities, along with community facilities, public transport routes and open space so that the strategic planning is done right the first time.

The new precinct structure plans will replace overly complex planning processes, incorporating native vegetation requirements to streamline the process rather than their being dealt with separately as an appendix to the planning

process. The government will proactively ensure that livability planning is at the front and centre of our plan for growth areas by turning spaces into places. Again, as I have mentioned on many occasions, it is not about subdivisions — it is about livable suburbs, and helping drive the market and ensuring that we continue to see Melbourne as a great place to live, work and raise a family.

Dr SYKES — There is more to be done. Minister, my question relates to consideration of climate change in your assessment of project proposals, and I ask: what resources have you allocated for assessing the Sugarloaf pipeline project advisory committee report, which I understand you received last Friday? By way of background on the Sugarloaf pipeline, or the north–south pipeline, you would be aware it is a very controversial project with many people concerned about the basis of the whole project and also the government’s failure to follow due process. In relation to the report — —

The CHAIR — Can we try not to be provocative and get to the question?

Dr SYKES — I am just giving the minister background, because he may not have full background; he may not have notes on it. In relation to the report you are about to consider, are you aware that the committee did not have access to the CSIRO’s most recent report on climate projections for the Goulburn–Broken catchment? The worst-case scenario would suggest a 44 per cent reduction in run-off. There are also issues in relation to the information on the impact on the Goulburn River flow in that the measures on the Goulburn River flow in the report were done 25 kilometres downstream, with other streams coming into the river below the take-off point.

The CHAIR — Dr Sykes, what is the question?

Dr SYKES — My question is: given the situation that I have outlined briefly — because I have been truncated — I would expect that there would be an extensive commitment in the assessment of what many people consider to be a fundamentally flawed project, so what resources are you putting into it?

Mr MADDEN — Thank you for that question, Dr Sykes. With your obvious degree of technical interest in relation to this project, I hope that you made a presentation to the panel in relation to those matters, because that is what the panel was for. I know you mentioned process, but we had — —

Dr SYKES — Unfortunately the panel had restricted terms of reference, and a number of the people making presentations were told that their information was not relevant.

The CHAIR — The minister, to answer.

Mr MADDEN — Given your level of commitment in relation to any of these matters, Dr Sykes, I would have encouraged you to have made — —

The CHAIR — Minister, on the question, please.

Dr SYKES — These points have been made to the panel, Minister. I did not need to do it personally, because the people out there are raising these concerns. This is not a political issue — —

The CHAIR — Thank you, Dr Sykes. The minister, to answer the question, please.

Dr SYKES — It is a people issue.

Mr MADDEN — Thanks very much, Chair.

Mr PAKULA — It is clearly not a political issue.

Mr MADDEN — I get a sense that the opposition might have had a late night last night or something. They are all a bit grumpy today, Chair.

Dr SYKES — No, I did not. I will play the ball, Minister, if you will play the ball.

Mr MADDEN — I am happy to answer, Dr Sykes. I am happy to answer on, I suppose — and I am interpreting your question — the two matters — —

Dr SYKES — It is a simple question: what resources are you going to put into it?

The CHAIR — The question was: what resources are you putting into it.

Mr MADDEN — The two matters that Dr Sykes appears to have raised, Chair, is no doubt resourcing, but in terms of process, he mentioned process and I would like to speak to process as well as the way in which that due process will continue. On 21 December last year I decided that an environment effects statement was not required for the Sugarloaf pipeline project, Chair, as the potential adverse effects are not of such magnitude to warrant an environment effects statement. However, though, I did determine that some further investigations and public review of the proposal were needed.

I have therefore required an alternate and proportionate assessment process to address the environmental and related social and economic issues, including the downstream environmental effects of diverting water from the Goulburn River. This has involved the preparation of a project impact assessment (PIA) report on the potential effects of the project by the Sugarloaf alliance, as the proponent, public exhibition of the report and the appointment of the expert advisory committee to review the PIA report and the public submissions and provide advice on the final pipeline alignment. I just wanted to clarify those matters about process.

The CHAIR — Okay. Resources?

Mr MADDEN — The report, I understand, was placed on exhibition from 19 February to 18 March 2008 to enable the public to comment on the proposed pipeline alignment options. I am advised we received 104 submissions, and the four-person advisory committee commenced its public hearings on 2 April to clarify particular matters raised in the submissions. The advisory committee has reported to me and has provided me with the report, and I had an initial briefing from the panel as recently as this week.

I will consider, reflect on and ask for further advice in relation to the report provided to me by the advisory committee. I will make a decision on the final pipeline alignment and resolve the means of authorising this under the Planning and Environment Act 1987.

The project also requires approval, I understand, under the commonwealth's Environment Protection and Biodiversity Conservation Act 1999, and the commonwealth has accredited — this is about process as well — the Victorian PIA advisory committee process as the required assessment process under the act. In view of its statutory time frame for decision-making, it is likely that the commonwealth will make its decision in late June. This will also be considered by the environmental effects assessment unit within the department. They will provide me with advice, and also the planning and policy team in the Department of Planning and Community Development. So it is quite an extensive process; it is not ad hoc. Due process has taken place, and I just wanted to clarify that for Dr Sykes.

What is particularly important in relation to the other component of his question is: what resources have we allocated? I am not the proponent. Let us make that clear: I am not the proponent of this project. I am the planning authority for this project. The proponent is the alliance, and of course that is done in conjunction with the Minister for Water. So I would expect that on making the decisions and any determinations in relation to that project, and any qualifications that I might seek in relation to that project or any other aspects that I request that relate to my decision, if there are resources either necessary or warranted in relation to any matters, then that is a proposition that I might make as part of my determination, but it is not for me as the planning authority to allocate funds to that. If there are any funds required in any manner in relation to any qualification, then that would be at the proponent's expense, and it would fall within the portfolio of the minister who is the proponent of the project.

Chair, it is not appropriate for me to nominate a figure that may or may not be allocated at this stage, because I am waiting for the resolution, and my resolution in relation to this is based on the advice that will come to me. If there is a need for any further resourcing, and should I make that determination based on any information that would come to me through the department or through this due process, then I would make that as a qualification, and that cost would sit with the respective proponent minister. I would expect that when that proponent minister comes to this table, then you should ask that question of that minister.

The CHAIR — Okay. That minister is coming.

Dr SYKES — Can I just get clarification?

The CHAIR — Very, very quickly; it has been quite long.

Dr SYKES — Minister, in view of this very important CSIRO report becoming available after the conclusion of that inquiry, would you accept and look at a copy of that report if I provided it to you?

Mr MADDEN — I am happy to receive that if you make that available to me, and I am happy to refer that back to the department so that they can address that in terms of the advice they provide to me. I expect, Dr Sykes, the department would also have considered that or would look to consider that in light of the sort of advice that I receive when those respective units within government provide advice to me.

Dr SYKES — And will the report that you are looking at be made public?

Mr MADDEN — What is normally the case is that in making my decisions I normally make reports public.

Dr SYKES — So the report will be made public?

The CHAIR — Thank you. I think we will move on.

Mr MADDEN — I would expect that to be the case.

Mr SCOTT — Minister, I refer you to budget paper 3, page 343, and your earlier comments regarding funding in this year's budget for the implementation of planning initiatives in Melbourne and regional Victoria. I would like to know how you will be assisting regional Victoria with its strategic land use plan.

Mr MADDEN — Thank you very much, Mr Scott. I know that this week there has been a large focus on Melbourne, as in Melbourne 2030, but one of the reasons there has been such great discussion is we are seeing extraordinary growth not only in Melbourne but also in regional Victoria. We have seen regional Victoria's population grow by 51 000 people between 2001 and 2006, with growth concentrated primarily in regional centres and peri-urban areas, including coastal areas close to Melbourne and Geelong. Chair, this stands as a stark contrast to the years prior to that when we saw a decline in the population across regional — —

Mr WELLS — Who wrote this for you? Who writes this for you?

The CHAIR — The minister to continue, thank you.

Mr WELLS — Why don't you just table the document?

Mr MADDEN — Can I just say, Mr Wells — —

Mr WELLS — Just table the document. Make it easier for all of us; just table the document. It will save you reading it, so we can put it in. You cannot miss any commas, full stops or anything.

Mr MADDEN — Mr Wells, can I just say that it was not this government that described rural Victoria as the toenails of Victoria.

Mr RICH-PHILLIPS — You just said it was too far away.

Mr WELLS — You said it was too far away.

Mr MADDEN — We did not write that script, Mr Wells.

Mr WELLS — You are part of the government that said they are ugly, ugly people.

Mr MADDEN — I think your former leader wrote that script about the toenails of Victoria, Mr Wells.

The CHAIR — We will call it a draw, thank you.

Mr WELLS — Just table the document and save boring us to tears.

The CHAIR — That is just inappropriate. We will call it a draw. Minister, continue to answer the question, please.

Mr MADDEN — Thanks, Chair.

Mr WELLS — He is going to lose his place.

Mr MADDEN — I appreciate the sensitivity of the opposition, and if they were looking for excitement, I would suggest — —

Mr WELLS — You said they were ugly, ugly people.

The CHAIR — I asked you to desist. Can you both desist, please!

Mr MADDEN — Thank you very much, Chair.

Mr WELLS — He has lost his spot.

Mr MADDEN — I will try to restrain myself from responding to the sensitivities of the opposition, Chair, but they seem to be quite sensitive today.

The CHAIR — Please continue.

Mr MADDEN — President, as I said, the population of regional Victoria grew by 51 000 people between 2001 and 2006.

Mr WELLS — Who is 'President'?

Mr MADDEN — Sorry, Chair. Did I say 'President'? He exerts that sort of authority — as opposed to some other members of this place.

The CHAIR — Thank you, Minister; that is not helping.

Mr WELLS — Obviously they have written 'President' in his briefing and not 'Chair'.

Ms MUNT — You are embarrassing yourselves.

The CHAIR — Minister, get on with it.

Mr MADDEN — Thank you very much. We are committed to assisting councils to respond to these significant emerging issues across regional Victoria, particularly on the back of the success of the Living in Provincial Victoria campaign. We have seen enormous growth, and we are committed to build on these initiatives over the next four years. We are assisting councils to respond to those emerging issues, particularly around land use. We have contributed \$500 000 to the rural land use program, which is built on the successful implementation of the rural zones in partnership with rural councils and the Municipal Association of Victoria. These initiatives saw the implementation of 15 rural land use planning projects across the state, which will respond to various regional land use pressures through better strategic land use planning directives.

As I mentioned earlier, in this year's budget we are investing \$119 million in planning reforms and urban renewal projects. Of this, \$37 million will be spent over four years on planning initiatives; a significant component of that, particularly in relation to strategic advice and information, will be invested in regional initiatives. Whilst those initiatives are still being developed up, it is important to recognise that the work has commenced to develop work around corridor strategies and they will ensure that particularly those fast-growing regions are networked to other cities and regions whilst protecting those rural and natural resources and landscapes, and there will be more focus on strategic planning in particular.

I know Mr Rich-Phillips highlighted an issue of his interest. Some of these issues arise when the strategic work has not been done, so we are committed to making sure that we complement local government's work by investing in partnership with them to ensure that they do the strategic work that has to be done.

As well as that, basically our investment is quite significant. We are very committed to growing all of Victoria, including metropolitan Melbourne and inner Melbourne, and so we will continue to make provincial Victoria a top priority for this government, and I look forward to announcing further policy initiatives and actions that will continue to improve the planning process and the planning result to make sure that provincial Victoria remains and continues to grow as a great place to live, work and raise a family.

Dr SYKES — But what about rural Victoria, Minister?

The CHAIR — I think ‘provincial Victoria’ means both rural and regional Victoria.

Dr SYKES — Does it? Does ‘provincial’ mean ‘rural’ as well?

Mr MADDEN — Yes.

Dr SYKES — It does not just mean Bendigo, Ballarat and Geelong?

The CHAIR — No, it means both.

Mr MADDEN — It means all of Victoria, growing all of Victoria.

Mr BARBER — Minister, if I can take you back to page 186 of budget paper 3. Chair, with your assistance, there are a large number of new measures here so I just want to get — —

The CHAIR — We can also look at the discontinued ones down the back.

Mr BARBER — Yes. I just want to get the measure clear so that I can frame my question properly. In relation to precinct structure plans being completed, can you tell us what proportion — —

Mr MADDEN — Sorry, can you just point out which line you are on there?

Mr BARBER — Third measure from the bottom of page 186. Can you tell us what proportion of principal and major activity centres have their precinct structure plans now?

Mr MADDEN — I do not have that specific information in front of me, but I am happy to provide you with that. What we have seen is a number of councils make significant inroads into these matters. Some councils have invested very widely in those and some have probably almost gone into too much detail in some aspects. So what we are trying to do, in conjunction with local government, is develop a consistent approach to the precinct structure plans, particularly in activity centres, and to assist councils.

The announcements that I made earlier in the week in conjunction with the Premier, in working in partnership with local governments — particularly in and around the announcements for the principal activity zone — is the ambition of a consistent approach whilst recognising the need for a tailored approach to these principal activity centres with regards to local expectations as well as an objective of getting greater levels of housing into them. We look forward to ensuring that we have got the level of detail, but not too much detail to not allow some flexibility. So we are happy to provide you with the detail about how many have been completed in the principal activity centres.

Mr BARBER — Is that what that note says?

The CHAIR — You mean the principal and the major ones, or both?

Mr MADDEN — When you say ‘precinct structure plans’, are you after — —

Mr BARBER — Principal and major activity centres. Is that what that note says?

Mr MADDEN — No, I do not think it does.

Mr BARBER — So what I want to know is — —

The CHAIR — You have already asked your question. You have got another one, have you?

Mr BARBER — No. So this is not saying they are 100 per cent complete — that is my point. This measure is not saying that they are 100 per cent complete; this is saying that however many are completed — which might be one — they will be in accordance with adopted process?

Mr MADDEN — That is why I wanted to clarify the precinct structure plan. These precinct structure plans relate to a number of areas, whether they are the major activity centres, the principal activity centres or the

growth areas. I think the line that you are looking at, Mr Barber, relates to the growth areas, as opposed to activity centres. But I am happy to provide you with the detail of those that have been completed, whether you want the principal activity centres or the growth areas; I am happy to provide you with both lots of information.

The CHAIR — I think he also wants the major ones.

Mr BARBER — So let me ask this question then — —

The CHAIR — You have already asked a question.

Mr BARBER — No, that was trying to understand what the measure is.

The CHAIR — You only get the chance to ask one question — —

Mr RICH-PHILLIPS — He was clarifying.

Mr BARBER — Unless you are Bill Sykes or you kick up a stink, I guess.

The CHAIR — Well, you can kick up a stink if you like, but — —

Mr BARBER — I do not play that game, but I just want to ask a question which — —

The CHAIR — You are asking a range of successive questions, and the rules are clearly that you ask a question and we move onto the next person.

Mr BARBER — At the rate we are going I will not get another question, so I would just like to ask my question.

The CHAIR — We are about to take a 5-minute break so if you want to ask for a clarification on the previous question, you can.

Mr BARBER — These new panels that you are setting up to make decisions in activity centres — will they only be set up for those activity centres that have completed structure plans?

Mr MADDEN — I will give you a fairly extensive answer if I can, Mr Barber.

The CHAIR — Not for too long.

Mr MADDEN — The announcements we made this week were on the setting up of a number of initiatives. One of those initiatives was to establish a principal activity zone, because when you look at some of these principal activity centres, even though some of the communities have done their precinct structure plans, in some of these areas there is a virtual plethora of different zones. So it does present some difficulty in giving some clarity and some streamlining to the way in which people can either acquire land or develop land, because you might have different-zoned pieces of land sitting next to each other in a principal activity centre. That zoning may not necessarily complement the sort of use that even the precinct structure plan reflects.

What we want to see is the integration of the precinct structure plan. We have also mentioned this week the precinct structure plan will inform the infrastructure investment plan. That is complemented by the principal activity zone, and then the overarching basically decision-making process then on applications made by proponents in those principal activity zones is basically through the development assessment committees. The mechanism there is to give clarity in terms of the zoning. That is informed by the precinct structure plans and the master plan. We know what sort of infrastructure we are after so we can complement the developments that might occur. In terms of the decision-making process, in putting the clarity into that, then the objective decision-making process and the development assessment committee by the five members on that committee will assist in progressing these.

The councils will still be the ones determining what happens in their local area in terms of the policy, in terms of the zoning and in terms of the structure planning. They will also be able to reflect and will work very closely with council, in partnership with them, to reflect the ambitions of those in the community, but bearing in mind the need for greater levels of housing in these activity centres given the high level of growth. What we want to do then is have the development assessment committees established with five members. The five-member development assessment committees will have two representatives nominated by the specific local government in which the

development or the proposition is occurring. There will be two representatives from state government. Those two representatives will be basically planning experts or officers. Local government's representatives can be councillors or officers. They can be any combination of the above, or nominees. Then there will be one more person who will be an independent chair, and that person will be agreed with in conjunction with the MAV or nominated through that mechanism.

We believe this will still reflect the views and allow the community's views to be reflected, but basically the policy development of the precinct structure planning still rests predominantly with the council. We will work very closely with them to ensure that they are completed and that there is clarity around that. But what is particularly important is that the rigour in that will help inform the decision-making process, rather than what has sometimes happened, which is where there are gaps, then the decision making is not clear. There will still be mechanisms for appeal — that will not change — and the local council will be able to determine the sorts of triggers or the mechanisms or controls within those principal activity centres through the principal activity zone.

Mr BARBER — The DACs will proceed while the planning work is still being done in some cases?

Mr MADDEN — What we did nominate today is our intention is to roll out the principal activity zone and the development assessment committees across the 26 councils, but in the initial stages we are focused on five at this particular point in time, because they are ready — we believe — to progress into this space, and we will see how the other councils go in terms of the strategic work before we progress on the other fronts with the other 21.

The CHAIR — I remind members of the committee and the minister that this is not question time. I have made light of throwing out committee members or throwing out ministers, but we do not work that way; it is actually question and answer. If people can be very precise in their questions and definite in their answers without any provocation, that would be very helpful to Hansard staff, I am sure.

Mr MADDEN — I am not sure Mr Wells heard your comments then.

The CHAIR — I spoke to him outside.

Mr NOONAN — Minister, I want to ask you about housing affordability, which everyone seems to be speaking about at the moment. I think you have referred in your earlier answers to how planning reform will play or is playing an important role in this area. In terms of this budget what initiatives have been planned to ensure housing affordability across Victoria?

Mr MADDEN — Thanks very much, Mr Noonan. No doubt planning plays a critical role in maintaining land supply and housing diversity while ensuring that the overall planning system does not obstruct or delay development. It is a very broad debate — affordability. It is not just specifically about planning; there are many other factors that contribute to affordability. Some of those are certainly beyond just the built form or the land use or the land availability.

Recent reports by the development industry bodies acknowledge Melbourne's relative affordability, with vacant lot prices in Melbourne being significantly lower than in Sydney, Brisbane and Perth. These reports relate to Victoria's better performance to its planning for adequate land supply and lower cost of infrastructure provisions. Certainly that is a great compliment to what we all achieve at a local government and state government level about ensuring that there is adequate provision of land supply, and no doubt that certainly allows some degree of affordability here in Victoria.

We have a reputation, certainly, as well as that as being one of the world's most livable cities and being one of the most affordable capital cities. That is a great complement of attributes. To continue to achieve this we have ensured adequate land supply and earlier this year released the 2007 urban development program report. It is a major initiative that has seen us release in the order of 90 000 residential allotments, or the announcement that they will be released, within Melbourne's growth corridors. It is one thing to have a good system, it is one thing to have the land, but also what is critical is that because we do monitor the availability of land and we do have our growth areas, that strategic work and that effort certainly complements livability and affordability.

The reforms announced earlier this year will enable us to work with local government to put up more land and to allow for it to be released more quickly to the market. This will reduce the costs of housing development, particularly because the holding cost to developers is often passed onto the purchaser, so if we can reduce that

holding cost then that can be of great benefit. That is also one of the critical components: if we can streamline the planning process and reduce delays, then we are reducing the holding cost, and that is a critical component in terms of costs in the provision of housing. If we can streamline the process, reduce the holding costs, that is going to be passed onto the consumer at the end of the day. So I am very committed to ensuring that we can reduce the holding cost for those who are seeking to release land and housing to the market.

What is also important is that whilst we get the land or the housing to market we have got to have carefully planned communities, well considered, so that families who move into these areas do not have to spend a lot of time or money or effort getting to where they need to be, either schools or jobs. So the precinct structure plans that we have already talked about today are critical. In the 2008 budget we allocated \$119 million for investment in planning reforms and urban renewal projects. That will also assist in the acceleration of those 90 000 blocks of land. It also includes investments of \$34 million in our transit cities projects and allocates \$37 million for Melbourne 2030, and improves strategic planning for the regions. These initiatives contribute directly or indirectly to not only livability but affordability and improving access to services in those areas where we release land.

Of the \$119 million the budget also delivers \$15.1 million over four years for the Department of Planning and Community Development to provide more land for housing to reduce costs for purchasers, by working with three tiers of government to release land faster and at less cost. So collaboration and a team effort is critical to making sure that we are getting more housing product to market.

We want to see councils provided with information and policy advice about housing trends and data on housing affordability, because predominantly local government is the planning authority for the vast majority of housing, and if we can assist them then that can also reduce the holding time and the costs that might be passed on.

It is important when we are talking about housing that we have got to bear in mind housing diversity. It is one thing to release a standard housing product, but if there is a diversity of housing types, that certainly contributes to housing affordability. All of us, no doubt, live in an area that we enjoy or we have got connections within and that is very important, but when people are either trying to settle members of their own family, whether they be older members or younger members of their family, or whether they are trying to downsize in their own community, cashing in what might be a house to something more reduced, then it is important with the diversity in any particular area that it allows that affordability.

What we have seen is we have got very good house prices on the urban fringe, but part of the announcements that we have made this week — and I would expect Mr Barber would also be interested in this because of his questions in relation to precinct structure plans — is that if we are going to make big inroads into housing affordability, it is about providing diversity and also that diversity right across Melbourne, not just the standard housing product out in the urban fringe. So the investment will complement what we are doing, complement housing affordability and livability, and we think that will certainly contribute to keeping the lid on housing prices and, as well as that, be critical to all those investments and all those announcements, whether they be policy announcements or commitments in terms of funding. We have got to make sure that people are not, in a sense, using a litre of petrol to buy a litre of milk, that they have to have services close to them and that they are not marooned in whatever community they are and that they are able to access those services and be linked into the communities that they know and love.

Mr DALLA-RIVA — Minister, I refer to budget paper ‘Service delivery’, page 290, in relation to ‘Revitalising central Dandenong’. I understand there is seed funding over the — —

Mr MADDEN — Can I just interrupt there, please, Mr Dalla-Riva. Which budget paper are you on?

Mr DALLA-RIVA — ‘Service delivery’ budget paper.

Mr MADDEN — Which budget paper number — just remind me?

The CHAIR — No 3.

Mr MADDEN — No 3. What page are you on?

The CHAIR — It is on page 290, and it is —

Mr MADDEN — Just highlight the line.

Mr DALLA-RIVA — ‘Revitalising central Dandenong’. Over the forward estimates there is \$1.4 million, and I am just seeking some further detail in relation to what the funds are for. My understanding is outlined on page 295, and I am just curious: does not the DPCD already have a service centre in Melbourne’s south-east, and with respect to the comments on page 295 regarding that funding what services will the department provide that cannot be obtained by other means?

Mr MADDEN — Just the last line again that you mentioned?

Mr DALLA-RIVA — What services, as outlined in the budget paper, will the department provide that cannot be obtained by other means?

Mr MADDEN — I think your specific reference is — I refer you to page 295 of budget paper 3 as well, the bottom of — —

Mr DALLA-RIVA — That is what I just said.

Mr MADDEN — Yes, that is right, but if I refer you to the bottom of it which explains basically the fit-out of the new 5-star green-star A-grade office building of around 13 000 square metres in central Dandenong to be developed by the private sector to co-locate government services in Melbourne’s southeast area. The building is a seed project for the Revitalising central Dandenong transit city project.

Mr DALLA-RIVA — My two questions were — —

Mr MADDEN — So if you turn the page to 296, you will see that the initiative contributes to a range of Department of Human Services’ outputs, Department of Justice’s Promoting and protecting consumer interests and court matters and dispute resolution outputs, and the Department of Planning and Community Development’s Planning, urban design and housing affordability output. Basically what we are doing in that project is bringing together a number of government offices in a new building — in many ways a landmark building because it will be 5-star, green-star — from a number of locations or pre-existing buildings in and around the Dandenong precinct and co-locating them so that we get economies of scale, a better building for all of those workers because some of the buildings they are currently working in, in different locations, even the ones within Dandenong are a bit tired, the services are tired, and they are probably not necessarily consumer friendly.

If you are walking up to get the service that you want, they may not be compatible with people’s expectations of good customer service. This provides us with the opportunity to build an environmental building, a benchmark building which is a catalyst for urban renewal in Dandenong. In that sense it is a landmark building which complements the expectations of workers and the expectations of clients or consumers as to what might be the case.

You would also understand, Mr Dalla-Riva, that there is a need for a large degree of varying service provision in that region, so the type of urban renewal project that is being undertaken will do a number of things. It will improve the service delivery, but just the investment and the urban renewal will create job opportunities. It is complemented by the impending opening of EastLink, and along EastLink there are a number of major centres like Ringwood, like Dandenong, like Frankston — and I think there was an article in the *Age* by an expert recently saying that the commuting times to those centres will be reduced significantly — so that extends the catchment to those centres, and whether it is through public transport or through road, particularly EastLink, people will be able to commute to those centres in a more timely manner.

It opens up the catchment within, say, a 30-minute time space. All of those components, all of those attractors will really assist the urban renewal we are seeing in Dandenong, in particular the new service building, part of the urban renewal, located near EastLink, a broad catchment — that has got to be good for everybody in the surrounding area.

The CHAIR — You pinched my question; I was going to ask about Dandenong, too.

Mr WELLS — Do you want to move straight onto me?

The CHAIR — No, I am quite happy to ask about these regional centres like Dandenong, but also Geelong which is another one, and what the budget is providing for those regional centres. You mentioned Dandenong, but in the context of talking about Geelong could you also say what this means in terms of attracting private investment, including private investment in places like Dandenong?

Mr MADDEN — As members here may have noticed today, the strategic investment in a number of these centres and the urban renewal transit city-type projects and also the discussion that is taking place around principal activity centres and the streamlining of the planning process is really about directing the market in many ways to invest in those centres. Whether it be jobs and employment, whether it be retail, whether it be services or whether it be housing, our leadership in this area and our support, particularly our symbolic investment as mentioned in Mr Dalla-Riva's question in relation to serviceability by government, if we are delivering into those centres by investing and actually setting up in those centres as well, that is a great sign that can give the market a lot of confidence that its investment is warranted and build as well as that a critical mass from which other investments can come together.

Of course Geelong is one of those. The TAC offices are located down there; Geelong is a transit city, there is the investment down there, there is the huge demand for housing in the region. The attractiveness of Geelong for many reasons: the regional fast rail, the bay, it is close to the Surf Coast, all that makes it a very attractive proposition for those who want lifestyle as well as living in an urban environment.

Some of the figures that we have seen in terms of population growth, I mentioned earlier that the census indicated that regional Victoria grew by 50 000 people, but of that Greater Geelong grew by more than 11 000 people. Approximately 23 per cent of the growth in regional Victoria is going to Greater Geelong, so you can understand the importance of the planning in that location. If you complement that with, as I mentioned, Dandenong and EastLink, and you think about the bypass and what that will do to take some of the traffic off the streets through the heart of Geelong, you can see it will be an even more attractive proposition to live in the heart of Geelong as well as the surrounding areas, hence the need to make significant strategic investment in the likes of Geelong, given its current growth and the potential and anticipated growth.

Adding to the 5.8 million allocated to Geelong in last year's budget for the revitalisation of the Geelong transit city project, this year the government has allocated an additional \$24.5 million to ensure that we invest in that livability. These funds will provide improvements to the railway station precinct in Geelong and the new pedestrian links between the station and the new TAC building. Further to the 08–09 budget 7.9 million has been committed to be spent over four years for the strategic planning of the city through the development of the Geelong future city master plan.

Seeing there is growth, we have to do the strategic work as well in partnership with the City of Greater Geelong, so we are very keen to make sure that happens. This will assist in the development of a number of business cases for the redevelopment of the Geelong library heritage centre, the redevelopment of the Geelong Performing Arts Centre and the redevelopment of the heritage-listed Geelong courthouse into a youth and arts centre.

We are committed to ensuring that the livability of Geelong and the surrounding regions is sustained, to build on the economic prosperity of the 240 000 people who currently live in the area. Recognised as Australia's largest provincial municipality, Geelong is strategically networked in a service and transit-oriented location. It offers a great opportunity, a unique opportunity of varying a range of services to the local community and the wider region for people who want to live there. I would expect that even the extent of take-up of people living in the surrounding region will be great given the Geelong bypass, particularly in locations like the Golden Plains and Surf Coast shires and even the Corangamite shire. Geelong is no doubt one of the most significant hubs. Its city centre is quite vibrant, but this will add even more to that.

Further to the decisions we have made this week about principal activity zones and nominating Geelong as one of those for priority, we see enormous opportunities, particularly around housing and the diversity of housing that I have spoken about already, and the complementing potential growth in the Armstrong Creek area. The Armstrong Creek area is towards the Surf Coast. That is where the sort of suburban settlement will extend, but we have to provide diversity of housing choice by complementing that with not only leading and accentuating investment in central Geelong but for housing provision in central Geelong. We think the strategic investment, the strategic work and the other complementary initiatives that are taking place will see Geelong going from strength to strength and being made an even better place to live, work and raise a family.

Mr WELLS — Minister, I just want to bring you back to the Ringwood transit city project. I am just wondering whether during the break you were able to get that figure we asked for on how much has been actually spent on this project?

Mr MADDEN — No, I had not anticipated getting that for you; I had anticipated giving it to you after taking it on notice.

Mr WELLS — Was that money spent in this current financial year?

Mr MADDEN — We have allocated funds previously to Ringwood for the development work in terms of much of the planning for the work that needs to be undertaken. What we have seen, too, in regard to the Ringwood centre is a fantastic opportunity. I understand there will be commercial investors in that location, particularly in the shopping centre precinct; and redevelopment will continue or is anticipated to occur of much of the shopping precinct by those private investors, so we anticipate that before too long we will be able to complement that with an additional investment, particularly around the transport node.

As I mentioned before, Mr Wells, there is still some work to be done around finetuning the interface between the shopping precinct and the transit hub, where the buses and the trains come together and the way that complements the shopping centre. A lot of work has been done and we have invested money in that, but there are still matters to be resolved with the commercial developer of the shopping centre.

I understand some work has been done with the priority development panel to look at refining that. I would expect and anticipate that when these matters are resolved, the government would be looking to make a significant investment in the delivery of the transport hub in particular to complement the work that will take place in the Ringwood principal activity centre.

Mr WELLS — Is it true then that because of the delay in funding from the government — and I understand there is \$50 million pending — QIC, who are the major developer there, has actually scaled back its proposal from \$600 million to \$400 million — four towers to two towers? Is that your understanding of it?

Mr MADDEN — No, I do not believe that is the case at all, Mr Wells. I have had informal conversations with QIC in relation to these matters at some functions where they have been in attendance, and I have been very enthusiastic about reinforcing our commitment to the Ringwood transit city. They have also reflected their genuine enthusiasm for the project. As I said before, Mr Wells, we look forward to resolving the matters around the transport hub in particular, and look forward on the back of that to making some significant strategic investment in the no-too-distant future.

Mr WELLS — So are you negotiating with QIC, or are you negotiating with the mayor of Maroondah, Tony Dib, on this? What is the role of Tony Dib in this?

Mr MADDEN — Let me put it this way, Mr Wells. I do not negotiate with anybody in relation to these sorts of developments. Basically, as I mentioned before, a number of initiatives are taking place, including the strategic investment with the Maroondah council, to make sure that we support it on the strategic work that is taking place. I would anticipate a strategic investment before too long by this government in and around the transport hub.

There are some complementary designs in relation to the transport hub and the commercial centre and the interface, particularly across the highway there, and how that works and how we make that work. Some of those smaller matters, I understand, are being resolved with the priority development panel, which is really a panel of experts who can make qualification as to how these things should be resolved, such as the interface and the operational aspects of it. I would expect that when these matters are resolved, we would be able to make a complementary commitment to what we would all like to see, which is a significant investment to get a move on in terms of development around the station precinct.

Mr PAKULA — This is still on transit cities, Minister. I am interested in Broadmeadows, which lies just outside my electorate — in fact it is in Mr Barber's, but near enough to mine. Budget paper 3, at page 343, commits \$8.4 million over the next three years to revitalisation and regeneration for the Broadmeadows transit city. Could you give the committee some update on what that allocation will mean for the project?

Mr MADDEN — Anybody who has been to Broadmeadows recently would acknowledge in a sense the changes that are occurring in Broadmeadows. For some time Broadmeadows was seen as not necessarily an attractive place to be located, but given people's desire to live close to public transport, to have access to public transport, and the proximity of Broadmeadows to not only the likes of the city, the public transport network and the

regional transport network, but also the fact that it is close to the Metropolitan Ring Road, it gives great access to much of the services and industry located around the Metropolitan Ring Road. That is complemented by the Craigieburn bypass and there is a renewed enthusiasm by everybody in Broadmeadows to make greater inroads into the economic prosperity.

There is a great opportunity to really build on the investment we have already made. If anybody has visited the Global Learning Centre out there in Broadmeadows, they know that it is just a marvellous facility. It is a great testament to a partnership approach and what can be done to a community with a strategic investment — and it has been quite a large investment. That was done in conjunction with lots of people, and I think the people of Broadmeadows are particularly proud of that.

If we get the transit city arrangements happening around there sooner rather than later, what we will also see is better interface between the station precinct, the transport hub, and the road network. It is not dissimilar in many ways to some of the challenges that are faced by Ringwood in relation to resolving those matters. Where you have a triple-lane dual highway, you have to be able to get across that and also give traffic management issues priority but also pedestrians priority through that.

Our investment is a quite significant one. As part of the budget we have allocated \$8.36 million to the further development of the transit city over the next three years. In partnership with the council, we have contributed over \$800 000 to the Broadmeadows civic plaza. I was out there only last Friday, Mr Pakula, and the mayor was saying what a great space it is. Not only does it reflect well on the Global Learning Centre as a lovely forecourt, but it also provides for events like community events and a location for young people. Rather than hanging out, it is a place for them to do things and also use the cafes. They were complimenting that as well.

Mr BARBER — Did you take public transport out there?

Mr MADDEN — I take up Mr Barber's interjection — —

The CHAIR — Concentrate on the answer, please, Minister.

Mr MADDEN — Thank you, Chair. I do live on the Broadmeadows line, the Craigieburn line, Mr Barber, and I do use the line frequently. It is certainly a great opportunity to improve the public realm around there.

Mr BARBER — Try the bus connections from Broadmeadows station, mate.

Mr MADDEN — That is a good point, because this will help that interface between the bus system and the rail system, particularly at the station precinct. There is already a lot of built form around there, built some years. This gives an opportunity to renew that and the interface between that and the civic plaza, to bring that together with the shopping centre in a more integrated way.

We are also conscious about the other side of that railway line, Mr Barber. If we can get this right it can also open up economic opportunity for the other side of the railway line. There are some brownfield sites where industry has been located. If we bring this together, it will potentially provide an incentive for people to do housing developments on some of those brownfield sites and also add value and worth to some of the housing in that location.

So the investment is strategic, not only to improve the activities centre but also to improve the surrounding community and lift the level of prosperity and economic opportunity in the region. Again, like our other strategic investments, it will bring jobs into the region and it will bring other businesses and a range of business activity. That will provide for people being able to purchase, no doubt, housing with a degree of affordability in the surrounding region close to that activities centre. If people can live closer to where they work, that has to be a good thing because it just saves on the time spent and the energy spent — the wasted hours spent — commuting that people obviously get anxious about, with congestion.

Mr RICH-PHILLIPS — Minister, I would like to ask you about progress or otherwise on the Rossdell Court development at Portland. This was the land that was rezoned residential by the Victorian government in order to maximise the sale price. It was then sold by your government to a private party, with their expectation to develop it. When the subdivision plan was put in, it was subsequently called in by your government and is now

stalled. My question is: what compensation have you set aside for that land-holder, given that land was clearly sold on the basis that it would be developed for residential — that is why it was rezoned by the government, to maximise the proceeds to the government. Now you have blocked that, what compensation will you pay or make available to the land-holder and when will you finally determine this call-in?

The CHAIR — Minister, as far as it relates to the estimates.

Mr MADDEN — There are a couple of things there, Mr Rich-Phillips. In relation to Rossdell Court, if you check the records and the detail of the administration in relation to the sale of that, I think you will find that the sale of that land was initiated by the Kennett government as part of the — —

Mr RICH-PHILLIPS — Rezoning was done by Kennett; the sale was done by you.

Mr MADDEN — I think you will find that the sale was initiated by the Kennett government as part of the port privatisation process, so I would ask you to check your details on that, to ensure that you have that right.

In relation to that, again I think you will find that the zoning in this matter had insufficient strategic work done and that was again a reflection of the ability of the Glenelg shire to actually do the strategic work it should have done. There is a recurring theme here, Mr Rich-Phillips. I know that Dr Napthine has been quite vocal on this, but I would suggest that if Dr Napthine had been just as vocal with the council at the time of the lack of investment in the strategic work, whether it be in relation to coastal inundation or buffer zones around industrial areas, then he would no doubt have ensured that this had not taken place. Particularly at a time when he was a minister in the Kennett government, I would have suspected that he would have been quite conscious also that the privatisation of the port and the port of Geelong and the sale or disposal of surplus land around that port at the time by the Kennett government — —

Mr RICH-PHILLIPS — Portland.

Mr MADDEN — Portland, sorry. Certainly it should have been borne in mind by the local member in that part of the world. No doubt this is a matter that needs to be resolved. It will be resolved. The critical issue here again, Mr Rich-Phillips, is that the zoning in relation to this, to my understanding, is not appropriate. It is not appropriate because basically in any industrial land you need to have a buffer. If you are going to build housing right up to some of this industrial land, it is an inappropriate use. In particular there are issues about the air quality around the port, I understand, and the impact on residential amenity, as well as the high level of truck usage that moves in and out of the port and the impact that will have on any proposed housing in relation to those who live in that housing. No doubt this is a matter which is a difficult one for the Glenelg Shire Council. They were very keen to have it zoned residential. It is an inappropriate use, and we will seek to make sure that the appropriate use is determined. No doubt, when that is resolved, the manner in which it is resolved will determine what takes place from there.

Mr RICH-PHILLIPS — Minister, this is not an issue for Glenelg shire; this is an issue for the government. It was the government that was the beneficiary of the sale of that land when it was zoned residential. If you say it was inappropriate to be zoned residential, it should have been rezoned before the government sold and benefited from the sale of it as residential land. I mean, to sell it as residential land and then pull the zoning on the subsequent purchaser is unconscionable.

Mr MADDEN — I think if you check your notes in relation to this, Mr Rich-Phillips, you will find that normally when land is disposed of by a government the rezoning occurs before it is disposed of.

Mr RICH-PHILLIPS — And it was rezoned to residential.

Mr MADDEN — As I said, I think you will find if you check your records, Mr Rich-Phillips — —

Mr RICH-PHILLIPS — It was sold by your government.

Mr MADDEN — The initial disposal of that land and the rezoning, I believe, has taken place under the Kennett government.

Mr RICH-PHILLIPS — The sale took place under your government to screw over the purchaser of that land.

The CHAIR — All right, I think we are just repeating each other in terms of — —

Mr MADDEN — I believe you should your records, Mr Rich-Phillips — —

Mr RICH-PHILLIPS — It does not involve Glenelg shire, it involves you, Minister.

Mr MADDEN — No, I am suggesting to you that you should check your records, Mr Rich-Phillips, because I think this is part of what the Kennett government set in place.

Mr RICH-PHILLIPS — It was unconscionable conduct by your government.

The CHAIR — All right, I think you have both repeated yourselves a couple of times.

Mr SCOTT — I would like to return to the theme of transit cities, which you refer to in budget paper 3, pages 186 and 187. Could you outline the work that will be undertaken over the estimates period in the Footscray transit city?

Mr MADDEN — Thank you very much, Mr Scott. Certainly the Footscray transit city is one of those hallmark projects that in years to come people will look back on and say, ‘Wasn’t that a fantastic initiative to serve the renewal that has taken place in Footscray?’. This is a very exciting proposition, the renewal of Footscray, because Footscray is located really in a bit of a logistics hub. It is located close to the ports, it is located nicely in relation to ports, airports, the Geelong highway — —

Mr NOONAN — It has a football team!

Mr MADDEN — Yes, it has got a football team. It has all those things. If you bear in mind, too, that Victoria University sits on the doorstep of the Footscray principal activity centre and as well that you have got three regional fast rail that move through there, then it really adds a high degree of attractiveness as a business proposition and investment proposition. The renewal of Footscray will be complemented by our investment. Since my update last year on our \$52.1 million Footscray renewal initiative I am pleased to report there has been substantial movement at the station. Basically it is one of a number of transit cities, but I am pleased to report that over the past six months a number of changes have been initiated to streamline the planning process, increase the planning certainty and enable the assembly of the key development sites to facilitate a new commercial development and housing investment as well.

We established a one-stop planning shop. The shop is assisting with the marketing and development of central Footscray as well as acting as a good source of information for developers or land-holders or businesses in the local community. That assists with expert planning and design advice to everybody in that region so they can also understand what will take place and what they need to bear in mind.

I became the responsible authority for the central Footscray precinct, and as a result a revised station precinct planning framework has been undertaken in collaboration with council, and updated planning controls for the wider Footscray transit city are in place. I also recently approved a planning permit for the first new major residential development in central Footscray. The planning permit will allow for a seven-storey development, which will breathe life into the disused site of 51 Hopkins Street, featuring 81 apartments and ground-level shops. The new development of Hopkins Street complements the objectives of the Footscray renewal initiative, and it will unlock — as I have mentioned, like with Dandenong — the economic and social potential of Footscray as well. It will create choice in housing, particularly in areas that are ripe for development, such as Footscray; it is a priority. It will also provide more attractive diverse living options close to shops and public transport right in the heart of Footscray.

We have been working very closely with the Maribyrnong City Council to attract investment in the area. I would also like to compliment the Maribyrnong City Council on its enthusiasm for the project and its enthusiasm for the partnership approach. One of the major initiatives is the Footscray station footbridge.

The CHAIR — I know the former member was very passionate about it.

Mr MADDEN — Yes, I know there are a number of members who are very passionate. They are very enthusiastic, as the locals are, to see the work start on the station footbridge. That will also allow for public rail improvements in and around the station. I know that anybody who has been out there would appreciate the

importance of the Olympic doughnut van. That is also a critical consideration in the mix out there. It is sort of an icon for the locals, and no doubt there is a high degree of sensitivity that that be integrated into whatever takes place in the future.

This is about more shops, more businesses, more jobs, improving the facilities, again, close to the public transport. It will make sure that it works.

Mr BARBER — There is no bus that takes you to the uni.

Mr MADDEN — I would have thought, Mr Barber, if you walk down the street, you could get there. It is good exercise.

Mr BARBER — There is no direct link from the railway station to the uni.

Mr MADDEN — It will provide for a great mix. I know how enthusiastic you are at catching buses, Mr Barber, but it is not that far really. Can I just say that this is well supported by the locals, well supported by local businesses, and well supported by Victoria University. One of the major sensitivities too is that we do not lose the great cultural feel and sense in the Footscray area. We want to make sure that that is a critical component in the consideration of the way in which the urban renewal takes place in Footscray. This is a great investment in what I suppose might be described as a traditional working-class heartland, and we look forward to seeing in years to come the great results that will have been achieved through this investment.

The CHAIR — Thank you, Minister. A final question from Dr Sykes.

Dr SYKES — Minister, my question relates to state government assistance to councils to adjust to the new planning zones. We discussed this today, and we discussed it last year, because there were many planning issues, including in the electorate of Benalla. These issues continue, and they seem to be caused to a large extent by farming land being directly transferred from the old zoning over to the new, with the associated tough restrictions on non-farming use, rather than being rezoned into rural living or rural activity, which gives broader use options. When can we expect your assistance measures to have an impact on the resolution of these planning issues in councils that I am very aware of, such as Benalla, Murrindindi, Strathbogie and Alpine, which in summary need a significant review of their overall planning zones, which would require \$100 000 to do it.

Mr MADDEN — Thanks for that, Dr Sykes. I am very conscious of this issue. There are a number of matters I would like to address in relation to your question. Certainly the adjustment from rural zones to farm zones was implemented by a number of councils with a varying degree of success. Some of those councils were very proactive, and some initiated it very quickly and were enthusiastic to address the issues with their local community. Some were reluctant, and highly reluctant, either for political reasons or community reasons, and some of those might have also been resource reasons — and not necessarily money in terms of resources. But I am very conscious, Dr Sykes, that we do have difficulty in the face of all the growth we have seen across the state with planning professionals. There is basically a shortage of planning professionals out there, and that makes it difficult for some rural councils and rural communities, like many skilled professions, to attract those personnel to settle and establish their lives and lifestyle in those rural areas. So I understand that for some of the councils that may have been reluctant or found a degree of difficulty it may have been directly associated with their lack of experienced personnel, basically.

Dr SYKES — There is certainly an issue. I agree with you there is an issue about lack of personnel, but it is also an issue about lack of money.

Mr MADDEN — Yes, certainly.

The CHAIR — I think we might finish up there, Minister.

Mr MADDEN — I will just try to quickly finalise that answer. There is no doubt that you can fix a lot of problems with more money. I am appreciative of that. I look forward to making some announcements in relation to these matters. I know that the Future Farming announcement we made had a significant amount of money attached to it to work with local councils on those fronts to assist them to do some of that strategic work where they need to clarify some of those zones. So the direct translation had an impact on some, but where we need to make some

adjustments to that and make added investment, the Future Farming money we think can help clarify that, and I look forward to seeing more money invested in those areas in the future.

The CHAIR — Thank you, Minister. That concludes consideration of the budget estimates for the portfolio of planning. I thank the minister and departmental officers for their attendance today. The committee has a couple of issues to follow up with you, and there may be some other questions forwarded to you in writing at a later date. The committee requests a written response to those matters be provided within 30 days.

Mr MADDEN — Thank you, Chair, and can I thank the members for their enthusiasm. Can I also thank you for the opportunity to speak to you, and I look forward to coming back again next year.

Witnesses withdrew.

Transcript of evidence

8.5 Multicultural Affairs portfolio

The transcript for the hearing on this portfolio was included in the Report on the 2008-09 Budget Estimates – Part One.

Transcript of evidence

8.6 Senior Victorians portfolio

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2008–09

Melbourne — 22 May 2008

Members

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

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

Staff

Executive Officer: Ms V. Cheong

Witnesses

Ms L. Neville, Minister for Senior Victorians,
Ms F. Thorn, Secretary,
Mr A. Hall, Executive Director, Financial and Corporate Services, and
Dr C. Brook, Executive Director, Rural and Regional Health and Aged Care Services, Department of Human Services; and
Mr Y. Blacher, Secretary, Department of Planning and Community Development.

The CHAIR — I ask the minister to give a presentation of no more than 5 minutes on the senior Victorians portfolio.

Overheads shown.

Ms NEVILLE — I will just again make some brief comments in relation to achievements in the areas as well as the challenges that we face as a community in relation to an ageing population and the way in which the budget addresses some of these challenges.

Firstly, about 250 000 Victorians currently benefit from HACC services. Total client numbers have increased from about 216 000 people in 03–04 to about 248 000 people in 07–08. We are delivering an additional 400 000 hours of service as a result of growth funds in 07–08. To deliver this we committed \$222 million in state funding in 07–08, which I can advise was \$57 million above the matching requirement. This year the amount will increase to about \$59 million above the matching requirement. In community support services there was nearly a 50 per cent funding increase to Victorian Eyecare Services over the last six years, with 74 000 people assisted over the past year. We provided \$13.5 million for the aged care support for carers initiative program, providing respite services and support to over 21 000 carers, and we have seen more aged-care places, with 212 new public places operational since 2002, and 220 existing public places reactivated.

Over the life of the government we have allocated over 445 million for public sector aged-care facility upgrades, with a particular focus in regional Victoria. Also this year has seen the establishment of Senior Rights Victoria to provide information, advocacy and legal services to Victorian seniors. We have also provided a million dollars to establish the first round of the men's sheds program, to establish 25 new men's sheds. It is the first time in Australia, as I am aware, that any government has specifically funded a men's sheds program, and 19 of these sheds are in rural and regional towns. U3As are a centrepiece for lifelong learning for older Victorians. In 2006 we committed \$1.2 million over four years to grow the capacity of the U3A network, and we have seen eight new U3As, over 1800 new U3A members in the first 12 months, and 127 new U3A programs and activities have been created. Last year we celebrated the 25th anniversary of the Seniors Festival, with more than 360 000 seniors participating in hundreds of events right across the state. We are continuing our MAV code of Victoria age-friendly communities project, funding 17 projects which will build the capacity of local government to plan for an ageing population.

As the next slide shows, we have delivered an additional thousand personal alert units in 07–08; and as you can see, since 99 this has increased the number of personal alert units from 8200 to 21 255; and in 08–09 there will be 22 255 units available. Just very quickly, this graph on the next slide illustrates the growth that has occurred in HACC services over that period of time. One of the big challenges we are aware of is that our population continues to age, and this will have significant impacts on many facets of services provided by government. The analysis from the Australian Institute of Health and Welfare shows that while people are living increasingly longer, they are spending the last 10 to 15 years of their life with significant levels of disability or incapacity, increasing demands on government. In order to try to assist in this, we are taking a whole-of-life approach, with a particular focus on things like Go for Your Life to encourage seniors to be active and reduce their risk of serious chronic illness and improve their quality of life; also positive ageing, which is aimed at combating some of the negative images of senior Victorians.

We are developing the community care area by implementing access points, which aim to help people find comprehensive and targeted information about aged-care services that are available to them and their family; implementing the HACC assessment service to allow seniors to have their home assessed to examine what measures may assist them to live safely and comfortably at home; and implementing an active service model, which is designed to refocus community care services to adopt a wellness and restorative approach. We continue our commitment to a land bank designed to encourage not-for-profit providers to locate services in inner-city locations. In last year's budget 28 million was allocated for two aged-care centres for seniors, and the allocation in 08–09 complements the governments pre-election commitment to rebuilding of public sector residential aged-care facilities.

The total seniors budget is \$1.1 billion for 08–09, which is an increase of 6.7 per cent from 07–08, representing a 75 per cent increase since 1999–00. This next graph reflects our record in supporting seniors across a continuum of services ranging from early intervention through to specialist residential care services. Budget initiatives in 08–09 include: growth in funding for HACC of \$11 million, and as I mentioned before we will increase our additional

unmatched contribution by \$1.5 million, making an additional \$59 million more than we are required to pay under the commonwealth agreement. We have provided \$6 million for the innovative regional kitchen project, and this project will improve the management, efficiency, cost-effectiveness and most importantly the quality of Meals on Wheels.

We have continued our commitment, as I said, to the development of aged-care facilities, with \$13.6 million to Bendigo residential aged care, providing for the replacement of current outdated facilities, with a new 60-bed residential aged-care facility; and \$8 million for the Hepburn Health Service redevelopment, which will provide amongst other things 15 new high-care beds. We are also continuing our commitment to men's sheds and U3A networks, and we will continue to roll out our positive ageing initiatives. Over the coming year we are also preparing an ageing policy that will guide the Victorian government's response to the ageing population. Broad-ranging consultation will be occurring, being led by the Ministerial Advisory Council of Senior Victorians, which will look at the diversity of older people, health and wellbeing, inclusive and livable communities and economic opportunities presented by an ageing population.

Ms MUNT — I am the member for an electorate where there is an increasing aged population and also one of the biggest community health services in Victoria, the Central Bayside Community Health Services. When I have visited there I have noted one of the programs that has been very successful is its wound management program. Particularly in older Victorians and other members of my electorate, chronic wounds can be very difficult to treat. I am wondering if there is anything in the budget under your portfolio that can assist with that wound management treatment program?

Ms NEVILLE — Thank you for that. It is a very important area. In fact today I announced an additional \$5 million to help older Victorians with chronic wounds who are in need of care to further enhance our activity in this area. It is targeted at older people who are living at home and in residential aged care to improve their comfort, care and safety. Skin integrity is actually a very crucial issue for older people. As we age our wounds get harder to heal. It is estimated that about 15 per cent of older people who have reduced mobility get pressure wounds, and these can of course easily worsen the older a person is. Complication from chronic wounds significantly reduce the quality of life as well as lead to increases in hospital admissions. District nursing services spend considerable time providing care to people in the community with chronic wounds, and many residents living in aged-care homes are at high risk of developing pressure ulcers. The \$5 million package will benefit older people and staff caring for them by reducing the rate at which people get pressure ulcers in the first place, as well as helping to better manage the pain that is often experienced by people who have pressure wounds.

There is \$3 million of that money that has been allocated to a range of projects that are being undertaken in partnership with providers of community care and residential care. There is over \$2 million to establish clinical nurse consultants in wound care management in each rural region to support district nurses and nurses in residential aged-care facilities with expert advice on wound diagnosis and management. There is \$300 000 to provide training on wound management to rural district nurses and staff in public sector residential aged care to improve the quality of life of people with chronic wounds, and \$275 000 is being allocated to RDNS to improve clinical pathways for clients with chronic wounds, including funds to subsidise the wound care dressings for those who cannot afford it.

More than \$2 million is also being provided to all public sector residential aged-care homes in Victoria for special equipment, including nearly 300 new electronic beds with pressure-relieving mattresses to improve the comfort and care of higher dependency residents, and nearly 200 specialised pressure care mattress overlays to improve the care of residents with pressure ulcers. This is all part of the Victorian wound care project, which is looking at new technology, for example, that now exists in moist wound dressings, which we know provide better results and require less intervention. These are very important programs that support many older Victorians, either at home or in residential aged care, whose quality of life would otherwise be impacted on by often very painful chronic wounds.

Ms MUNT — That is great news. Thank you.

Mr BARBER — Your government styled this as the baby-boom budget, but you have just told us with this chart here that there is a seniors boom going on. So I suppose I am interested in finding out what the real benefit of this budget is to seniors. In relation to concessions, I was wondering if on notice, like this chart that you have provided for our outcomes report where your department indicates the number of concessions and the dollar

value of those concessions, you would be able to provide a chart on notice that tells us for seniors concessions within each of these categories how much that is expected to increase in this year's budget.

Ms NEVILLE — I will take it on notice, but we provide concessions to people who have a pension card, a healthcare card and a DVA card. Whether we have data that says that person is over 60 — —

Mr BARBER — The age pension.

Ms NEVILLE — It is about whether people are eligible regardless of age for concessions. We will take it on notice and will have a look at what is there.

Mr BARBER — My question overall, though, is: your federal colleagues squibbed it on the pension and income support, rents are up 12 per cent, petrol is up 35 per cent, electricity is up 15 per cent, water is similar, food is up 10 per cent — it is great that you keep your concessions in those categories equal with the rate of growth of those commodities, but overall what is your program to ensure that the incomes as well as the concessions support and the total household budgets of seniors are adequate? In particular, 8 per cent of those aged over 65 are renters — that is about 35 000 people. Are you in this coming year going to examine increasing the amount of any of those concessions, expanding concessions — for example, into public transport or bringing back some support through the car registration support — to make allowances for those people who have been forced out of inner city rental markets and are now out in the burbs dependent on expensive public transport or expensive petrol?

Ms NEVILLE — Firstly, I think it is important that we are clear that income support is the responsibility of the commonwealth government, and state governments in my areas do not — —

Mr BARBER — Cooperative federalism, yes! That was actually the third question I was meant to ask: what was your department able to do by way of making representations to the federal government on income support?

Ms NEVILLE — Firstly, income support is not the responsibility of us. However, what we do play a role in doing is in providing supports to assist people, regardless of age but including seniors, who because of their income obviously struggle, and our concessions program does that. Things like the transport concessions sit within the responsibility of the minister for transport, but some of the concessions that I spoke about under my responsibility as the Minister for Community Services include the improvements particularly in relation to water and sewerage charges, where we have seen an increase in the cap by 14.8 per cent to try to assist all low-income households, including those of seniors, to actually make people more able to afford the price rises that will be a result of climate change and the water infrastructure that is being developed.

We have also, in that category, extended our energy concession for those who have a particular medical issue, which means they have an inability to regulate their body temperature. We have extended that energy concession from three months to six months. We have also improved our capital replacement grant program. Previously you could only ever get a grant for a washing machine or fridge that had broken down once in your lifetime; it now enables you to have the opportunity about every five years to apply to that grant program as well as have access to things like ceiling installation, if you are in a large household, which is also a new initiative. At the moment we spend, in concessions, over \$1 billion in Victoria, and this budget has increased that concession program.

In addition to that, the commonwealth government, you may have seen in the budget, has also put on the table over \$50 million to enable us to have the national reciprocal transport initiative rolled out, which will enable Seniors Card holders to access concessions on public transport right across the country. That is a great initiative which will assist seniors right across Australia. In addition to that, we continue to work with the commonwealth around HACC, which is a very important program, especially for low-income older Victorians. It provides opportunities for them to remain living at home or living in the communities that they have relationships with. We continue to put growth funding in, as does the commonwealth. As I indicated, we put in more growth funding than we are required to under the HACC agreement. We are currently awaiting the announcement by the commonwealth about their contribution for 08–09, but we are expecting that to be around \$16.4 million.

The other positive initiative that I think will assist us in being able to address some of these issues that you have raised in a cooperative way is the establishment for the first time of a ministerial council for senior Australians. I am not sure if that is exactly what it is going to be called, but funding was provided in the commonwealth budget to get that ministerial council going. They are very important forums in which commonwealth and state governments

can work together to look at each of our own areas of responsibility, how they can be better streamlined and how they can be further enhanced to improve the quality of life, in this case for senior Victorians. I am certainly looking forward to that opportunity to really have a direct forum to be able to raise a number of these issues.

Finally, in relation to how we address these issues with an ageing population, I said very briefly at the end of my presentation that we are in the process of doing a whole-of-government ageing strategy. That is about, as you say, all those issues, looking at what are the sorts of interventions that the state government can and should be making across somebody's life to improve health and wellbeing outcomes for the individual but also to enable us to take advantage of an ageing population rather than just have challenges. That will also be about decisions around how we better support the more vulnerable members within that group. Older Victorians are diverse in their ages but also diverse in their capacities, financial and otherwise. That will be an important opportunity for everyone in this room and right across Victoria to work with us on where those interventions are and what they should be. That is being led by senior Victorians, and consultations will occur very locally, in local communities, right across Victoria.

Mr SCOTT — Minister, I would like to ask you about men's sheds, which I was lucky enough to see firsthand when I was on the Darebin Community Health board. They are referred to on page 202 of budget paper 3 and also in your handout. There are details within the budget papers of a number of grants to men's sheds in the forward estimates. Could you update the committee on how this program is being rolled out?

Ms NEVILLE — Men's sheds are fantastic and also provide extremely important support services for, often, low-income and disenfranchised older men in our community. They are very much part of our commitment to try and build stronger and more resilient communities right across Victoria. I was pleased, as was written in my slide, that we have been able to allocate to the first part of that program \$1 million that has enabled funding for the establishment of 25 new men's sheds in areas of high need across the state, and as I said 19 of those will be in rural and regional Victoria.

Some of the funding — for example, \$50 000 will go to Bright towards the construction of a new shed, which is being auspiced by Alpine Health with land provided by the Alpine Shire Council. The men's sheds developments are really successful because they are very strong partnerships between different levels of government and different community organisations. There is \$50 000 for Benalla to redevelop an existing community facility and increase its accessibility that is auspiced by Central Access Ltd; at Hobsons Bay, \$50 000 to refit a building for a working shed to act as a hub for local community groups; and in Whittlesea, \$50 000 to build a new shed on the site of the agricultural showgrounds, to be auspiced by Plenty Valley Community Health.

There was a tremendous response to the first round of funding, and I am sure the second round, which will be offered in the next financial year, will continue to receive very strong support right across Victoria. Research shows that the majority of men who participate in the sheds have recently retired or involuntarily withdrawn from the paid work force; about 20 per cent are war veterans and about 75 per cent are on some form of pension or benefit. Many men, particularly older men who have experienced major life-changing events like divorce or death of a spouse or loss of a job or retirement experience barriers to fully participating in the community. Men in some groups in places in Victoria experience greater needs compared to those in other communities, and by improving access to local community-based programs and services that are provided by men's sheds, we provide more opportunities for these Victorians to increase their pathways to further education, to increase their opportunities to contribute back to the community and also to improve their health and wellbeing. Research has also shown that men's sheds strengthen communities through improving health and wellbeing and increase access to new education and employment pathways. Men's sheds make an important contribution to local communities as places where very isolated men can meet and get to know other in their community.

I will just briefly give an example of some of the great contributions that men's sheds are already making. In Mansfield, for example, auspiced by the Mansfield adult Community Education Centre, which is a neighbourhood house and ACE provider, the shed has about 80 to 90 participants. Men act as volunteer leaders and supervisors. The shed has also received support from Rotary, Lions and Apex and gets donations from the community in tools and machinery — so it has been really well embraced by the local community. Young men from Central Access, which is a disability service provider, work on projects while also learning woodworking skills at the shed — so again, transference of information and knowledge and skills is going on between people with a disability and men in the local community. It is a great example of cutting across a number of issues in that local community around

participation. They are often very small grants that go a very long way in changing the way that men can engage in their local communities.

Mr RICH-PHILLIPS — Minister, just a quick question on residential aged care facilities. You mentioned funding for Trentham and the Stella Anderson replacement. The Auditor-General's report last year noted there were 21, I think, facilities that were category-2 assessed, so at risk of failing, that had yet to be upgraded by the government. Are those two, Trentham and Stella Anderson, two of the 21 that the Auditor-General referred to, and if so, when is the government going to provide funding for the remaining 19 on that list?

Ms NEVILLE — Of that, there were 11 facilities that were identified as category 1 facilities; of these, 9 have been rebuilt or redeveloped, 1 is closed and 1 is under construction. All the facilities have met the commonwealth accreditation requirements. There are 33 facilities identified as category 2 facilities. To date 14 have been or are being rebuilt or redeveloped, 2 have closed, 10 have had service and/or capital planning undertaken, and 7 have not had any further detailed planning. All the category 2 facilities, whether they have been rebuilt or not, have achieved certification and have demonstrated that they meet the requirements of the commonwealth accreditation system in terms of fire and safety standards, as well as all the other standards as well. As I said earlier, we have committed \$445 million to rebuild, I think it is now, 47 public sector aged care facilities, and we continue to put in significant money, particularly in rural and regional communities, where those facilities are often absolutely crucial to the wellbeing and the cohesion of those local communities, and we will continue to do that.

Mr RICH-PHILLIPS — Were those Trentham and Bendigo allocations off that list of category 2 facilities that have not been upgraded?

Ms NEVILLE — Sorry, can you just ask that one again?

Mr RICH-PHILLIPS — Are the Bendigo and Trentham allocations two projects on that list that had not been completed, the category 2?

Ms NEVILLE — They are not category 1s, either of them; one of them is category 2. We will get back to you on the other one. We are not sure whether that also became a category 2.

Mr RICH-PHILLIPS — Did you say there are now only seven category 2 facilities that have not been upgraded? Is that correct?

Ms NEVILLE — Have no further detailed planning at this stage — so 14 have been or are being rebuilt or redeveloped, 2 have closed — so that is out of the 33 — and 10 have had service and/or capital planning undertaken.

Mr RICH-PHILLIPS — Right, but not actually works undertaken?

Ms NEVILLE — No.

Mr RICH-PHILLIPS — So how many have not had works undertaken in total then?

Ms NEVILLE — Out of the 33?

Mr RICH-PHILLIPS — Out of the 33.

Ms NEVILLE — So 14 have been or are being rebuilt or redeveloped and then there are 2 that have closed. That makes 16.

Mr RICH-PHILLIPS — Seventeen, right. Thank you.

The CHAIR — Thanks very much. That concludes consideration of the budget estimates in the portfolios of community services, mental health and senior Victorians. I thank the minister and departmental officers for their attendance today. The committee has a couple of issues it wishes to follow up with you and one to put notice on well, and requests that you provide written responses to those matters within 30 days.

Witnesses withdrew.

Transcript of evidence

8.7 Sport, Recreation, and Youth Affairs portfolio

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2008–09

Melbourne — 23 May 2008

Members

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

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

Staff

Executive Officer: Ms V. Cheong

Witnesses

Mr J. Merlino, Minister for Sport, Recreation and Youth Affairs,
Mr Y. Blacher, Secretary,
Mr P. Hertan, Executive Director, Sport and Recreation Victoria,
Mr S. Gregory, Chief Financial Officer, and
Mr J. Montgomery, Director, Office for Youth, Department of Planning and Community Development.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2008–09 budget estimates for the portfolio of sport, recreation and youth affairs. On behalf of the committee I welcome Mr James Merlino, Minister for Sport, Recreation and Youth Affairs; Yehudi Blacher, Secretary of the Department of Planning and Community Development; Peter Hertan, executive director, Sport and Recreation Victoria; Stephen Gregory, chief financial officer; and James Montgomery, director, Office for Youth; and departmental officers. Members of the public and the media are also welcome.

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

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. There is no need for evidence to be sworn. However, any comments made outside the precincts of this hearing are not protected by parliamentary privilege. All evidence given today is being recorded. Witnesses 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 a 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 invite the minister to give a brief presentation of no more than 10 minutes on the more complex financial and performance information relating to the budget estimates for the portfolio of sport, recreation and youth affairs. I understand you are going to make a quick presentation of sport and recreation, followed by a presentation of youth affairs.

Overheads shown.

Mr MERLINO — Thank you for the opportunity to make a presentation across the two portfolio areas of sport and recreation, and youth affairs. I will talk briefly on sport and then the youth affairs portfolio. In terms of the strategic directions for sport and recreation, the government has set four key strategic directions for the sport and recreation portfolio. Those directions are: active people and active communities, which seeks to establish a culture of inclusiveness and participation; building capacity for tomorrow, which provides access to sustainable activities and facilities across Victoria; collaboration for development, which promotes a cooperative approach to increase service delivery; and state of achievement, which is delivered by a leading sport and recreation sector, providing opportunities for all Victorians to achieve their goals.

In terms of the portfolio overview, community strengthening — sport and recreation is a key part of the way of life of every Victorian community and engages nearly every Victorian family. Research indicates that approximately 1.7 million Victorians participated in an organised sport in some way in 06–07 and annually nearly 350 000 Victorians volunteered their time.

A Fairer Victoria — we have undertaken measures to provide fair access to opportunities to compete, watch and be involved in social opportunities associated with sport and rec. Social and economic development — sport is an

important component of the social and economic fabric of the state. That is why we have invested in building capacity for sporting organisations to enable them to grow the industry in Victoria.

I will quickly run through some key achievements for 07–08.

The CHAIR — Yes, very quickly, because we want to focus on the estimates.

Mr MERLINO — Community facilities — over 200 community facility projects were approved in 07–08. The drought — the government continues to take a positive and practical approach to the impact of the drought, and a large number of drought-related projects have been approved over recent years. Aquatic facility grants — 18 grants covering projects at 34 sites around the state, and that is part of our four-year \$46 million aquatic facilities grant program; the country football-netball program, which I know some members of the committee would be well aware of — 55 grants were approved during the year as part of the five-year \$10 million commitment; and also the Commonwealth Games dividend.

In terms of key achievements — Go for Your Life; the Premier’s active families challenge; the Go for Your Life flagship bike plan and the men’s health initiative as well. Major sports events in 07–08 — we are famous for our major events. The events not only provide significant economic benefit to the state but also provide opportunities for Victorians to see the world’s best athletes. In 07–08 we had the Rip Curl Pro and Roxy Pro surfing at Bells Beach, Sail Melbourne, the FIFA World Cup qualifier between Australia and Qatar —

The CHAIR — And the grand prix.

Mr MERLINO — And the grand prix, of course. Looking to the future we also secured for Victoria a number of events that will be held in future years, including the recently announced 2008–2010 Track Cycling World Cup, the 2009 men’s hockey Champions Trophy, the 2010 Road Cycling World Championships and the 2011 Presidents Cup. So in terms of securing major events, it has been another great period.

State facilities, completed projects — the state volleyball centre at Dandenong; stage 1 of the National Sports Museum at the MCG; the redevelopment of Waverley Park; works commenced on a number of projects, including the largest current project, the rectangular stadium; and we are in the design stage for all the Melbourne-based AFL clubs in 2007–08, providing additional funding for projects to every club.

In terms of priorities for 08–09 — community facilities funding: the government’s record commitment of 76 million over four years to the Better Pools and community sports grants through the community facility funding program, which moves into its second year. The key component of the drought program will be a focus on synthetic surfaces in 08–09. Go for Your Life initiatives will again be important in 08–09, including the second year of the Premier’s active families challenge, Active Places grants, Walk Together grants and the flagship bike plan.

Finally, women in sport — after community consultation and consideration of research findings, which I am happy to talk about later, the women’s sports package has been refocused, and will be known as the women’s sport recreation initiative. The WSRI funding will be directed to the key areas of leadership, demonstration projects and media.

In terms of facilities, major events and elite sporting development in 08–09, the building of the rectangular pitch stadium at Olympic Park will continue to be a major priority, with the completion of structural works and the commencement of seating works expected during 08–09. The redevelopment of former AFL grounds and current training grounds to provide benefits to AFL clubs and the wider community will continue strongly in 08–09.

The government has also committed funding to upgrade VFL grounds around the state to support football and projects, and six grounds are expected to commence in 08-09.

The government has provided increased funding to the Victorian Institute of Sport over the next four years to consolidate and improve elite athlete development; improvements to existing state facilities. The commencement of the Olympic Park-Albert Park upgrade, including a new state athletics centre, will be a defining aspect of 2008-09, with site establishment works to be commenced at Lakeside oval. Similarly work on the extension of the MCG concourse to improve spectator access and pedestrian flows will commence in 08-09, and it is also important that Melbourne Park continues to be one of the very best tennis facilities in the world to maintain and enhance the status of the Australian Open, and a business case for the refurbishment of this precinct will be completed during the coming year. That is the sports portfolio.

The CHAIR — Okay. The youth one?

Overheads shown.

Mr MERLINO — I quickly move on to youth. In terms of a snapshot of young people in Victoria, young people make up 17.7 per cent of the Victorian population, with the majority living in metropolitan Melbourne. Showing our diversity, almost 20 per cent speak a language other than English at home. In the Victorian government we believe that it is vital that the needs of our young people in Victoria are addressed through policy development and program delivery.

The youth affairs portfolio in government leads the way in listening to young people, understanding their views and coordinating policy development which is inclusive of and responsive to the needs of Victoria's young people. It does this in several ways, including but not limited to a whole-of-government interdepartmental committee for youth affairs, the 15 regional affairs networks, funding to peak youth advocacy bodies — YACVic and the Centre for Multicultural Youth — assistance at a local level from DPCD local teams and constant consultation with young people through forums, round tables, the internet and peak bodies.

The Office for Youth administers programs which support and involve young people. These include: Advance, which is a school-based youth leadership and skill development program; the FReeZA program, which you would be well aware of, where young people develop skills through organising music, cultural and entertainment events for young people and attending training workshops across the state; FReeZACentral, which assists young people to gain experience and training in all areas of the light music industry; *youthcentral*, Australia's leading youth information website; Young People Direct, which covers mechanisms for young people to advise me directly on what issues are important to them; the Teenage Go for Your Life Positive Body Image strategy, established to change community attitudes and media messages about body image; and, in terms of policy development, the office also leads whole-of-government policy development processes and chairs the Youth Affairs Interdepartmental Committee to ensure that the Future Directions outcome areas are being progressed.

In terms of Future Directions — that is, our overarching youth policy, 'An action agenda for young Victorians' — it establishes an overall policy framework, which focuses government and community action in the five outcome areas set out in the slide. Young people's voices are central to the implementation of Future Directions. Involvement and participation will be encouraged through existing channels, such as the Young People Direct strategy, which will be itself shaped by further consultation and leadership by young people.

I will very quickly go across key achievements: with *youthcentral*, there is a great story there — redevelopment of that site and increased usage; the Youth Participation and Access program; the Positive Body Image initiative, and we launched the Voluntary Media Code of Conduct on Body Image just last month, Chair, and we have got copies of the media Code, which we will hand out during the course of this presentation; FReeZA Central, Victoria Rocks, which is an extension of the innovative FReeZA Central program; the review of and development of new guidelines for Regional Youth Affairs Networks; and the creation of the Young People Direct strategy.

In terms of 08-09 priorities, over the next 12 months we will be moving to bring this agenda forward, and I would like to mention several initiatives in particular. With Young People Direct, I will continue to implement and build on the Young People Direct strategy. We will be establishing a Ministerial Advisory Committee on Youth, and we will continue to hold forums and youth consultation round tables. In addition young people will continue to provide feedback to the government via the *youthcentral* website in a range of areas impacting on them. The Victoria Rocks initiative will be implemented through the Music Equipment Grants program, and we will continue to implement

the recently announced Voluntary Media Code of Conduct on Body Image, with a focus on public awareness and an education campaign for young people. We have committed 3.9 million over four years to boost mentoring programs for young people across the state — that was a great achievement in this year's budget — and we are currently creating a Vulnerable Youth Framework across government, which will assist us to better plan and coordinate investment for vulnerable young people.

Thanks for opportunity to present on those two portfolio areas. I would be happy to answer any questions.

The CHAIR — Thank you, Minister. We will now have questions on sport and recreation and on youth affairs.

Mr NOONAN — Minister, obviously the development of the state athletics centre at Albert Park and the refurbishment of Olympic Park are significant projects in terms of investment. Can you outline the details and the objectives behind that major investment?

Mr MERLINO — Thank you very much. This is quite an exciting initiative. The state government has been working with Athletics Victoria and Athletics Australia for several years to increase participation and improve the long-term viability of athletics in Victoria. A key early outcome of this work was announced back in 2006. That was the moving athletics forward program. That was a state government-funded package for athletics of \$1.2 million over three years. The package was for athletic sports development programs to increase the diversity of participants, reduce participant attrition rates — and this is a big issue in athletics; once you get to 14, 15 and 16 there is just a huge drop-out of young athletes, when they look at the step up to senior athletics — and develop training opportunities for coaches and officials.

Another area that we looked at was the athletics current base at Olympic Park. The infrastructure, as you would all know, at Olympic Park is ageing, inefficient to operate and becoming a financial burden on the sport. Following this review the Premier and I recently announced a \$50 million investment for the relocation of athletics and the creation of the state athletics centre at a new international-standard facility at Lakeside oval at Albert Park. That will be shared with the South Melbourne Football Club. The new centre will include an international-standard athletics track with a soccer pitch infield, and it is quite common for a major athletics facility to be cohabited with a professional soccer club; two stands containing 5000 seats and a capacity of around 10 000 patrons; spectator entry gates and amenities; a refurbishment to the existing South Melbourne Football Club facilities; and a new administration building to house athletics governing bodies.

The new facilities are aimed to co-locate athletics administration bodies. That will include Athletics Victoria and Athletics Australia, and hopefully will also include Little Athletics. They will go into new purpose-built facilities. This will allow greater opportunities for the sport to develop in a more economically efficient, multi-use facility in a dedicated Olympic sports precinct in Albert Park. The facilities will be designed to meet athletics-specific needs to ensure that programs from grassroots through to the staging of international events can effectively be delivered at one venue. Sharing the venue with the South Melbourne Football Club will allow for a more effective use of major sporting infrastructure and improve the operating efficiencies for both codes.

The redevelopment of Lakeside oval also provides the opportunity to save the historic 1926 Lakeside oval grandstand, which has remained in poor condition and unusable for many years. This grandstand will be converted into a new administration and elite training centre for the VIS. The relocation of the VIS to Lakeside oval, along with the recent increase of 6.7 million over four years in terms of the government's commitment to the VIS, will

allow Albert Park precinct to become home to the key administration and training bases of the major Olympic sports for Victoria. We are basically bringing all the principal Olympic sports to the one area. So in addition to track and field you will have all the aquatic sports at MSAC but also badminton, table tennis, basketball, squash and a range of state sporting associations housed in Sports House. That whole precinct is going to be quite special. Additional soccer facilities and a new sports pavilion will be developed in Albert Park for use by the South Melbourne Football Club for its community programs. These facilities will enable the South Melbourne Football Club's women's and junior teams to relocate back to Albert Park. So the benefit for the South Melbourne Football Club is not only improving efficiencies in terms of its operations but bringing the whole club back together with its women's, juniors' and men's programs. We have an overhead shot we can show you. You can see at the bottom left new synthetic pitches, and then in the middle of the picture, new turf pitches for South Melbourne Football Club. So there is actually going to be an increase in community sport for the Albert Park community as well, and then the new state athletics centre will be constructed at Lakeside oval. That illustrates the different elements of the project.

The next slide shows the proposed redevelopment of Bob Jane Stadium as a state-of-the art athletics facility, the new home for Victorian Institute of Sport and athletics bodies and the ongoing base and home ground for the South Melbourne Football Club. There you can see where each of the bodies will be located. Importantly, there is no decrease in open space. That was a key issue for Parks Victoria, the City of Port Phillip and the general community. The new athletics centre will be constructed right next to the existing South Melbourne Football Club facilities. You can see the track and all the other additions there.

Moving on to Olympic Park. This slide shows the Melbourne Olympic Park precinct as it will look following the completion of the rectangular pitch stadium. As you can see from that slide, at either side of the new rectangular stadium there will be training facilities for the four tenants. That is one of the challenges we have at Melbourne and Olympic Park. With the creation of the new rectangular stadium, Melbourne Storm, Melbourne Victory and Melbourne Football Club will be based at the rectangular stadium, and Collingwood Football Club, the existing tenant, at Lexus Centre. Into the future possibly another super 14s team and the FFA — Ben Buckley, the CEO of the FFA — —

The CHAIR — There is a second team for Melbourne.

Mr MERLINO — Exactly. He has indicated that a second A league team will be likely around the 2010–11 period. That would be a welcome addition to Victoria's sporting landscape. It just shows the imperative of getting available training space as well as the playing surfaces for those tenants at Melbourne and Olympic Parks Trust.

Mr DALLA-RIVA — Just to go back to the previous slide, I did not see any light towers for the grand prix for night racing. That was a big issue a year ago, if you remember.

Mr MERLINO — That is right.

The CHAIR — We are dealing with athletics.

Mr DALLA-RIVA — I am just curious.

The CHAIR — Question, please, Mr Dalla-Riva.

Mr DALLA-RIVA — There was a lead-in link, Chair.

The CHAIR — Is this your question?

Mr DALLA-RIVA — Thanks very much. Major events are facilitated on page 198 of the 'Service delivery' budget paper.

In respect of the major events facilitated, I note that in the 04–05 budget there was 15 and the actual in 06–07 is 14, the expected outcome is 10, and moving forward you have got 8 to 10. I am just curious, is there some view in the government in terms of your moving forward that we are going to have a decrease in major projects given the slides you had, and what are some of those major projects that you think will be lost to Victoria if there is an actual reduction?

Mr MERLINO — Thanks, Richard. It varies from year to year in terms of major events facilitated, and as I outlined in my presentation it has actually been quite significant, the major events that have been facilitated. So the target in 07–08 was 8 to 10, the expected outcome in 07–08 is 10 — similar numbers. The budget performance measurement target of 10 major events to be facilitated by Sport and Rec Victoria within 07–08 is expected to be achieved. This number includes all major events and contracts managed by Sport and Recreation Victoria in this period and includes one-off events such as the FIFA World Cup qualifier match and annually funded events such as the 2008 Formula One Grand Prix and the 2007 National DanceSport Championships. Other major events supported by government, such as the Australian Open tennis and *Spamalot*, are funded across other agencies within government, in particular Tourism Victoria and Arts Victoria.

So in terms of 08–09, we have got Days in the Dioceses, which is the single largest event in terms of international visitation since the 2000 Olympics — that is July this year — the 2008 *Herald Sun* tour in October; Rugby League, Australia versus England in November; the 2008 Track Cycling World Cup, which we recently announced; the Homeless World Cup in December; the National DanceSport Championships in December but also the World Latin DanceSport Championships which is going to be a wonderful event and that will take place around the same time.

Mr DALLA-RIVA — I might be busy that night. When is it?

Mr WELLS — I am at the same meeting.

Mr DALLA-RIVA — It might not be to everyone's cup of tea, that is all.

Mr MERLINO — It is a fantastic event, I can tell you. It is a bit dangerous being on the front tables though.

There is the Skandia Geelong Week sailing, which is a fantastic event in January 2009; the 2009 Australian Masters Games in February; a FFA match on a date to be determined; world superbikes in March; the grand prix in March; Rugby Union, Australia versus another team. So there are a number of events. We are continuing to be the major events capital. We had the swimming world championships last year, the world gymnastics, the Volvo around the world race, so I think our record in terms of major events will continue to be a world leader.

Mr DALLA-RIVA — So when is the night grand prix going to happen?

Mr MERLINO — We have already ruled out a night grand prix, and I am very happy to reiterate that.

The CHAIR — Okay, just to clarify, I assume that these major events are sort of new major events and they do not necessarily reflect on ongoing ones, do they?

Mr MERLINO — It is a mix, but Days in the Diocese is one of a number of one-off events.

Ms MUNT — Minister, same page — 198 — there is a line item for Community Sporting Facility Grants. I notice that the 2007–08 target was up to 120 but the expected outcome is 230. Could you expand on what those grants were for and the nature of those grants? I know that there is great interest from a lot of my sporting associations in my electorate, so if you could just flesh that out for me.

Mr MERLINO — Thank you very much, Janice, and a major reason for that spike in terms of community facilities is around the drought, and over the last two summers the state government announced almost

\$20 million in additional funding, additional to the Community Facilities Funding program, for drought projects, and I am very happy to go through those and also the community facilities program in general.

Since 2000 the Bracks and Brumby government has invested over \$170 million towards 1860 community sport and recreation projects across the state through the SRV Community Facilities Funding program. During this current term, \$76 million will go towards facilities over four years. This allocation is made up of \$46 million under the Better Pools-Aquatic Access program, and \$30 million towards community sports facilities. Facility funding is distributed across all areas of the state and this will continue to be the case over the current four-year program.

This can be illustrated by a map showing the location of funded Better Pools-Aquatic Access projects since 2000, including the new seasonal pool renewal projects announced this year, and this is all about ensuring that those seasonal outdoor pools also get upgrades. The \$46 million in funding for the Better Pools category is the most significant contribution towards this type of facility ever made by state government. Investment in aquatic facilities can have far-reaching benefits. Increasing participation in sport and rec in Victoria relative to other states is believed to be in part due to the government's ongoing commitment to aquatic facilities. The question was about community facilities.

Mr WELLS — We are amazed at how you knew it was coming and had the slide up.

Mr DALLA-RIVA — And yet you have not got the list for what I asked.

The CHAIR — We do not really wish you to enumerate the whole 230, but thank you for handing out the notes.

Mr MERLINO — I will contain myself.

Mr DALLA-RIVA — You are a good minister.

Mr WELLS — The expectation of the question is amazing.

Mr MERLINO — Facility funding can also support community building in local communities around the state and enhances the partnership between state government and local governments. Facility development brings people together not only by providing for multiple sports but also for general community use such as meeting and function rooms. There have been some great recent examples of our facilities funding program: \$500 000 to assist the Borough of Queenscliffe for 08–09 to enhance the Queenscliff sports club building; \$2.5 million to Wodonga Rural City Council for stage 1 of the Wodonga aquatics and leisure facilities; and I have recently announced successful projects under the 08–09 round of the minor facilities and planning categories involving 92 projects and “under the Minor Facilitation Category and 38 pages under the Planning category.”

In addition to community facilities, I draw your attention to the government's country footy netball program and the drought relief program that are all targeted at addressing specific facilities needs. The country footy netball program was developed in response to the Rural and Regional Services and Development Committee's inquiry into country footy. The sheer volume and spread of projects to every local council in every part of Victoria through the Community Facilities Funding program, the country footy netball program and drought relief programs can be seen in these maps of projects funded in 07–08.

That gives you an indication as to the spread right across the state. The next slide shows ‘metropolitan Melbourne’ — a great snapshot of what we have achieved.

There has also been investment through the Commonwealth Games dividend in multi-use sport services, infrastructure, primary and secondary schools, five multi-sports stadiums and our AFL and Victorian footy club projects as well, but I will not go into that, given the time.

Mr WELLS — I refer you also to page 198 in regard to athletes and Victorian Institute of Sport scholarships where the actual in 06–07 was 421 and then it drops down to 350. I also refer you to the fact that there were 464 scholarships in 04–05, 467 in 05–06, 421 in 06–07, 370 expected and now we are down to 350. There seems to be a progressive reduction in the number of scholarships. Can you explain why there has been this decrease, and has the money that was originally allocated to these scholarships been diverted to some other program?

Mr MERLINO — I outlined in one of my earlier answers and in the presentation, the increase in funding to the VIS, which I am happy to expand on. In 2007–08 there is an expected outcome of 370 athletes holding scholarships at the VIS. That exceeds the target set of 350 athletes, and within that target more than 6 per cent of athletes with a disability were to be included. The target for the number of VIS scholarship holders on national teams for 07–08 was set at more than 55 per cent, and there is an expected outcome of 56 per cent of VIS athletes to be on national squads or teams. Many of these athletes will represent Australia at the 2008 Beijing Olympics.

In terms of your question about the numbers, there are also changes in scholarship holders and changes in sports that are focused on by the VIS. For example, you could have a decrease in the number of team sports that are part of the VIS scholarship program and an increase in the number of individual sports that are targeted by the VIS. It varies from year to year, and it varies in terms of post or lead-up to major international meets such as the Olympic Games.

Mr WELLS — Can I just clarify, minister, that there is a clear downturn from 464 in 04–05 to 350 — that is, more than 100 less scholarships. I am wondering if you can explain that. You are saying that it does change from time to time; it might be changing from a team event to an individual, but that is a significant downturn of more than 100 less scholarships.

Mr MERLINO — The priority in terms of outcomes of results at national and international events has been part of the focus of the VIS. For example, the support for its junior cricket program was removed with a focus on particular sports that are likely to get an outcome at commonwealth, Olympic and other international events. So it is a focus on outcomes in terms of asking, ‘What is the VIS there to do but to provide the step up for the elite athletes to national and international competitions for success?’. We are supporting that through our \$6.7 million in additional funding.

We punch above our weight. In terms of our return on medals at international competitions as opposed to our percentage of the population, we consistently punch above our weight with the VIS, and what this funding boost does is really acknowledge the increase in costs in terms of coaching, training, travel. We are going to continue to have our focus on those results.

Mr PAKULA — At page 343 of budget paper 3 you allocate \$10 million for improving community access to VFL grounds.

The CHAIR — A very good program.

Mr PAKULA — As you know, Mr Noonan and I were both intensely interested in it the outcome for Williamstown and very happy with the result, but I am wondering if you could give the committee more information about the intended outcomes of the program and some more specifics about the projects that the funding is allocated to?

Mr MERLINO — I am really happy with this program. This is quite an exciting initiative and builds on our investment in AFL facilities and opening up those AFL facilities to the community. This is the 150th year of Australian Rules football in this country, and what we wanted to do was to support the top grassroots competition which is the Victorian Football League.

Footy is a way of life in Victoria, and this program is a reinvestment in Victoria's state-level football facilities to ensure the ongoing viability of the state's VFL clubs, increased community access to the VFL clubs' facilities and ensure that Victoria remains the premier football state in Australia. This will support the AFL's new plan to place VFL teams and grounds as a hub for local AFL development, and nurture and provide pathways for up-and-coming talent.

The key outcome from the AFL's perspective is that each of these facilities, whether it is Box Hill, Williamstown or Craigieburn, will be the central point for elite young footballers to train and get access to elite coaching and support. This has significant consequences for community and junior football in Victoria in terms of providing opportunities to young players, increasing involvement and participation at all levels and ensuring the capacity of the state-level competition to support community football clubs.

The initiative involves works at eight separate grounds. The work to be undertaken varies from site to site, similar to the AFL. It reflects the needs at each ground, which have been identified by AFL Victoria and the relevant clubs. They include the development of the greenfield site in Craigieburn into a regional football hub for the northern suburb, similar to Casey Fields in Cranbourne. It will include a main oval, 175 metres x 149 metres, fence to fence, with a 3000-spectator capacity, a secondary oval, sports pavilion, a secondary pavilion, cricket practice nets, playgrounds and a possible future multipurpose playing field.

It will also include a new pavilion, coaches boxes, canteen, first-aid, spectator shelter, video box; refurbishment of the existing pavilion at Box Hill City Oval, home of the Box Hill Hawks; redevelopment of the historic grandstand at Williamstown cricket ground, with more public seating, social rooms and new changing rooms; and refurbishment of the social club at the Trevor Barker Beach Road oval in Sandringham, which is currently in a poor state of repair.

The initiative will also provide increased opportunities for community use of VFL facilities. These require negotiation on a case-by-case basis with local clubs and communities. They include increased opportunities for school and regional association football/cricket games to be played on high-quality playing environments; increased access to social areas, meeting rooms and club gymnasiums by local community organisations and individuals; opportunities for VFL clubs to link with other local community initiatives and infrastructure; an improved capacity of clubs to deliver sport and recreation activities to the community; and an increased opportunity to quality community sport and recreation infrastructure, particularly for people from traditionally disadvantaged groups.

A total of \$10 million will be provided over three years, commencing in late-2007-08, and I want to take this opportunity to thank Peter Schwab and AFL Victoria and the individual clubs and councils for their cooperation. This is quite an exciting initiative.

Mr RICH-PHILLIPS — Minister, I have just a straightforward question. Page 199 of budget paper 3 lists state-level facilities under design or construction, with a target of six; and state-level facilities under investigation, with a target of four. Could you tell the committee what are those specific projects in each of those categories; and in relation to those under design or construction, what are the time frames for their completion?

Mr MERLINO — Thank you very much. I am happy to answer that question.

Mr DALLA-RIVA — Just put the slide up!

Mr MERLINO — I couldn't anticipate every question!

A target of three state-level facilities under investigation was set for 07–08 and that target, as you say, has been exceeded, as investigations are currently under way in relation to five state-level facilities. The five investigative studies currently in progress are for: a multidiscipline target shooting centre; the state athletics centre, which I referred to earlier; a state drag racing centre; the state rugby centre; and the combined master plan for the Melbourne Sports and Aquatic Centre and the State Netball and Hockey Centre.

That is evidence of the government's long-term planning to investigate opportunities to ensure Victoria remains Australia's leading sports destination. Committee members will be aware of the fact that the investigation into the state athletics centre has reached the conclusion that I referred to in terms of the Albert Park redevelopment.

Mr RICH-PHILLIPS — In terms of the target for 08–09, where it is four, will they be continuing, four of those five, for the new year?

Mr MERLINO — It is a mixture: continuing those programs, for example, the target shooting, drag racing, state rugby centre, and we will continue to work with MSAC as well in terms of those developments.

In terms of the second part of your question, the state-level facilities under design or construction, a target of six state-level facilities under design or construction was set for 07–08, and that target has been exceeded, as there are currently eight state-level facilities which are in either the design or the construction phase of development.

The eight projects which were under design or construction in 07–08 comprised the state volleyball centre, which I referred to earlier; the national sports museum at the MCG, which is a wonderful facility that I encourage people to go to; the Melbourne rectangular pitch stadium; the Whitten Oval redevelopment; the redevelopment of the Jack Ryder stand at Victoria Park; the redevelopment of Waverley Park, which is now complete; the Arden Street oval redevelopment; and the Princes Park redevelopment.

I am pleased to report that four of those projects have been successfully completed: as I said, the state volleyball centre, stage 1 of the national sports museum, the refurbishment in the internal areas of the Jack Ryder stand at Victoria Park, and the redevelopment of Hawthorn Football Club's home base at Waverley Park is also complete. I am particularly pleased to be able to advise that each of those projects was completed on budget. During the reporting period works also commenced on the Whitten Oval redevelopment; and, as you know, the Melbourne rectangular pitch stadium. Progress to date has been impressive on both projects. Work has also started on stage 2 of the national sports museum.

Mr RICH-PHILLIPS — That would leave one other in the six for this year?

Mr MERLINO — In terms of the future, there is the continuation of the rectangular pitch and also the remainder or the next round of those AFL facilities that have also received funding through the government's programs.

Mr RICH-PHILLIPS — So that will be the rectangular pitch, Whitten Oval, Arden Street, Princes Park — that is four.

Mr MERLINO — Richmond, St Kilda, with developments at Frankston, Essendon and Hawthorn.

The CHAIR — And Albert Park presumably, not for Aussie Rules, but for other things?

Mr MERLINO — Yes, Melbourne Park.

The CHAIR — It might exceed the objectives.

Mr RICH-PHILLIPS — Thank you, Minister.

Mr SCOTT — I would like to change tack and look to the youth portfolio. I note your presentation and the handout for the media of the voluntary Code on body image. It is an issue that has come up in my constituency work, and I am well aware of the devastating impact negative body image can have on mental health and the families of those who are suffering from mental health problems in this area. What steps have been taken in relation to the positive body image strategy in 2008–09?

Mr MERLINO — This is a significant issue. The 2007 Mission Australia's youth survey identified that body image is the issue of most concern to young people. The Victorian government allocated funding of \$2.1 million for the 2006–10 period to address the complex issue of body image for young people.

The Positive Body Image strategy involves prevention and intervention strategies to address negative body image for young people. Last year over 5000 young people across Victoria participated in positive body image prevention programs, including the Victorian Body Think program, the Springvale Girls on the Go program, the schools digital technology forum and International No Diet Day activities.

In addition, in 2007, a further 3800 young people participated in the Positive Body Image Grants program aimed at encouraging community-based partnerships with young people to promote healthy eating, physical activity and positive body image. Some examples from the outcomes from these grants include the Healthy Mind, Healthy Body project with the Australian Lebanese Welfare, working with girls from the Antonine Sisters Trinity Maronite Catholic College, Brunswick, which drafted an advertising code of conduct; the Shire of Yarra Ranges Young Ambassadors for Positive Body Image program, which trained local girls in schools across the area to help support others in their schools; and the Fit for Life program for indigenous girls in Warrnambool who undertook healthy eating and physical activities, including surf rider classes for the girls to then enter the indigenous surf carnival, the first time there have been any indigenous girls in the event. This year, the Positive Body Image Grants program will be allocating \$250 000 for local projects to address the issue of body image for young people.

In terms of intervention activities and the Positive Body Image strategy, I recently launched the Victorian Voluntary Media Code of Conduct on Body Image. It is a partnership with the media, advertising and fashion industries and was one of the key recommendations to government in the report of the parliamentary inquiry into the impact of negative body image on young people. The code emerged from work of very committed stakeholders from the media, advertising and fashion industries, who shared the government's belief that each has an important role to play in encouraging young people to feel good about themselves.

There is an impressive list of individual supporters for the code, including Dr Rick Kausman, Professor Susan Paxton, Professor Susan Sawyer, Kerry Wells, Claire Vickery, Erica Cervini and Karen Webster, the director of the L'Oréal Melbourne Fashion Festival. In addition, lending their support are major media outlets, including the *Age* and *Girlfriend* magazine; retailers, including Sportsgirl and the Dove group; and influential organisations such as the Media, Entertainment and Arts Alliance, Victorian branch, the Australian Association of National Advertisers, and Mushroom Marketing.

A youth-focused education campaign to encourage better understanding of the impact of the media on body image will also be funded this year. The ministerial Community Advisory Committee on Body Image, chaired by Nicole Livingstone, OAM, will be monitoring the implementation of the new media Code, as well as advising me of further ways to address the issue of body image for young people.

The Victorian government remains the first to have conducted a parliamentary inquiry on this issue, the first to develop a comprehensive strategy that involves prevention and intervention initiatives to address negative body image for young people, the first to commit over \$2 million to implementing solutions, and the first to introduce a media Code with media, advertising and fashion industries and to back it up with a youth-focused education program, stakeholders engagement, an education program and a public awareness campaign. So this is a quite significant program that will continue to receive a high priority by the Brumby government.

The CHAIR — Thank you very much.

Dr SYKES — Minister, my question relates to youth, and if you go to budget paper 3, page 198. It is the challenge of retaining young people in country Victoria and/or encouraging young families to come to country Victoria. Football and netball clubs, the grassroots ones, are an integral part of our country communities and good facilities and good cash flow are critical components of successful football-netball clubs. On page 198 it looks like the grants have been decreasing. If you go back to 06–07, there were 77 grants, then in 07–08 there were 55, and now the target for 08–09 is 25 to 35. I am wondering what underpins the scaling back and what is the commitment of the government to continue this funding into the future? I just make the point that the budget papers were done on the assumption that the drought is breaking. That is not true. Even if it was, the ongoing impact would be felt for a number of years to come. For example, we have clubs like Moyhu and Thornton-Eildon that have been hit with significant additional expenses to access water to pump to water their grounds and they are struggling to meet those costs.

The CHAIR — Minister, I refer you also to note (d) on page 203.

Mr MERLINO — I am really pleased to answer this question and put it on the table in terms of the country footy-netball program and our support of it. Can I say that I agree wholeheartedly with your comments in terms of the importance of sporting facilities and the importance of this program. We are in the middle of the worst drought in our history. We are not through it. I do not accept that the budget papers are predicated on that.

Dr SYKES — They are, because on page 34 it says that we are assuming a return to average rainfall — full stop.

Mr MERLINO — In terms of our program, we are going to continue to monitor the impact of the drought. For example, we are in the middle of the second stage of our drought assistance program and I approved just a couple of weeks ago some urgent funding to allow for some water carting. Now water carting is the last thing you want to do, but in some instances it needs to happen, so last year it was some water carting around the Geelong region and this year I approved some funding for some water carting around the Wimmera region and elsewhere. So we are keeping a watching brief, working very closely with the Victorian country footy league in terms of the impact of the drought.

What we want to promote through our facilities funding program, our drought assistance program and also our country footy-netball program are projects that deal with not just the drought we are in at the moment but also the drought that may come in 5 or 10 years down the track — so, synthetics, drought-resistant turf, all that sort of stuff. If I can talk to the substance of your question, which is about the country footy-netball program. I will answer that question in terms of — —

The CHAIR — Minister, just to clarify for Hansard, the reference to page 34 is budget paper 2.

Mr MERLINO — Thanks, Chair. The country footy and netball program is contributing \$10 million over five years to 09–10 through an injection of \$8 million from the state government and a further \$2 million from the Australian Football League. Originally, as you know, it was 2 million from the government and 2 million from the AFL. It was such a successful program that the government provided an additional \$6 million. The country football and netball program was developed in response to the parliamentary inquiry, as we all know, and it provides grants to assist country football and netball clubs to develop facilities in particular areas of need, including football, netball and umpire facilities; shared community, club and social facilities; multi-use facilities; and lighting.

The program also includes a number of larger grants under the premier facility category targeted at developing key regional centres to a standard that allows VFL/AFL matches, and I will come back to that point, because that is the key component.

Dr SYKES — At Shepparton, that was great, yes.

Mr MERLINO — Since 2005 the government has been pleased to announce funding of more than \$7 million for over 200 individual projects across the state under this program, and funding is available to country football-netball clubs through the eligible 57 rural, regional and outer metropolitan councils. Councils are able to submit up to three applications in any given year.

The program aims for consistent expenditure, about \$2 million per year over the five years. To achieve this, projects are assessed and approvals are regularly announced early in the previous year. In 2008–09 — which is your question, Bill — more high-cost, premier facility projects to bring country footy grounds up to an appropriate standard to host AFL pre-season matches will be funded. As a result, in 08–09 it is envisaged that there will be fewer approvals than in previous years, and this is reflected in the budget paper performance measure that you referred to.

The 08–09 target, 25 to 35, is less than the 07–08 expected outcome of 55, due to a high number of projects approved earlier in the program and an increase in the number of high-cost, premier facility projects. I therefore envisage that the country football-netball program will allocate funding in 08–09 to approximately 25 to 35 new projects, but I emphasise this is not a cut in the program funding. It will continue to be around that \$2 million per year. The graph that you can see, hopefully, on the screen represents the types of projects that are being funded under the country football-netball program.

Pavilion upgrades, netball court developments and lighting upgrades account for 78 per cent of the total projects funded under the country football-netball programs. Examples of projects that have been funded under the country football-netball program include the Dalyston football and netball club, which received \$50 000 to redevelop their netball court and install sports club lighting, which you can see on the overhead. This project has increased safety for players of all clubs who utilise that facility as well as maximising use of the court after dark.

A second footy oval was constructed at the Inverleigh Recreation Reserve with the assistance of a \$50 000 grant from the country football-netball program. You can see the ‘before’ and ‘after’ of that project. That project is providing a safe, drought-resistant playing surface. This is one of the examples, Bill, where a focus of our country football-netball program, the facilities funding program — we are putting a high priority in terms of drought projects. Projects have been funded in all areas of country Victoria, as illustrated in the next slide. That is an indication of the country football-netball program.

The new lighting at Deakin Reserve, Shepparton, was officially switched on for the AFL pre-season game between Collingwood and Hawthorn in March of this year. That project was one of those examples. This is a \$200 000 project from the country football-netball program premier facility category. The report being handed out now is the half-time report in the country football-netball program. That Deakin Reserve upgrade — \$200 000 from the country football-netball program. There was something like 10 000 spectators, so it was a huge economic boost for the region. That is the program. There has not been a reduction in the funding; we are just focusing on more projects, such as Deakin Reserve, Shepparton, in the 08–09 period.

Dr SYKES — And are you going to continue on? Given the success of it and given the ongoing demand, have you got a commitment to continuing on after the five years?

Mr MERLINO — Bill, I can assure you that this government will continue funding community facilities, whether it is through the facilities funding program, the country football-netball program, the drought assistance, the refurbishment of VFL/AFL facilities — record investment in community facilities, whether it is the country footy/netball program or any of the others that I have mentioned.

The CHAIR — Can I refer you to your original presentation. You talked about funding for women’s sport. With three daughters and four granddaughters and umpteen nieces, it would be remiss of me not to talk about women’s sport. They make up more than half the world, so we have got to know where our bread is buttered! What initiatives are being undertaken in women’s participation in sport and recreation, Minister?

Mr MERLINO — Thanks very much for that question, Chair. As the father of an 11-month-old girl, this is a high priority for me as well. It is very important to this government that women and girls can share in all the benefits of sport and active recreation and that we increase the representation of women in all aspects of sport across Victoria.

In the period 2000–07 the government has provided funding of nearly \$17 million for women in sport, and this has been from the community level right through to support for our high-performance athletes. Under this government women's participation is the second-highest of all states of Australia and has shown a growth well above men's participation.

In 2001 the exercise, recreation and sport survey recorded that 75 per cent of women were active in sport and recreation, below the national average of 75.9 per cent. The latest released figures show that 83 per cent of Victorian women participated in sport and recreation in 06 compared to 78 per cent across the rest of Australia.

This growth in participation has been across all age groups, as you can see from the graph on this screen, which can also be handed out. This is in part due to the government's participation programs and intervention, such as a focus on walking, our Go for Your Life initiatives, the Living Longer, Living Stronger program with the Council On the Ageing and the country football-netball program. The majority of those projects are going to benefit the netball clubs and those facilities and our women's sports package.

The women's sports package has provided support to key sports over a number of years. The 2006 state budget allocated additional funding for the women's sports package of \$1.2 million over three years commencing in 07–08. After community consultation and consideration of the research findings, this package has been refocused and will be known as the women's sport and recreation initiative. In 08–09 the women's sport and recreation initiative funding will be directed to the key areas of leadership, demonstration projects and a communications approach.

The leadership component will be led by VicSport and will increase the focus on women in sport issues, networking and professional development. Demonstration projects are already under development in key interface areas, including Casey and Wyndham, and with disadvantaged communities including regional girls and women, and newly arrived migrants. Traditionally women's sport receives little coverage in the media, and the communications component will explore opportunities to profile women's achievements in sport and promote increased participation. In 08–09 the government will continue to fund the development of new facilities which support women's sport, in particular the country footy netball program

I am also pleased that the government has recently entered into a three-year sponsorship of the new Melbourne Vixens netball team under the Go for Your Life initiative, and this will provide positive role models and strong promotional opportunities for the Go for Your Life message. We think we do everything well in Australia compared to overseas, but when you look at the coverage of women's sport in New Zealand, for example, it leaves us for dead, frankly. The coverage of the Silver Ferns, their national netball team, and the coverage of the trans-Tasman competition in New Zealand is quite extraordinary. So there is a real opportunity as part of this sponsorship and part of the new trans-Tasman competition to have a high-profile team in Victoria in a high-profile competition — this trans-Tasman competition — not only for the benefit of the Melbourne Vixens but for the benefit of girls and women across the state.

We will continue to promote recognition for women in sport through the government's publications such as *Revolutions for Women Count Us In*, *Ways Women Lead in Sport* and *Active Women* fact sheets. These are the results of government research funding into women's participation. The research continues with young women's participation at important transitions in their lives, such as from primary to secondary school and from school to

uni, or work being examined by the Active Girls Inc. and Fit Girls projects covering metropolitan and regional Victoria. One of the issues we really need to tackle is girls aged 13, 14 and 15 just dropping out of organised sport, and that is going to be a real focus of this government. I think I will leave it there.

Ms MUNT — Can I just clarify on that graph that that is the percentage of those age groups that participate in sport and recreation? You have got 15 to 24 years old, nearly 90 per cent of that population participating in sport; and 65 plus, 70 per cent of that age group still participating in sport and rec. Is that the correct reading of that graph?

Mr MERLINO — Yes, it is, but the key thing is that that graph represents not just organised sport, but it is also recreation such as walking and — —

The CHAIR — Playing bridge.

Mr NOONAN — I want to switch back to youth affairs, Minister, if I could. Page 190 really talks about your role in terms of needing to seek advice on issues of youth policy and then details extensively all of the various programs which you also included in your presentation. My question really goes to the 08–09 period and how you will seek input from young people in terms of the program agenda and the policy development more broadly.

Mr MERLINO — Thanks, Wade. This is one of the real priority areas for me in terms of how we can improve direct communication from young people in our community to me as minister, and there are a number of ways that we are going to be doing that over the next 12 months or so. As you are all aware, young people can and do make a significant contribution to their communities each year, and we in government are pleased to be able to support them to do that in a number of ways.

Under our youth policy, Future Directions, the government promised to develop a way for young people to have a chance to tell me, as Minister for Youth, what they really thought about issues and events that they are interested in. We initially thought of it as an advisory committee, but as we went on we realised that if we were really going to get a range of different opinions we had to have a bigger range of ways that young people can have a say. So we have developed Young People Direct as a package to give young people a chance to get involved directly and think about issues in ways that are relevant for them, fun and actually what young people want to do, rather than what government or schools or other people tell them they should do.

The initiative will include two forums for young people each year. In 07–08 the Office for Youth implemented the first Young People Direct forum, which involved around 100 young people across the state in identifying important issues for young Victorians. A really exciting opportunity is the Young People Direct Ministerial Advisory committee, which will be made up of a group of 16 young people who will meet with me quarterly to discuss a range of issues they see as important.

Another important part of Young People Direct is the Multifaith Multicultural Youth Network, a real opportunity with me being the Minister Assisting the Premier on Multicultural Affairs. That will help me provide the perspective of young people from diverse backgrounds. Because we know that to get to young people these days we have to be online, we are running an e-participation project through our youth website, YouthCentral. In 07–08 Young People Direct, through the YouthCentral website, asked young people what they thought about the proposed changes in legislation around body piercing and tattooing. There were over a hundred responses, which fed into the public consultation process being run by the Department of Justice.

Young People Direct will also work to reach young people through the Office for Youth's programs and through schools, and will of course make sure local government and other existing youth advisory groups, such as the regional youth affairs networks, community cabinet youth forums and YACVic, which is the peak youth advisory body, and the Centre for Multicultural Youth reference groups continue to have their views heard. Together those initiatives combine to create a way of reaching out to capture a wide range of opinions and experiences, and in this way we can cater for a diverse range of opportunities for young people, because we know that one mechanism will not suit all young people. It is quite an exciting initiative.

Mr DALLA-RIVA — Minister, I refer to the 'Service delivery' budget paper at page 190. I want to get to the issue about the Advance youth development program. I note that as you go down there are effectively three lines dealing with that. For the number of schools participating the target was 400 to 410; the expected outcome this year, 405; and future targets along the same lines. We see that the number of young people participating in that

program is substantially higher than the target, although the target has been set again at the same level, with a footnote referencing that there has been a higher than expected outcome of students enrolling, yet when it goes to the quality of the young people completing that particular program, on the bottom line you had 95 per cent 'actual'.

You have set your target at 75; the expected outcome is 85. Even with the increase, why would you not then expect into the future in the forward target, given that it obviously has been successful to a degree, an increase in the percentage achieving completion of that program? As a subset to that, I am just questioning or asking the minister what is the percentage of the total output cost of the \$15.4 million that is attributed to that program moving forward?

Mr MERLINO — In 2007 PAEC suggested that youth affairs targets be reviewed, and we did that. In the 2007 calendar year the Advance program was delivered in 403 school campuses. The revised 07–08 budget targets for Advance reflect this increased uptake of the program. Due to the success of the program, participation rates have generally been higher than the targets specified in contracts; therefore the program has achieved performance above the level funded.

This year the target number of schools participating in Advance has been increased from 400 to 410, and the number of young people participating has been increased from 10 000 to 10 250. This high level of performance has been achieved as some schools are able to enrol more students in the program than the funded level of up to 21 students, so that is the key point there, and this high level of performance has been achieved within the existing program budget. Last year Advance was extended for four years to 2011 as a commitment for providing more young Victorians with opportunities to get involved in volunteering. The key part of the answer to your question is that the funding level is up to 21 students. Schools choosing to enrol more young people in that program is a great thing, but in terms of the criteria that we have set, which is funding for up to 21 students, we have not moved that target. In terms of the percentage of the budget, Advance is \$4.5 million annually.

Mr SCOTT — Minister, I would like to ask you about the FReeZA program, which is referred to in budget paper 3 at page 190, and I cannot help but note the very large number of young people participating in the program — over 150 000 in fact in the actual figures for 2006–07 and 130 000 in the target. The attendance figures for FReeZA have been set quite high. What benefits will Victoria's young people get from FReeZA in the budget period 2008–09?

Mr MERLINO — The FReeZA program is a program that we would all be well aware of, and it is quite successful. It provides opportunities for young people aged from 12 to 25 across Victoria to actively participate in their local communities. It is an innovative youth development program that engages young people through all stages of developing local drug, alcohol and smoke-free music and cultural events. The program provides grants to local governments and community organisations to work in partnership with young people to stage five music and cultural events each year.

Due to the increasing success of this program, 78 community organisations across Victoria have received grants in 07–08, with 45 of these located in rural and regional areas. Local FReeZA events, which are organised by young people, aim to strengthen the relationship with the local community and cater to a broad spectrum of young people's interests and skills. When they participate in a local FReeZA committee young people have the chance to decide what types of events and cultural activities they want in the community; help create music events and cultural events in their community; make decisions and lead projects; participate in their community as volunteers; and form close networks with local businesses, schools and other community organisations. Part of FReeZACentral's role is to provide them with the opportunity to continue their involvement in the music industry if they want to.

FReeZA events include, for example, Battle of the Bands competitions, youth stages and performances at community festivals, skate and BMX competitions, performance at art and film exhibitions, music, songwriting, dance, hip-hop workshops and the like. It runs in over 90 per cent of Victoria's local government areas, ensuring that the vast majority of young people in Victoria have a chance to participate in, attend or perform at a FReeZA event in their local community.

I am pleased to report that FReeZA is on target for 07–08 both for the number of grants approved and for attendance. In the first half of 07–08, 68 463 young people enjoyed and participated in over 250 youth music and cultural events across Victoria. Young people will continue to participate in, lead and organise local FReeZA events in 08–09 and showcase their talents in the local community. Young people participate in the FReeZA program by forming a local FReeZA committee to actively plan and run cultural and music events, attending and enjoying the alcohol and drug-free events organised by FReeZA committees, performing as artists, and providing additional volunteer support and the like. Due to the success of the program, participation rates for 07–08 are expected to be higher than the targets specified in contracts; therefore the program has achieved performance above the level funded. I will probably not go into any specific examples, given the time.

Dr SYKES — My question relates to the Voluntary Media Code of Conduct on Body Image. You again encourage adoption primarily by an educative approach, as I understand it — an awareness and educative approach. I have got some background in codes of practice — voluntary codes — in relation to animal welfare, and one of the challenges in the formulation of the codes is to get industry agreement to the words. The words that you have chosen here, if they were being used in an animal husbandry context, would be considered mealy-mouthed.

The CHAIR — Which disease is that?

Dr SYKES — That is like foot and mouth! Like 'The use of ... digitally manipulated images of people in the media is discouraged', 'Consideration should be given to' and 'effort should be made'. Now I realise the challenge, but I am making the comment that they are reasonably soft. I should also say that in relation to animal husbandry codes the way that there is encouragement to adopt voluntary codes is that adoption of that code can be used as evidence in your defence in the event that you get charged in an animal welfare case. So in that context, given the reality of how you influence the media, what is your response to that challenge?

Mr MERLINO — It is a challenge; I accept that. The key message that we got out of the work of the Media Code of Conduct Working Group, which included representatives from the fashion industry, from media and from advertising, is that this will only work if it is a voluntary code. That was the absolute key message. You are not going to get industry or media outlets coming on board unless there is agreement around the table.

Dr SYKES — I agree — voluntary, no problems there. The next issue is the strength of your code and the choice of words like 'consideration', because they can respond, 'I considered, but I chose to do my own thing anyway'.

Mr MERLINO — Media is a worldwide phenomena, so if it was mandatory it would be next to useless.

Dr SYKES — No, I have accepted voluntary.

Mr MERLINO — In terms of the wording and how we can make it change, my responsibility as Youth Minister is positive body image — so being positive about the changes that companies such as Sportsgirl, such as

Dove, make, the changes that media outlets such as *Girlfriend* magazine make, and encouraging that and celebrating that. We are trying to make change by highlighting the positive change that occurs in our community. It is a difficult task, and that is why I think no government other than the Victorian government is actually tackling the issue of positive body image and the disastrous consequences of negative body image in terms of eating disorders, depression and the like.

Dr SYKES — You will certainly get strong support from the Nationals. I guess the test will be in — no doubt you will be — monitoring change. If this wording is achieving change, then you can say, 'Fine, we're addressing the issue'. Conversely, if it is not, then you are going to need to look at greater industry support.

Mr MERLINO — Yes, that is absolutely right, and as I said earlier, my Community Advisory Committee, headed by Nicole Livingstone, will be doing that monitoring and reviewing of the code, but we are also going to go into the next stage of this program, which is about direct engagement with industry, and also an education campaign with young people.

The CHAIR — Thank you, Minister. That concludes consideration of budget estimates for the portfolios of sport and recreation, and youth affairs. I thank the minister and departmental officers for their attendance. The committee has a couple of issues to follow up with the minister and some questions on notice, and the committee requests that written response on those matters be provided within 30 days.

Witnesses withdrew.

Transcript of evidence

8.8 Veterans' Affairs portfolio

The transcript for the hearing on this portfolio was included in the Report on the 2008-09 Budget Estimates – Part One.

Transcript of evidence

8.9 Women's Affairs portfolio

The transcript for the hearing on this portfolio was included in the Report on the 2008-09 Budget Estimates – Part One.