

# 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.**