

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2012–13

Melbourne — 18 May 2012

Members

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Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

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Chair: Mr P. Davis

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Executive Officer: Ms V. Cheong

Witnesses

Mr R. Smith, Minister for Youth Affairs;

Ms G. Callister, Secretary,

Mr J. Higgins, Acting Executive Director, Corporate Services, and

Ms S. Reichstein, Acting Director, Office For Youth, Department of Human Services.

**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — I now welcome from the Department of Human Services Ms Gill Callister, secretary; Mr Jim Higgins, acting executive director, corporate services; and Ms Simone Reichstein, acting director, office for youth.

I call on the minister to give a brief presentation of no more than 5 minutes regarding the financial and performance information relating to the budget estimates for the youth affairs portfolio.

Overheads shown.

Mr SMITH — The first slide here is one that shows that there are just over 1 million young people aged between 12 and 25 living in Victoria. This represents approximately 20 per cent of the Victorian population. The majority of young Victorians are healthy, active and participating in education, employment and community life. However, there are some young Victorians who experience social, physical or material disadvantage. These groups include the 28.2 per cent of Victoria's young people living in rural and regional areas; young indigenous people; those with a disability, who are at 8.6 per cent; and young migrants, asylum seekers and refugees who are born overseas. Of those, 23.6 per cent speak a language other than English at home.

Young Victorians also face different challenges from previous generations that will affect their life experiences into the future, including delayed transition from family life to independent living, interaction via social media, economic uncertainty, a greater sense of personal empowerment, and growing and changing communities around them.

This generation of young Victorians is a critical generation, and we cannot overstate the importance of young people as the drivers of Victoria's future economic prosperity. Their involvement in the economy and community will underpin our health, education and community infrastructure. Their ideas and innovations will build and develop our industries, and this generation will make the future decisions in our governments and local communities. This is why supporting this generation is such a priority for this government.

During National Youth Week I launched the coalition government's shared vision for young Victorians entitled 'Engage, Involve, Create'. Engage, Involve, Create is an exciting statement that brings together young people, government, local communities, business and the youth services sector to work together on policies and programs that are relevant to the needs of young Victorians. This statement builds on the families statement and provides a clear direction and vision for the government's investment in young people. We believe that a whole-of-government and whole-of-community commitment is needed to ensure all young people have the same chance to enjoy a healthy, active role in our economy and community now and into the future.

The key priorities reflect much of the work being undertaken across the government by my ministerial colleagues in education, skills, employment and community service reform. The youth statement will drive an active partnership agenda with business, philanthropy and other organisations to support young Victorians.

Over the past year I have been working in the youth affairs portfolio to refocus our programs and ensure that they provide practical opportunities for young Victorians to be engaged in employment, education and positive relationships; for them to be involved in decision making and in their communities and in creating cultural activities, festivals, art, music and enterprise.

The 2012–13 budget provides \$16.3 million towards the youth affairs portfolio to support programs that meet our vision. As you can see from this table on the slide, there are a significant number of programs that directly support young people to have opportunities to be engaged, involved and creative. More than 195 000 young Victorians will participate in our programs each year, and in addition to this the Victorian government's website for young people, youthcentral.vic.gov.au, will continue to include young people in the development of the site while providing relevant and important information for young Victorians. In the past year alone this site has had more than 1 million unique youth visitors.

I am very pleased to advise that in this year's budget additional funding has been provided to support the fantastic work being undertaken by the FReeZA program. Additional funding of \$400 000 per annum over the next four years will be added to the existing program funding for FReeZA of \$2 million. This brings the total funding to \$2.4 million per annum. FReeZA provides more than 130 000 young Victorians with the opportunity to participate in drug, alcohol and smoke-free events across Victoria, and more than 800 young people will get

involved in FReeZA committees across the state to design and run these very popular events. These young people will gain practical skills, training and mentoring opportunities through their involvement in the committee.

The coalition government firmly believes in the active role young people can and do play in building a vibrant Victoria, and only by supporting young people in Victoria can they prosper and lead in time to come.

The CHAIR — Thank you, Minister. The remaining time available will be dedicated to questions on the youth affairs portfolio. Minister, I ask: given the key growth and efficiency initiatives announced in the budget, can you please outline for the committee the likely impact of the budget on enhancing service delivery, promoting productivity and achieving efficiency gains within your portfolio? In responding could you also indicate how you intend to monitor the portfolio's effectiveness in maximising improvements in these areas? In addition, please inform the committee what you consider to be the likely impact on community stakeholders in the portfolio of your initiatives.

Mr SMITH — The investment of \$16.3 million in positive engagement programs in the youth affairs portfolio is aimed to reduce demand on service delivery for young Victorians right across the state. These programs that are being delivered through the youth affairs portfolio have a focus on supporting young people to have access to a range of social, economic and civic participation opportunities.

As I mentioned in my opening presentation, there are just over 1 million people aged between 12 and 25 right across Victoria. What we recognise is that providing young Victorians with meaningful participation in decision making and volunteering in culture, sport and recreation will lead to stronger communities and better outcomes for those young people, but we also know that when young people are alienated or disengaged from activities and institutions which provide the opportunities to develop skills and experience positive relationships, then they are at greater risk of poor health, mental health difficulties and of course social problems. The impact of youth disengagement on young people, the community and government is quite significant. Youth disengagement is also correlated with lower labour force participation, poorer health and wellbeing outcomes, higher rates of mental health issues, higher rates of antisocial behaviour and lower education attainment.

In this budget the Victorian government has committed funds to tackle youth disengagement through programs such as FReeZA, the Advance program, the Engage! program and the Be Heard! program, and also to help young people be involved in events such as Youth Parliament and the Rock Eisteddfod and in organisations such as the scouts and guides.

As to the issues of service delivery, productivity and efficiency, the majority of youth affairs funding is committed to fixed-term grant provision to community service organisations and local governments. The transition in January of last year of the Office for Youth from DPCD into DHS has presented for us a range of significant opportunities to streamline the provision and administration of grant funding for youth affairs programs. DHS is currently investigating ways to more efficiently administer the funding arrangements with more than 500 organisations that receive grants for programs in the youth affairs portfolio. This is going to continue to reduce the administrative burden to community service organisations and local governments.

DHS is also exploring opportunities to further streamline stakeholder and grants management and program development activities through the establishment of a standardised practice with DHS regional offices. We will be monitoring these improvements to existing program management and evaluation activities, and the transition to the new funding administration infrastructure will provide a means to monitor the organisations and make sure that they are meeting the objectives that their programs obligate them to.

With regard to the impact on stakeholders, certainly the new funding for the FReeZA program will have a positive impact on the stakeholders, including FReeZA providers in the youth sector and local governments by continuing to invest in this very popular and longstanding program. Of course there are significant benefits to young people who participate in this program and in the whole range of programs that we have running at the present time.

All of the recurrently funded youth affairs programs are continuing at the same level, and stakeholders continue to give us feedback that those programs are being very well received across the board.

Mr PAKULA — I think Ms Callister has heard this question a couple of times now.

Mr SMITH — She can answer it for me.

Mr PAKULA — I will put it to you, Minister, and you can do with it as you choose.

Mr SMITH — Of course.

Mr PAKULA — The restructure of DHS which was announced earlier this year — the 500 jobs to go — I am just wondering what impacts you can identify that those job losses will have on the Office for Youth.

Mr SMITH — The sustainable government initiative was announced by the Treasurer in the budget update, and the initiative was introduced as part of a responsible fiscal and economic strategy to strengthen Victoria's finances and improve service delivery. I can report with regard to the current status of staff reductions in DHS in accordance with the sustainable government initiative that the department's VPS sustainable government contribution is, as you said, a total of 500 full-time employees. I can report also that the department has made significant progress towards this particular target. The Office for Youth will remain in the DHS structure, with the director now directly reporting to the deputy secretary of housing, youth and women, and the office is going to continue to deliver existing programs and will have a greater capacity to provide the whole of government with policy advice. Again I remind the committee that these are voluntary redundancies or the finalisation of fixed-term contracts. If the secretary would like to add something, I would invite her to.

Ms CALLISTER — I would just reiterate what the minister has said. We maintain an Office for Youth in the new structure going forward and a dedicated capacity for that. As I think I have said to the committee over the last two days, we are looking at how we can consolidate a number of our policy and duplicate functions centrally so that we maximise our capacity to deliver services on the ground and make sure that programs reach the people that they are intended for; but we absolutely maintain a dedicated focus on the Office for Youth.

Mr PAKULA — Thank you, Minister, and Ms Callister. I know what you say about the Office for Youth now being effectively joined with or reporting under the deputy secretary of housing — I suppose I wonder how that will work — but you said, Ms Callister, that there will be a dedicated capacity for youth. I accept that, but the minister did say that significant progress had been made on the 500 jobs. I suppose my question is: is it a dedicated capacity the same or is it a dedicated capacity less? I accept that dedicated capacity remains, but if significant progress has been made, you should be able to indicate to us whether it is the same dedicated capacity or a lower dedicated capacity.

Mr SMITH — That is a very fair question. I think it is also fair to say that the capacity for the public service to deliver the programs we have in place and to help us deliver on the priorities of our youth statement will be maintained. There are certainly some areas where DHS has the expertise in terms of grant delivery, but in terms of maintaining the Youth Central website, for instance, or those staff who are dedicated to assisting my Involve committee — which is my youth ministerial advisory committee — those are examples where we need staff dedicated to the youth portfolio. If there are any opportunities to get greater efficiencies from the department as a whole, then certainly they will be looked at.

Mr MORRIS — I move to the empowering communities and individuals output on page 34 of budget paper 3. Minister, in your presentation you refer to \$1.6 million over four years for the FReeZA program. I am sure all members of the committee are aware of the FReeZA program, but it would assist us if you could indicate specifically what this funding is intended to achieve and what sort of outcomes are we going to see for Victoria's young people.

Mr SMITH — Obviously FReeZA is a great program that is rolled out amongst many local communities, and I am very pleased to say that it has been well supported by both sides of politics over the last 15 years. It is a program that was initially put together, I believe, by the member for Wantirna back in the '90s — who is now the Treasurer — and was delivered under the then Minister for Youth Affairs, now the Minister for Ports. I think there is still some discussion between the two of them of who thought of the idea first.

That aside, currently the FReeZA program receives \$2 million in recurrent funding. As Mr Morris pointed out, the budget shows that we will be getting an additional \$400 000 per year towards this very popular program. We expect 130 000 young Victorians to be involved in this program annually, and I think that is a really fantastic outcome for the community. FReeZA also supports more than 800 young Victorians to get involved in their communities through FReeZA committees. These committees basically provide the skills, training and

mentoring opportunities for young Victorians, whilst providing practical opportunities to organise FReeZA events.

I think that is very important because even if a young person has a great family structure — and so many young Victorians do — it is always helpful to have some additional adult input, and I think the involvement of people in these committees to provide these mentoring opportunities cannot be underestimated. Recently I met with The Push — the organisation The Push, which actually manages the FReeZA support service — to discuss ways that we can strengthen the program; so in addition to providing the extra funding we want to take FReeZA forward. FReeZA has been operating very well over many years, but we do want to take it forward. We are talking now about new mentoring and training opportunities that we can progress through the FReeZA program and how we can continue to promote this sort of work within the communities to make sure that communities are aware of the benefits that young people are getting from this.

I think it is worth noting that last year the opposition made quite a scare campaign about how we were going to cut FReeZA. This budget shows that we are not doing that and that we continue to support FReeZA. We are supporting FReeZA because it is a valuable program. It supports many thousands of young Victorians and it is a program that will receive recurrent funding going forward, and as I say, it is a program that I am very proud to say that this government is supporting. Indeed I am very proud to say that a Liberal-Nationals coalition government in the '90s got it going.

Mr SCOTT — Minister, I would refer you both to your presentation and the page that outlines the programs for youth affairs — I think it is page 5 — and to page 167, where the total output for youth affairs shows a reduction in funding from I think it is 18.6 million to 16.3. Firstly, I would like you to provide to the committee, if you could, an itemised breakdown with dollar amounts for each of the programs funded. I presume that these are all the programs within the youth affairs portfolio — so, a dollar amount per program.

Mr SMITH — Certainly. Do you want a dollar amount for this year or do you want it — —

Mr SCOTT — For this year, I think.

Mr SMITH — Okay, that is fine. Is that what you are after — just a dollar amount? Is that the substance of your question?

Mr SCOTT — For each of the programs there.

Mr SMITH — The Advance program for 2012–13 is funded to \$4.5 million. The Be Heard! grants and the funding to SYN FM for 2012–13 is \$100 000. These are all figures that will be freely available in media releases that have been put out in previous times, I think. The money put towards the establishment of the Centre for Multicultural Youth regional office is \$0.45 million. The Engage! program has funding just for this year of \$4.1 million. The FReeZA program for 2012–13 is funded at \$2.4 million. Funding to the Rock Eisteddfod, which I hasten to add was not a program supported by the previous government but reintroduced by this one — the schools that have been involved in that over a long period time have been very grateful for that. That is funded for this financial year at an amount of \$200 000.

The scouts and guides, as part of a total \$5 million package towards those organisations, will be funded for this year at \$1.4 million. Can I say that I am very proud to be part of the only Victorian government who has ever funded these fantastic organisations. One of the reasons why we are funding these two organisations — the scouts and guides — is because we very closely share the values that these two organisations impart onto young people. We are talking about mentoring, we are talking about getting kids out engaging with each other and experiencing the outdoors. It is just amazing what scouts and guides do — over the period of 100 years for the guides last year and 103 years for the scouts last year. Chair, were you a scout?

The CHAIR — I was, indeed.

Mr SMITH — Look at where you have come. Look at where that has led you.

Ms HENNESSY — I would never have picked it at all, Chair.

The CHAIR — I think you should be cautious, Ms Hennessy.

Mr PAKULA — I think he might have been Akela.

Mr SMITH — I am sure every scout and guide aspires to be chair of PAEC, like yourself, Chair.

The CHAIR — Indeed.

Mr SMITH — We are also funding \$75 000 towards Youth Parliament, which is kicking off in the next month or so. I encourage members to take on roles as Speaker and President at those upcoming debates, because I must say that the quality of debate from those young people is just absolutely outstanding. For those who have stepped in there and listened to them, you can see some real passion and energy amongst those people. Certainly funding those young people to be involved in Youth Parliament is a big part of getting those kids involved in decision making for the future.

The Web Wise program is a program that is about putting together an educational tool for different peer groups to impart to their peers about cyber safety. That particular program was receiving \$900 000 over the course of 2012–13. Our regional and rural inclusion grants are funded at a total of \$180 000. Have I missed anything?

Mr SCOTT — Involve committee, National Youth Week, Youth Action Strategy and Youth Central.

Mr SMITH — Youth Central — do I have that with me? The Involve committee is basically funded within the Office for Youth appropriation, so money that would be used towards that committee is really with regard to some minor travel and accommodation allowances for the committee. The committee is made up of 18 different young Victorians, two from each of the upper house regions. We make sure that we have a very wide-ranging representation from right across the state. As I said, we have two from each area — one is aged between 12 and 17 and the other aged from 18 to 25, to ensure that we are getting input from the whole gamut of youth. Too often we find that the bottom half of the age scale is neglected in a lot of the discussions that are had, so it is really good that with the Involve committee we are able to include that younger demographic. We have a 13-year-old young man named Jack who is just an outstanding contributor to the process. But certainly there is not a great funding allocation towards that particular committee. Which one did I miss?

Mr SCOTT — I would like to move on to the supplementary question.

The CHAIR — Thank you, Minister, for such a comprehensive and detailed answer, which has provided more information than we have had in relation to many other questions.

Mr SCOTT — I would like to note that the text underneath the figure of 16.3 million says that the target is lower ‘primarily due to the cessation of fixed-term initiatives’. Could you outline the fixed-term initiatives which have ceased?

Mr SMITH — You are looking at some of the programs that are no longer receiving — —

Mr SCOTT — Yes. It states there that the target is lower ‘due to the cessation of fixed-term initiatives’. I would just like to know what those initiatives are that have ceased.

Mr SMITH — One such initiative is Youth Foundations Victoria, which was previously administered in partnership with the government and Bendigo Bank and Adelaide Bank. Last year we made the decision — may I say, in discussions with the Bendigo Bank and the Adelaide Bank — that we would take a step away from that particular program, so we funded that particular initiative to the tune of \$357 000. That particular program is now being run wholly and solely by the Bendigo Bank and Adelaide Bank. So there is the reduction there.

There is the capital for scouts and guides. A lot of that capital was expended in the last financial year, as part of the \$5 million we put towards scouts and guides. A lot of it was spent; \$2.3 million was spent in the early stages, so we see a reduction in that regard.

The Mentoring and Capacity Building Initiative, which was funded up until December last year, is not progressing, although I have to say that the mentoring providers that were previously funded under that initiative were encouraged to apply in the recent Engage! funding round. The organisations, as I say, that were funded were contacted and asked and encouraged to get involved in the Engage! program. Of the 12 providers

that were funded under that previous program, 7 applied for funding, and 6 of those were actually successful. So that is a great outcome — that those organisations are still being funded under the reprioritisation of funding.

The CHAIR — I know Mr Angus will be very disappointed, but we are out of time. —

Mr ANGUS — I am very disappointed, Chair.

The CHAIR — This concludes the consideration of budget estimates for the environment and climate change and youth affairs portfolios. I thank the minister and departmental officers for attending today. There were a number of questions taken on notice, and the committee will write to the minister and seek a response within 21 days. This concludes the hearing.

Witnesses withdrew.