

CORRECTED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into 2004–05 budget estimates

Melbourne – 18 June 2004

Members

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Ms J. Allan, Minister for Employment and Youth Affairs;

Mr T. Healy, acting secretary;

Ms E. Jensen, executive director of employment programs; and

Mr S. Gregory, chief finance officer, Department for Victorian Communities.

The CHAIR — Good afternoon, and a warm welcome to the Public Accounts and Estimates Committee hearing on the 2004–05 budget estimates for the portfolios of employment and youth affairs. I welcome the Honourable Jacinta Allan, Minister for Employment and Youth Affairs, Mr Terry Healy, acting secretary; Ms Elizabeth Jensen, executive director of employment programs; Mr Stephen Gregory, chief finance officer, Department for Victorian Communities; departmental officers, members of the public and media.

In accordance with the guidelines for public hearings I remind members of the public that they cannot participate in the committee proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers as requested by the minister or her chief of staff can approach the minister's side of the table. Members of the media are also requested to observe the guidelines for filming and recording procedures 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. However, any comments made outside the precincts of this hearing are not protected by parliamentary privilege. All evidence given today is being recorded and witnesses will be provided with proof versions of the transcript early next week.

Minister, over to you for a 5-minute presentation of the employment portfolio. We will then move straight into questions, and if you require a break we will do so at 2.15 and conclude at 3.15 after you have given us your portfolio presentation on youth affairs.

Overheads shown.

Ms ALLAN — I am sure committee members understand well and will have noted that over the past five years Victoria's economy has grown very strongly. We have experienced consistent growth across the whole of the state with our growth rate this year at around 3.9 per cent, which is above the national average of 3.6 per cent. Victoria has the second-highest growth rate of all the states. Economic growth for this financial year is forecast to continue at a very healthy 3.25 per cent.

Economic growth is really crucial and is a main driver for employment growth. As a government we are continuing put in place policies and programs that will continue to see this growth continue. An example of that is the recently released *Victoria: Leading the Way*, the \$10 billion statement of new investment that is looking at continuing to generate that growth; and around 20 000 new jobs are estimated to be generated out of that statement as well.

Employment growth in Victoria since 1999 has been sustained, and there has been a continued reduction in unemployment. Around 143 500 more jobs have been created in metropolitan Melbourne since 1999. In country Victoria we have seen around 51 000 more jobs over the same period. To the year ending May 2004 the unemployment rate in regional Victoria has averaged 5.8 per cent and significantly broken the 6 per cent mark there. Additionally, net migration to Victoria increased by around 40 per cent during 2003. This is a big increase and represents that people are choosing Victoria as the place to be.

The next slide looks at our reducing unemployment rate, which has been steadily decreasing in Victoria. Our latest unemployment rate figure is around 5.4 per cent, which is just a little bit below the national rate of 5.5 per cent. It is also the second-lowest rate of all the states. When you look at that graph and trends, which are important, the trends for Victoria are going down. We are continuing to perform more strongly than the national rate and have been below the national unemployment rate for 47 of the last 48 months so it has been a strong performance.

Our employment programs sit within the people and community advocacy group as part of the Department for Victorian Communities and alongside the Office for Youth, women's policy, multicultural affairs, Aboriginal affairs and senior Victorians when they join us in July this year. This provides some great opportunities to develop state employment programs that are linked with other government programs. They encourage participation in the work force, particularly by some of those disadvantaged groups in the communities and also they put in place a more coordinated and practical service delivery at the local level.

The Department for Victorian Communities is also making important changes in the way government works with communities. We know we are building stronger, more resilient communities, which helps in opening up a more integrated approach to planning, funding and delivering services at the local level. Under Jobs for Victoria we have a \$155 million package of employment and training related funding over four years to deliver new initiatives such as jobs for young people or a community regional skills program. This funding is in addition to the ongoing program funding for employment programs such as the Youth Employment Scheme, the overseas qualifications unit and the skilled and business migration unit.

Mr FORWOOD — The amount of \$155 million is in addition?

Ms ALLAN — Is in addition to the ongoing programs that I just mentioned — the YES scheme, the overseas qualifications unit and the skilled and business migration unit. The amount of \$155 million is made up of new employment programs that we have introduced and also a couple of other programs that are delivered by the Department of Education and Training such as Skill Up, Parents Returning to Work and also the Department of Innovation, Industry and Regional Development, which shares the partnership and delivery of CRISP Business.

The next slide shows that Victoria has three aims for Jobs for Victoria which are: increasing people's engagement and participation in the labour market, assisting young people and addressing future skilling and employment needs, particularly for regional communities. To assist us to do this we have also established a new employment advisory panel which is chaired by Peter Kirby and has representatives from other governments departments we work closely with along with community agencies who are important partners. The panel assesses all our grant programs and provides recommendations to me on the distribution of funding community agencies.

I will quickly go through a few snapshots. Under the Community Jobs Program we have provided around 7600 jobs for unemployed Victorians. It continues to have strong outcomes; over 60 per cent proceed to further employment, education or training. Importantly a number of these have been linked to neighbourhood renewal, such as joining up the work that is going on in those public housing areas and providing some employment and training opportunities as well. We have also provided additional employment services to around 1000 disadvantaged job seekers through our CJP employment initiatives program.

Providing job opportunities for young people is one of our key focuses. Through our youth employment programs we have provided over 2500 jobs for young people in both the public sector and in the local government area. There have been 2400 in the Youth Employment Scheme since July 2000, and of these around 49 per cent have been in country Victoria. This financial year we introduced our new Jobs for Young People program, a great new program modelled on YES. It is providing job opportunities for young people in local government. Already we are seeing great success again in country Victoria. Around 60 per cent of the jobs created this financial year in this program have been in councils in country areas.

The CHAIR — In councils in country areas, or councils and country areas?

Ms ALLAN — Councils in country areas. Of the Jobs for Young People 60 per cent of the places have been taken up in country councils. That is a better way of saying it. Finally, we are supporting young people through our youth employment link. The web site is backed up with a telephone service line.

Also I mentioned skills development and skills shortages. We have a new program called CRISP — that is, the Community Regional Industries Skills Program. This financial year we have funded 18 projects in regional Victoria to address skills shortages in some key areas. We are anticipating more than 500 training outcomes and 200 employment outcomes in this area. The 18 projects are all very different and diverse in meeting the skill needs in those local communities. They are developed in partnership with local employment providers, local councils and other local organisations and training providers. We are also continuing the skilled migration program. CRISP is certainly a complementary program to that as well.

In mentioning the skilled migration program in April this year the Premier and I launched the Victorian skilled migration strategy. We really do recognise that to continue our strong population growth a key factor is looking at increasing our intake of skilled migrants. Since 1999 the skilled migrant intake into Victoria has increased from 18.7 per cent to 24 per cent. That is the percentage of Australia's share. We want to continue to build on that and continue to see more skilled migrants come to Victoria. Our key components of that are the web site and the Regional Migration Incentive Fund.

To finish, we are very clear about our priorities, about helping those who are most disadvantaged and linking in with other whole-of-government initiatives and wanting to address key issues, whether they be youth employment, skills shortages, but also to be quite innovative in our program delivery.

Mr FORWOOD — I have a point for clarification. In virtually your first paragraph you said that the rate of growth in Victoria was 3.9 per cent. Budget paper 2 on page 20 —

The CHAIR — Is it a point of clarification?

Mr FORWOOD — I hope it is! It shows that the growth rate for Victoria is forecast at 3.25 per cent. There has been considerable debate about whether or not Victoria's growth will reach that. Access Economics, for example, says that it is less. No-one to my knowledge has anywhere before asserted that Victoria's growth rate last year was 3.9 per cent. I would be fascinated — —

Ms ALLAN — I did not say that it was the five years to 2002–03. I left that crucial time frame out for you, Bill. Sorry about that. We are going very well in Victoria. That is the average for the five years.

The CHAIR — Thank you for that point of clarification.

Minister, I want to go to the new Jobs for Victoria policy. Over last year's budget there was an allocation of substantial investment over a four-year period. I refer to the DVC's budget estimates questionnaire response, which showed a portfolio budget of \$41.1 million for 2004–05. Can you outline the achievements and the key performance indicators that show those achievements in its first year of implementation, and then what you intend to do post?

Ms ALLAN — Looking at Jobs for Victoria, I re-emphasise that our aims are participation for Victorians in the work force and in their local communities. We are looking at areas of assisting young people and assisting communities to meet future skill and training needs. We have a package of programs under Jobs for Victoria that builds on the past achievements that we saw in our first term of office. We are looking at targeting those who are most in need and getting them into sustainable jobs and also recognising that we have a responsibility to keep an eye on what the work force in the future is looking like and the skills we need to provide in that area as well.

We have also recognised that the commonwealth has a primary responsibility for national employment policy. It provides a significant amount of assistance through its programs to job seekers. The committee may remember that last year we were about to implement Jobs for Victoria. To give the report card back 12 months later, a number of the initiatives announced last year are well under way, such as our Community Jobs Program. That program is a renewal of funding under the Community Jobs Program called jobs and training, where we have seen 772 jobs provided this financial year. The Youth Employment Scheme is another program that is continuing. We have seen around 800 apprenticeship and traineeship positions be provided for young people in the Victorian public sector. It is really a great way of giving young people a pathway into the Victorian public sector.

Through a new program, CRISP Communities — being the acronym for community regional industry skills program — we have funded 18 projects under this area to look at addressing those key skills shortage needs in regional areas. I am not sure whether I mentioned this before, but we anticipate that the outcomes for this year of those programs will be around 200 employment opportunities for more than 500 people across country Victoria.

The CHAIR — Did you say 200 employment — —

Ms ALLAN — And training opportunities through CRISP. The 18 projects will yield 200 employment opportunities and training — —

That does not make sense, does it, for 500 people? I will have to check that one.

Ms JENSEN — Yes. There are 200 employment opportunities in terms of individual projects and then there is the training — —

Ms ALLAN — Employment and then training for 500 people Sorry! I ran them on together. Then we have seen 6700 client services being provided to migrants and employers under the skilled migration program.

Also one of the programs, as I mentioned before, sits with the Department of Education and Training, but I have responsibility for administering it as Minister for Employment and Youth Affairs, and that is the Parents Returning to Work program. Eleven million dollars was provided over four years to provide assistance to around 9900 parents through this program. As I am sure members will be aware, it has been a hugely successful program where we provide \$1000 cash grants to parents who have been out of the work force for at least two years caring for children. They can use that funding for a whole range of costs related to them getting back into the work force. It can be used to pay fees to get into TAFE, to pay for part of their HECS fees and to pay for books and other materials related to getting into training — and for things related to child care costs.

The CHAIR — Could you give us a figure of the numbers who have picked that up in the last 12 months?

Ms ALLAN — We are estimating that by the end of this financial year around 2875 parents will have received grants for that program, so it has been a hugely successful and very well received. It is for parents, but obviously it has been taken up predominantly by women who have welcomed the grants when they have been out of the work force. Sometimes they need to retrain. If they have been nurses and out of the work force for four or five years they may need to do nurse retraining.

The CHAIR — Does the department break that down into local government areas?

Ms ALLAN — This is probably not the right department.

Ms JENSEN — We do not have that immediately available.

The CHAIR — I am curious because I happen to represent an area that has high employment, above the state average. I am curious to know what percentage are picked up in the City of Moreland.

Mr DONNELLAN — I did a direct mail on that I would be intrigued to see how many of the people took it up. I thought it was a very positive thing, so I am interested in much the same as Christine.

Ms ALLAN — For information, we concentrated the early promotion of this heavily in areas such as yours, where there are high levels of unemployment, particularly among women. We targeted the early promotion of it even though we were very much aware that it was a statewide initiative — we want our programs to pick up the most disadvantaged in the work force.

The CHAIR — I was referring to the four of them. I am particularly interested in the Community Jobs Program and the Youth Employment Scheme. I will let you take it on notice. If you happen to have the information, I would be curious to know.

Ms ALLAN — I know we do have breakdown by local government areas for things like the CJP because that information is available when we do community cabinet visits and the like.

The CHAIR — In case you are wondering how this goes, everyone is entitled to one question at a time so it will be fascinating — it will be one, one and then if Mr Clark comes in he will get a go but otherwise it will be everyone else.

Mr FORWOOD — I will just keep asking questions. It has to go government, opposition, government, opposition, government, opposition — you cannot do it any other way.

I also refer to page 241 of budget paper 3 which shows the \$41.4 million that has been allocated to your output group of employment programs, and to pages 5 and 6 of the department's response. The response shows that under Community Jobs Program, Jobs for Young People, youth employment, community regional and skills migration, \$16.7 million is allocated for 2004–05. I presume that does not include the carryover of the shortfall in spending on Jobs for Young People of \$2.5 million. Perhaps you could provide the committee with a break-up of the remaining \$25 million and how that is to be spent, in particular what programs it is to be spent on and the percentage that is going on administration of the programs.

Ms ALLAN — I might get Stephen Gregory to answer that in a bit more detail, but I can give you some detail on the Jobs for Young People program because we have been talking about that in the past couple of weeks. Jobs for Young People was a new program this financial year, and the way it was rolled out did not quite align in the first round with how local government sets its budgets — we provide the \$9000 cash subsidy to local government and they have a budget allocation to make to that as well. About 181 places have been taken up in this financial year. We are looking at allocating the rest of those places across the three years so that by the end of the four years we will have hit our four-year target for the program. The way it lined up in the first year with local government budgets meant we were not able to do that in the first year.

Mr FORWOOD — The point I am getting to is that the underspend on community jobs this year was \$1.2 million and on Jobs for Young People it was \$2.5 million. I presume all of that has been rolled over and included in the \$41.4 million for the following year. Therefore, it cannot also have been included in the \$37.1 million as the outcome for this year. How come you have overspent the budget given that there is a significant carryover of funds which are not shown? By my calculations it is about \$4.5 million.

Ms ALLAN — Some of what you are saying is overspend, some of our corporate overheads increased over the entire Department for Victorian Communities. I might refer that to Stephen.

Mr FORWOOD — He is already drawing me little charts of all sorts of things, and he can add this to the list.

Mr GREGORY — Basically the issue is that there was a carryover from 2002–03 into 2003–04 so that is not picked up in the budget figure.

Mr FORWOOD — How much was that carryover?

Mr GREGORY — I think \$4 millionish or something like that. You get a carryover into the \$37 million.

Mr FORWOOD — If you could do a reconciliation — —

Mr GREGORY — Sure. That is the reason, even though you carry \$7 million into the next year, you already have carryover into the \$37 million.

Ms ROMANES — I refer to the Department for Victorian Communities' budget estimates questionnaire for 2004–05. Page 6 indicates that the skilled migration program budget has increased by \$1 million for 2004–05 against \$500 000 for 2003–04. Can you explain this increase to the committee?

Ms ALLAN — It is great to have the opportunity to talk about our skilled migration program. All of our programs are exciting, but this one is particularly exciting when you look at the way it influences our population growth in the state and addresses issues around skill shortages. We have provided an additional \$6 million over four years to the skilled migration program. The \$1 million increase in the 2004–05 year reflects the 2004–05 allocation of this funding.

I think I might have mentioned this in the introduction but we have seen strong economic growth. We have also seen strong population growth over recent times here in Victoria. In 2002–03 Victoria saw an increase of around 1.2 per cent in population. I mentioned the increase we have seen since 1999 of Victoria's share of Australia's skilled migration intake from 18.7 per cent to 24 per cent. That works out to around about an additional 3200 migrants coming to Victoria each year. We wanted to build on that, and we put some extra funding in the \$6 million over four years to this growth. We are looking at building on what we have learned and looking at what works. We have identified that it is a combination of activities such as targeted marketing, direct sponsorship by Victoria of visa applicants under a range of categories through the federal Department of Immigration and Multicultural and Indigenous Affairs, and also looking at assisting with services that match employers and communities with the right skilled or business migrant.

As I said, Australia has an ageing population. We have seen a decline in the birth rate in some areas, and we recognise that international migration is a key area to continue to grow Victoria's population. We launched the skilled migration strategy on 30 April this year. The key elements of the strategy are a web site, a communications strategy, a new regional migration incentive fund and the continual enhancement of the services we deliver through our skilled migration and overseas qualification units. These units are already helping and we are building on them in those areas.

Ms ROMANES — If I could just ask a supplementary, what sort of programs or projects is the incentive fund used for?

Ms ALLAN — To give a brief bit of background, the incentive fund came out of the regional consultations we held in the development of the strategy. We went out and held 10 regional forums in total with local regional communities. We asked them what they were looking for. They had already said they wanted to increase their share of migrants to country areas, recognising that it is important for the economic growth of those regions. It is important from a social and cultural perspective for many of those regions as well. They told us they were looking for some flexible support, some support that could be tailored to meet local needs whether it was addressing skill issues or providing cultural or settlement supports. You can imagine if you are getting an electrician with a wife and kids it is helping them settle into schools, finding health services, and if they come from a non-English-speaking background having those services interpreted for them. We are developing the guidelines for the migration fund at the moment, and they will be released over the next couple of months. It will be a flexible

fund which the 10 regions can apply to for what they say they need in those local areas. To finish, we are looking for some local government support with this migration fund. We are looking for them to contribute and we hope to get some support from the commonwealth.

The CHAIR — Good luck.

Mr FORWOOD — The slide showed that the government has committed \$155 million over the next four years and you said that was over and above the programs. Your output group — —

Ms ALLAN — Our what?

Mr FORWOOD — Your output group only accounts for \$40 million of that. I wondered if you could point the committee at the other output groups that make up this funding. It is all recurrent expenditure as I understand it.

Ms ALLAN — Of the \$155 million — —

Mr FORWOOD — Of them all.

Ms ALLAN — There is the training completion bonus, which I think is around \$50 million. There is a program called Skill Up and the Parents Returning to Work program. Parents Returning to Work is \$10 million and Skill Up, which is the retrenched workers program — a factory closes down, workers are retrenched — —

Mr FORWOOD — Which output group does that come from?

Ms ALLAN — That is under training in the Department of Education and Training. The Skill Up program is \$5 million and the training completion bonus is \$51.4 million.

Mr FORWOOD — Could you draw us a little diagram which has each of the four years of the \$55 — —

Ms ALLAN — Yes, we have got that.

Mr FORWOOD — Where it all comes from?

Ms ALLAN — Then there is funding for TAFEs and training and the On Track program, which through the Department of Education and Training provides support to kids as they are leaving school, tracks their performance and makes sure that they are linked back to training and employment opportunities if they have not gone on to further education. Then there is the \$5 million CRISP program. CRISP is a \$10 million program and \$5 million of that is delivered through Regional Development Victoria.

Mr FORWOOD — So the \$155 million comes partly from training, partly from communities and partly from the Department of Innovation, Industry and Regional Development?

Ms ALLAN — \$5 million, a small amount, yes.

Mr FORWOOD — As the minister, how do you oversight the expenditure in other departments as well, or do you not?

Ms ALLAN — The only program outside of my department is the Parents Returning to Work program, where we have an arrangement with the Department of Education and Training. I have responsibility for administering that program. The others are all administered by the relevant ministers in those departments.

Mr HEALY — We work very closely with those departments. So for example, with the CRISP issue we work closely with DIIRD and with a lot of our jobs programs. There is a training component so we work very closely with the people in the Department of Education and Training, so it is really at that level. We report back to our ministers reflecting that cooperation.

Mr FORWOOD — Thanks for your response, Terry.

The CHAIR — Wonderful to have.

Ms ALLAN — I was excellent too!

The CHAIR — It is wonderful to have this cooperative spirit.

Mr DONNELLAN — I refer to page 240 of budget paper 3, which deals with the overseas qualification unit, client services. What services does this unit specifically provide and does it assist people like overseas-trained doctors and solicitors? How do people in my electorate deal with getting through to the AMA and places like that?

Ms ALLAN — There is the OQU and the OQPP, which is the overseas qualified professionals program. They are part of the strategic effort that we are putting in to attract more skilled migrants to Victoria. The OQU provides overseas qualified professionals who have already settled here in Victoria with some assistance to get Australian recognition for their prior qualifications, so really it is to help them utilise their skills in the Victorian labour market, have a range of networks to help them do that. Also to help those whose qualifications might not be recognised here to access a bit more training or education in order to update their qualifications— not necessarily their skills, so that they can be recognised in Victoria.

We also work with the National Office of Overseas Skills Recognition who help us with the assessments to ensure that we are fitting in with that national framework. As you might be aware, there is a national framework that all training providers operate under, which ensures that people have the appropriate training qualifications to meet the skills that they need. We also help them with some vocational guidance, and some information as well, particularly people from non-English-speaking backgrounds, and even those who come from English-speaking backgrounds. We give them assistance at crucial times so they can find a job and get into the work force. Through these services over 170 accountants, child-care workers and IT professionals have benefited in this financial year from workshops in preparation for the Victorian job market. A client satisfaction survey goes with that and it is rating quite highly, which is good.

Since 2001 the OQPP has helped more than 280 skilled migrants with Australian workplace orientation and work experience. Again this is to help them find work using their qualifications. It is part of our skilled migration program. Through that program we provide help to recently arrived migrants who are job ready but who cannot gain employment because of their lack of local work experience. We run work experience for kids so they become familiar with the work place; it is similar for recently arrived migrants as well. This program is run through AMES — the Adult Multicultural Education Service — and I know Glenyys knows it very well. It runs seven weeks of some classroom-based orientation to the Victorian labour market followed by a six-week work experience placement that uses their qualifications in a related field. So obviously AMES works very closely with local employers and other local training providers. Again that has been evaluated more recently, and we have found that the program has been effective in assisting overseas-qualified professionals, with around 75 per cent of the participants gaining employment following their participation in a program. So again, that is quite high and very pleasing to see.

As you can see we are talking about the building blocks that we have built on from our first term, where the OQU and the OQPP have been part of the skilled migration unit. We have seen our share of skilled migrants go from 18.7 per cent to 24 per cent and that is a really strong platform on which we can then go to this phase of our skilled migration campaign and heavily promote Victoria directly to people who are thinking of coming here as migrants, because we have the whole range of support that sits under that marketing campaign and strategy. That is where the regional migration incentive fund kicks in at a local level, ensuring that they are settled successfully.

Mr FORWOOD — Minister, from memory late last year there was interest in the fact that the Cambodian Association of Victoria was receiving funds from the Community Jobs Program after it had been deregistered. Can you confirm that it continued to receive funds under that program while it was deregistered, and if so by how much? Is it still receiving funds or has that stopped, and was it required to repay funds that it received?

Mr DONNELLAN — It has got a clean bill of health from the incorporations people, which has been put out on the public record as well.

Mr FORWOOD — We will wait for the Auditor-General's report.

Ms ALLAN — I might get to that. The funding relates to funding for the CJP project and the association was provided with funding for that in October 2002. We fund our CJP's in three parts; organisations get 50 per cent on start up, 40 per cent part way through and 10 per cent on the completion of the program, when all the evaluation

and everything comes back in. So the funds paid to the association since February 2003, which as I understand it was when the association became deregistered, relate back to the October 2002 service agreement.

Mr FORWOOD — So it was paid after it was deregistered?

Ms ALLAN — As I understand it, and we can check it. The association was paid one tranche of those funds. I think it was the 40 per cent. As Terry mentioned before, we work closely with other departments and the association did not advise the department of its deregistration, which was a breach of its grant agreement. Part of the grant agreement is that we require it to let us know when it applies for funding that the appropriate requirements have been met, and also if there is any change during the life of that program. It did not let us know about that and so to answer your question, one payment was made in April 2003 following its deregistration. So the association has been advised by the department about its failure to lodge the appropriate documents and with consumer affairs, who handle the registration of associations. The association advised us that it was a result of an administrative oversight. The final payment has not been made and the department advised the Cambodian association that it had breached its agreement and so it was terminated effective from 23 December, and that final payment was forfeited.

Mr FORWOOD — You did not seek to recover funds paid after it had been deregistered?

Ms ALLAN — It is important to note that it met all its requirements as per the outcomes for the participants. I might get Terry to make a comment about that because there would have been some penalties that would have affected the participants.

Mr HEALY — I cannot remember the amount but the final payment was not very large.

Mr FORWOOD — So they got most of the \$100 000?

Mr HEALY — Basically they delivered — —

Ms ALLAN — Sorry, can I interrupt? They were registered at the time they were funded. There was a period of time between when they were funded in October 2002 and when they advised us in April 2003 when they were deregistered, so they were, as I understand it, registered when they got the funding in 2002.

Mr FORWOOD — The first tranche?

Ms ALLAN — Yes.

Mr FORWOOD — So they got half upfront.

Ms ALLAN — Yes, half upfront.

Mr FORWOOD — Then they got another payment and there was a residual small payment that was withheld at the end.

Mr HEALY — Fundamentally they delivered what they were contracted to do. That was really the issue. The minister's first concern really is that the people these grants are provided to help actually get the help and the support and the training, and that was delivered. We obviously became aware of the deregistration a bit later in the piece. I can also add that we have subsequently had discussions with consumer affairs about some improved procedures because it is a potential blind spot, in terms of notification about that, and I think it was an issue for a number of departments. So we are working on that and some improved procedures to remedy that for the future.

Mr FORWOOD — Were you aware of that before it became public through the *Age* or did you discover it then?

Mr HEALY — Not that I recall, no.

Ms ALLAN — No, from memory it was — —

Mr FORWOOD — It must have been a nice surprise.

Ms ALLAN — It was. Just to assure you, they are now registered.

Ms GREEN — I refer to budget paper 3 and page 240 which details that state employment programs target marginalised job seekers who suffer multiple disadvantages in securing employment. How do the key performance indicators assist in ensuring that young people, for example, are assisted?

Ms ALLAN — As I said earlier, our aim is, particularly when you look at the commonwealth having a large responsibility in this area, to target the most disadvantaged, and we do that through our Jobs for Young People — which, as I mentioned before is 1100 new jobs for young people over the four years, and also that complements the Youth Employment Scheme as well. We have seen around 800 apprenticeship and traineeship opportunities for young people through the YES program. Looking at YES and Jobs for Young People combined, we have seen around 50 per cent of these jobs created in country Victoria. If you are looking at providing opportunities for young people in their local communities, and if you look at the public sector, whether it is the state public sector or local government, they are an important source of jobs in local communities and give young people a chance. They provide an opportunity for young people to stay, live and work and make a real contribution to those local communities. That has been great. For example, I refer to Buloke shire, which I think is around Donald. Through jobs for young people they have applied to take on two diesel mechanics; their places are being used for diesel mechanics. It is addressing a skills shortage, providing young people with a job and it is giving them a great future in those local areas.

Young people are, as I said, a key target group for us. Again under the Community Jobs Program, in the first three years of the program we saw 6900 jobs created across Victoria, and of that number 36 per cent, or around 2517, were young people. Of our first round of the 2003–04 CJP, jobs and training, around 39 per cent of jobs have gone to young people. Some of these are really innovative projects too. CJP is in its fourth year, I think, so we are really seeing some communities come forward with some innovative ideas.

Hume City Council has a Skating to Elmhurst project, which is providing 12 young people with training and paid work experience in landscaping and horticulture. Some of these young people include early school leavers and others who are really disadvantaged in the labour market and at risk of quite long-term unemployment. So they are working with the council in the parks and gardens to establish gardens to install skating facilities, because that has obviously been identified by young people as something that is important to them. The training part of it is being provided by Kangan Batman Institute of TAFE. It is really helping the most marginalised in the work force. We design all our programs to be flexible, to be responsive to local needs and to provide some sustainable outcomes, which is obviously most important.

Ms GREEN — Thanks for providing that geographic spread. I am wondering, and you might want to take this on notice, but I am sure Mr Donellan and Mr Merlino would never forgive me, nor would my own constituents, if I did not ask a bit more about some of the outer suburban spread. You detailed Hume; are you able to provide that?

Ms ALLAN — We can get back to you on that.

Ms GREEN — It is always good to hear about regional and rural Victoria.

Ms ALLAN — Yes, it is my closest interest.

Mr FORWOOD — I refer you to page 252 of budget paper 2 of last year, which shows that the Department for Victorian Communities was required to save \$6.1 million from jobs programs cuts last year and another \$9.9 million in 2004–05. I wondered if you could advise the committee whether the 6.1 was achieved and if so where from, and where you think the 9.9 will come from this year?

Ms ALLAN — I think I might have mentioned this last year. The savings that you are identifying were as a result of a number of programs that were finishing at the end of the last financial year — for example, the Community Jobs Program was a three-year funded program. It was funded at around \$70-odd million, and that was successful and finished up at the end of the last financial year. We have a new round of CJPs which were funded through the budget last year. There are other programs that were successfully finished up and were part of the savings you have identified. We have gone on with our new programs.

I said something before about building on what we did in our first term where we had a range of programs that were successful. We are looking at drilling down even further. With unemployment coming down at the rate it is coming down, and we have been successful in keeping it down — as I said, in 47 of the last 48 months we have

been below the national average — we need to look at introducing new programs that are targeting the most disadvantaged, whether it be young people, people in country and outer metropolitan areas, whether it be indigenous groups, people from different cultural backgrounds, and also the people the commonwealth does not help such as refugees and temporary protection visa holders.

Mr FORWOOD — They were just cut off the forward estimates? There are no new programs that will be changed?

Ms ALLAN — The new programs that were funded from this financial year are all four-year programs, jobs for young people.

Mr FORWOOD — But the line items on page 252 — the 6.1, 9.9, 11.6 and 14.5 — were all cuts off the forward estimates? They are all related to the abolition of the original program and no program that ran last year will not run this year because of these cuts?

Ms ALLAN — Sorry, no program that ran last financial year?

Mr FORWOOD — This financial year just finishing will be sacrificed to meet the 9.9, shown as savings in this year. It all relates back to the year before and all off the forward estimates.

Ms ALLAN — And those programs finished up, yes.

The CHAIR — Minister, I want to continue with the Jobs for Young People program, particularly how it targets young disadvantaged people. There is a very successful program in my electorate, which I know you have visited, which includes promoting employment opportunities for indigenous as well as culturally and linguistically diverse and early school leavers. Could you give us a spread across local government areas of those target initiatives?

Ms ALLAN — Sure. Jobs for Young People, as I said before, has been a terrific way of keeping young people in local communities, whether it is in country areas or whether it is in key areas that you have already identified, Chair, so I think the committee is well aware of the details of this program. We provide the cash subsidy of \$9000 for each trainee to local government. We have 58 local councils participating. The lion's share is in country areas, and of those 58 councils there are 181 jobs for young people across local communities.

To give you some examples, I have already mentioned the Shire of Buloke, which has created two diesel mechanic apprenticeships — again, as I said, addressing some key skill issues in those areas. The City of Port Phillip has created four traineeship opportunities, all being targeted towards indigenous young people who will study in the area of business administration — for example, one will work in the council's assist centre that provides the community front line of service and gives them great exposure, I guess, to working in a customer service area and interface with the community. Another will be employed in the council's library. The City of Hume, which is in partnership with Connectus, which is an initiative of the Premier's drug prevention council, is taking on eight trainees under Jobs for Young People and looking at targeting at risk young people and obviously linking in with the Premier's drug prevention council. That is the focus for those ones.

I know from my own experience in Bendigo that the Bendigo city council has taken on five jobs for young people, and one of those is from a multicultural background. Another one of those trainees is working on the Commonwealth Youth Games that are going to be hosted by Bendigo later this year. With the Chair's indulgence, we have had a great response. The Horsham Rural City Council wrote us a letter after we provided its allocation. It really summed up to me why this program is important and successful. It said that with the state government's funding support the council will be able to provide a range of diverse and interesting traineeship opportunities in local government for some of the most disadvantaged in the labour market. These opportunities will create new long-term and worthwhile career pathways in the local area for deserving youth and serve to counter some of the drain of young people away from the Wimmera region to other regions, particularly Melbourne, to find work. That says it all, really. It perfectly fits the aims of our program.

Mr FORWOOD — Minister, I refer you to page 240 of BP3.

Ms ALLAN — This year's?

Mr FORWOOD — Yes. That is Jobs for Young People. Last year you told us, I think, it was 1100 apprenticeships and traineeships in local government over four years, and we have established, I think, that the reason that it is lower this year is the timing issue. If it is a timing issue, why is not the target for 2004–05, 375 — in other words, picking up the 100 you were short last year, plus this year’s quota? If you keep to 275 each year, you get your 1100 over four years, but you are obviously 100 behind now, so particularly if it is a timing issue, you would think, ‘We will sort out the timing issues and we will get these all through’. I make the point that if you do not pick it up now, you will not get your 1100 in the period.

Ms ALLAN — We are going to pick up on that. It is not quite 100. It is about 90-odd. We are in the process of identifying how we make those up over the next three years. We do want to. We want to look at how we continue to provide support to local government to keep up with the traineeships and apprenticeships that it wants to offer, so we are working through at the moment what the forward spread will look like, and obviously we will be coming back to the PAEC with that information.

Mr FORWOOD — So I can expect when we look at next year’s budget papers that, while the target was 275, the outcome will be about 350?

The CHAIR — Anticipation — you are so excited.

Mr FORWOOD — I am just trying to encourage them.

The CHAIR — I do not think the minister needs encouragement. She is enthusiastic.

Ms ALLAN — It will be spread over four to three years.

Mr FORWOOD — And you reckon you will get that 1100 in the four years?

Ms ALLAN — And it is really a recognition that we have — —

Mr FORWOOD — He is saying no.

Mr HEALY — I am not saying no at all.

Ms ALLAN — Do not dob in. You know that is naughty. It is really a recognition. Councils have been really enthusiastic in taking this up, but their budget cycle just did not fit in with how we ran it out. They have told us that, and we are trying to work with it, so that when we go out with this program again for the next financial year we will get that take-up you are looking for.

Mr FORWOOD — That is good. My point is as much about measures as it is about the program.

Ms ALLAN — I appreciate that.

Mr FORWOOD — I think it is logical, given what happened last year, that the measure should have been increased for this year.

The CHAIR — We can take it on board to contact our own councils and get them moving.

Ms ALLAN — Thank you. That is true. When I have been meeting with councils — —

The CHAIR — And Moreland might be getting a phone call from me on Monday.

Ms ALLAN — Please do — —

Mr FORWOOD — If ever there were a council that needed all the help it could get!

The CHAIR — With all the help you can get, let us look at how many people in the opposition have bothered to turn up this afternoon.

Mr FORWOOD — We should not go there.

Ms ROMANES — Minister, my question relates to the community regional industry skills program, or CRISP, which you talked about in your presentation, and I notice on page 240 of budget paper 3 there are 20 of those programs expected to be delivered this year, with a 50 per cent increase to 30 in the next financial year. That obviously reflects something of the enthusiasm that you demonstrated about CRISP. Could you tell the committee how the government measures the effectiveness of these projects in achieving the objective of CRISP and, given that this is a program that is delivered by arrangement with DIIRD, could you tell us more about how the two departments cooperate to effectively deliver this program?

Ms ALLAN — This is one that we can also give some clarification to on the budget targets, but I will come to that in a moment. Again it is a new program. It was introduced this financial year. The \$10 million is split evenly, \$5 million each between Regional Development Victoria, part of DIIRD, and employment programs. Going back to something Terry said before about working closely, we do work very closely with RDV and we share information. It is responsible for the administration of its \$5 million and we are responsible for ours, but obviously we do not do it in isolation. We do share information, and the DIIRD component is providing direct assistance to businesses. Our component is providing assistance to local communities to look at putting in place training programs or employment programs to provide people with the skills to get into jobs where there are those skill shortages in the longer term.

Again this is one that is a great example of how flexible we have been through CRISP, and each of the 18 projects we have funded so far has been really flexible and has met the needs of the local community. I have had the chance to launch some of these projects over the last few weeks. There was a project I launched in the Pyrenees, which is a partnership with Northern Grampians Shire, Ararat Rural City Council and the Grampians Pyrenees Regional Development Board. The skills shortage they have identified in that region is in the winery industry. It was such a hard task going there on a Friday afternoon to launch this project at one of their local wineries. The local community has identified that this is the growth industry for their region. It is really important to the local economy, and in terms of industries in Victoria wanting to expand, part of the challenge in wanting to expand is having the adequate labour supply to meet their demand, so that is what is happening in the Pyrenees.

I also launched one of the CRISP programs at the Stawell hospital, which is looking at addressing skills shortages in the health support services — another growing area, particularly when you are looking at regional areas with ageing populations. There is a need for more aged and community care workers and skilling people in those areas. More recently, yesterday in Bendigo I launched programs that were looking at the food manufacturing industry and providing skills training for people to become accredited in food safety and handling with local food manufacturers who have an eye to their export market. The export markets want guarantees relating to the safety, cleanliness and quarantine issues around the product. So they are addressing that in those areas as well.

The CHAIR — Have you summed up in terms of the numbers? I am particularly interested in the number participating in that program.

Ms ALLAN — In the community regional industry skills program?

The CHAIR — Yes.

Ms ALLAN — There are 18 projects, and that is 2 short of our estimation of 20. Again it is a new program and we will make that up.

The CHAIR — And how many participants?

Ms ALLAN — Two hundred employment places will be created, and 500 people will be going through training or skilling up. If I can use the Stawell hospital as an example, many of its people are existing workers who need to be re-skilled in this area where there is a need. So it is looking at the existing work force and what needs to be done to skill them up in those areas.

Ms ROMANES — Do the employment brokers on the community side of this end up being a range of organisations or agencies, or is it mainly local government?

Ms ALLAN — Local government is a key player in this, particularly because of the brokerage role municipal councils have in local communities, but some use the TAFE sector and some use other registered

training organisations. It is mainly the TAFEs and training organisations, and the local learning and employment networks are important participants in that as well.

Mr FORWOOD — I know that a memo was sent through Education looking for media opportunities for you to enhance your profile.

Ms ALLAN — We answered this three weeks ago.

Mr FORWOOD — Only for Education. I just wanted to know whether a similar — —

Ms ALLAN — That is not in the budget papers. Are we going to get this in half an hour's time?

Mr FORWOOD — No, I will do it only once. I want to know whether or not a similar memo went through the Department for Victorian Communities asking it to look for suitable media opportunities for you.

Ms ALLAN — I fail to see how that relates to the budget.

Mr FORWOOD — I could tie it to any output group.

Ms ALLAN — Maybe you can wait for the Minister for Victorian Communities.

Mr FORWOOD — I take it that you are responsible for an output group that has some funds that go to paying your staff and others associated with your portfolio. So given that your staff are funded through the budget sector, as they are, is it a legitimate question? I think it probably is.

Ms ALLAN — I am not aware of any memo that you might be referring to, but when you consider the good news that we have to talk about in employment and youth — —

Mr FORWOOD — That is what you said last time.

Ms ALLAN — When you consider that we have unemployment coming down and new programs to announce, it keeps us very busy announcing our new employment programs and our great projects that we are launching on a regular basis.

Mr HEALY — Can I just add that on the departmental side as a matter of good communication we seek to involve our ministers in promoting the programs on behalf of the government, as we have done for all governments that I have worked for.

Witness withdrew.