

CORRECTED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into 2004–05 budget estimates

Melbourne – 17 June 2004

Members

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Witnesses

Mr J. Thwaites, Minister for Victorian Communities;
Mr T. Healy, acting secretary;
Ms L. Hill, executive director, corporate and organisational development;
Mr S. Gregory, chief finance officer, corporate finance, Department for Victorian Communities.

The CHAIR — Good afternoon to our new witnesses. I welcome Mr Terry Healy, acting secretary; Ms Louise Hill, executive director, corporate and organisational development; and Mr Stephen Gregory, chief financial officer, corporate finance, from the Department for Victorian Communities. Minister, I call on you to give a brief presentation and thank you for distributing the overheads.

Overheads shown.

Mr THWAITES — Our focus as a department is to build active, strong and confident communities across Victoria, but also to drive a more integrated approach to the delivery of government services. In terms of our achievements, we are a new department, but we have established a focus for community strengthening. We are seeking to streamline grants and provide a single entry point for people into the grant system. Also we are making solid preparation for the 2006 Commonwealth Games.

In terms of listening and responding to communities, one of the key issues in community strengthening is volunteering. We have listened to community desires to have support for volunteering, and we are implementing that with a volunteering and community enterprise strategy. We are having a strong local presence at community forums. The department is going out into the community and having community meetings. I attended one at Bendigo Friday. It was an all-day seminar and very positive. Through our Victorian community support grants we are listening to the community and trying to streamline and simplify that process.

In relation to the Community Support Fund, which, of course, comes from the revenue of gaming machines, this slide gives an indication last year of payments out of the CSF. There is funding of some \$22 million in direct community applications, \$22 million in gambling services and \$96 million in community services and grant programs. All of that is done pursuant to the Gaming Machine Control Act. In relation to those community service and grant programs, they do go to, for example, sport and recreation, but they go directly to community initiatives in the programs, such as swimming pools and a range of other community and recreation programs.

This slide gives an idea in terms of the CSF approvals for 2003-04. There is a break-up of the approvals and how they are made. Into the future our aims are to build stronger communities, to have more accessible grants, to promote volunteering, the Commonwealth Games legacy program and to continue to support the community through our grants.

The CHAIR — You made a brief reference to applications to the CSF in your overhead presentation. I am particularly interested in community building; it is a strong interest of mine. I understand you have already released the community support guidelines. These are the ones that have been distributed to members of the PAEC, so thanks very much for that. How will you ensure that these guidelines and applications meet government targets in community building? Perhaps you could outline the targets.

Mr THWAITES — These guidelines have been prepared and produced. They set out very clearly the evaluation criteria which I know this committee is concerned about. We want to ensure they are understandable for community groups. We have also tried to ensure that all members of Parliament are properly informed about it too, so we have had briefings for the Liberal Party and The Nationals on the CSF. We genuinely want to see all parties and all members of Parliament have an opportunity to be fully informed about the guidelines and to understand them.

In terms of the evaluation criteria, one of the key things that we are seeking is first to support programs that have worked out their objectives clearly so that we are not just throwing money at things. They are very clear objectives. We are looking at programs where there are partnerships or collaboration, so we are going to be particularly supportive of programs where, for example, local government, the community and companies or corporations work together in partnership. We also want to support programs that are innovative and involve the various factors set out on page 10 of the guidelines. This is very transparent and clear, and we would hope this would be of real benefit to the community.

Mr FORWOOD — Minister, late last year I was fortunate enough to attend a briefing given on the new department and I was grateful to have the opportunity to attend. At that briefing we were told that there were currently 47 different grant programs being run by the department and I was told — do not be surprised — that it was inappropriate for me to ask what they were so I put the question on notice and later got a response that said that there were no longer 47 because some consolidation had been going on. You will note that one of the ones that came back was the Community Support Fund, but putting that to one side I wonder if you could provide the

committee with the current list of grant programs run by the Department for Victorian Communities and the amount of dollars in each for 2003–04 and going forward to the year ahead, 2004–05. If you could — take this on notice — provide the committee with the current list of grants in the next year and the dollars that have been allocated inside those?

Mr THWAITES — Can I say that what we are trying to do with the Victorian Community Support Fund is put the funding into three streams: into planning, so that there are smaller funds for communities to plan; into strengthening communities, which is generally about programs to facilitate community strengthening, so it might be for a facilitator or a project or that sort of thing; and into building community infrastructure, so that is a community house-type of thing. We want to try to spread that principle generally across the department. It would be simpler if we could massively reduce the number of programs. On the other hand it does raise other issues, because people in multicultural communities generally like to have programs that are seen as directed there or to an indigenous area there. We are trying to simplify it. We are trying to have a common gateway into the department and a common application form, so that will be a start. We are also trying to be more accessible by having people on the phone in the department. I think we have some after-hours availability and that sort of thing because we are really trying to be more accessible.

Mr FORWOOD — Excellent. Thanks.

Mr MERLINO — Minister, on page 240 of budget paper 3 it states that government outputs:

... seek to build on the existing strengths of community volunteer efforts by providing Victoria with a comprehensive approach to enhancing volunteering, building corporate social responsibility and encouraging more entrepreneurial community initiatives.

Last Monday the government announced its volunteering and inclusion strategy of \$21 million over four years. Can you outline to the committee the details of this strategy and how the allocations will be made?

Mr THWAITES — Yes. Volunteers do play a very important part in our social fabric. Contrary to what some people think, volunteering is not dead. Christine, when she was a minister, undertook some research work that showed there was in fact an increase in volunteering, and that has been backed up subsequently. But we now know that the way people are volunteering and what they want out of volunteering is changing lifestyles. We as a government want to get behind volunteers and promote community enterprises often involving volunteers. As a result we have set aside out of the Community Support Fund \$21.5 million over the next three years to support a volunteering and community enterprise strategy. Some \$9 million of that funding will go into encouraging a network of active volunteering resource hubs. In some areas they will be volunteer resource centres; in other areas we will want to work with local government to promote either a new volunteer resource centre or a similar body to promote volunteering in that area. Currently we have volunteer resource centres doing a great job in some areas, but there are gaps in others. So this is about spreading that resource across the state.

The second area we want to move on is providing a small grants program for volunteer organisations so they can get the little things they need to operate. The third area we want to work on is providing incentives for volunteer groups to reach out to other groups in the community that have not traditionally volunteered in that organisation. That might be people from different cultural backgrounds or people with a range of abilities or disabilities, or it might be people from different social or family-type relationships. It is basically about trying to make volunteering more inclusive rather than the traditional approach.

The other area in this strategy is community enterprise. There is more and more interest in this. Essentially this is about non-profit making businesses or businesses where the profits go back into the business for a social purpose. A good example is Green Collect which was set up by BP and Tim Costello when he was at the Baptist Mission down there. It is a business where people who are unemployed are given a job going around offices to collect toner cartridges, mobile phones and corks, and they recycle them. That is now employing 10 people who otherwise would not have a job, and providing a very good service as well. There are more and more areas where people want to do this, but we want to provide some business planning support for those organisations and some back-up for them so that they are less likely to fall over. That is another way in which we will contribute through our volunteering and community enterprise strategy.

Mr DONNELLAN — May I ask a supplementary question?

The CHAIR — Yes.

Mr DONNELLAN — When you are looking at setting up volunteering, are you looking at providing funding on a regional basis like the far south-east? I have one — the Citizens Advice Bureau runs one lot — and then I also have the council which runs another lot of volunteering, and to me it looks like they are probably doubling up. Would you be looking to try to regionalise them and say someone can manage volunteering for the whole of the south-east or a certain area?

Mr THWAITES — The answer to your question is twofold. One message you get in volunteering is they do not want the state government coming in, treading all over people and saying, 'This is how it is going to operate'. You have to tread lightly in this area. It would be better if there was one organisation and we would work with the community to achieve that. We are not saying we have all the answers and it is going to be this, this and this around the whole state. However, we are starting this in a cooperative way with the Municipal Association of Victoria; the MAV is in partnership with the department. We are strong proponents of local government because we believe it is closest to the people and it has an institutional framework which people respond to — they know where the town hall is, et cetera. We will use our relationship with local government to try to develop a coordinated approach, but if there are particular cases like that, tell my office and we will work on it.

Mr CLARK — My question relates to the financial statements for the department. I refer to those which commence on page 107 of budget paper 4 for this year — the statement of financial performance and the ones on subsequent pages. However, I also refer to the figures in the 2002–03 annual report of the Department for Victorian Communities starting at page 64. If we look at the figures for 2002–03 in these two sets of documents, the figures do not seem to be same between the budget papers and the annual financial report. I was wondering if you could tell us why that is the case; perhaps on notice you can provide us with a reconciliation of the two sets of numbers. Can you tell us where in the financial statements we find the expenditure for the Community Support Fund — for example, the \$141.5 million for 2003–04?

Mr THWAITES — In terms of the first part of the question, I think I will have to take it on notice.

Mr GREGORY — It will probably just be a classification of items, but I can get back to you with some detail on it.

The CHAIR — Where do we find the Community Support Fund?

Mr GREGORY — The CSF is reflected in an output because it is from a trust fund. It is the net movement in the trust fund. If you go to the community building output, you will see about \$20 million and that is the net movement in the fund; that is what goes in the outputs. It is in our financial statements as the gross payments out, but in the output it is the net movement of the trust fund that goes in.

Mr CLARK — Perhaps when you come back to us you can tell us specifically where that number is in the financial statements.

Mr GREGORY — It is in the community building output — —

Mr CLARK — I am sorry to cut across you. I understand the output group is part of the budget papers, but I am talking specifically about the statement of financial performance or the administered items statement in the annual report and in the budget papers.

Mr THWAITES — We will come back with that.

Ms ROMANES — Under the heading 'People, community building and information services' on page 240 of budget paper 3 the government's key outcome of 'building cohesive communities and reducing inequalities' is listed along with two other outcomes that the government is seeking. I understand the government has conducted a series of pilot programs in community building. Can you tell the committee what the achievements of those community building projects have been, and what the total budget is for those pilot programs?

Mr THWAITES — There is a series of community building demonstration projects with a total budget of \$5 million. These are 10 separate projects. They usually involve a facilitator and are three-year programs. We are half to two-thirds of the way through those projects now. They are generally working very well. In terms of examples of the sorts of things they are doing, I met with the Central Goldfields team the other day and they gave me this booklet listing examples of some of the things they are doing. In themselves you would think they were small scale, but when you put them together they are about making much stronger and more active communities.

They are practical things. Up there they put the first public transport timetable together for Dunolly — and not just public transport but private operators as well. There are six different ways of getting transport out of Dunolly, but no-one has ever put together a timetable. If you like up there it is very hard to — —

The CHAIR — To get out of there.

Mr THWAITES — Or to get in. Having been to Dunolly on a number of occasions, it is a very well serviced town in a health sense — —

Ms GREEN — My dad was born there.

The CHAIR — Moving right along.

Mr THWAITES — Moving right along, as a result of that they have found that for a number of hours there are buses just sitting in the shed. Using that information they are trying to leverage the bus companies to use them more frequently, and they are likely to do that. That is just one example. There is a major problem in East Gippsland with young people not finishing school — there are very high rates if you go down to Lakes Entrance and that area. The community building project down there is really targeting young people. They have had events which I have attended which bring together employers and young people in the region. Warrnambool is another one. The residents group there has upgraded its local park and playground and opened a new community house. In Bass Coast a number of young people have received some training and support in hospitality. It has tended to get communities together to work out what are the issues most needed in terms of strengthening that community and providing the wherewithal to achieve that.

Ms ROMANES — Just a supplementary, is there a connection to the LLENs around the state.

Mr THWAITES — There is. I think that is a very good question. They are the learning centres in education. What tends to happen is the LLEN people and these people get together — often the LLEN people are on the committee of management for this — and they are planning joint things. This has shown that if you give some support for communities to get together and to work out what they need, you get good results. It is about the motivation of communities. Other examples include the community capacity building initiative which we are doing jointly with Regional Development Victoria and which covers some 55 country towns. In the private sector you see community banking — for example, the Bendigo Bank does the same thing at a practical level with communities.

Mr RICH-PHILLIPS — I would like to ask you about the performance measures on page 245 of budget paper 3. There are two line items I would like to ask you about together: one is the number of applications received and the other is the proportion of applications approved. Firstly, I want to clarify that those figures relate to the community applications under the Community Support Fund you spoke about earlier. Given that, what reason can you give for the dramatic change, firstly, in the number of applications from the actual for 2002–03 which shows 235 dropping to an expected actual this year of 90 and then back up to 200? Why has the number of applications fluctuated so much? Secondly, with respect to the proportion actually approved, for last year it was 74 per cent, which is around 170 projects approved, this year it is expected to be 35 per cent of 90, so roughly 30, and next year it is expected to be 35 per cent of the 200, so roughly 70. The number of projects approved is also fluctuating widely. What explanation can you give the committee for that?

Mr THWAITES — I will take that on notice if I can. I have advice to take it on notice. I cannot off the top of my head give an answer to that.

Mr RICH-PHILLIPS — It is nothing to do with the new guidelines?

Ms HILL — In the first instance, yes. The 235 is certainly a result of the new guidelines coming into play this financial year.

Mr THWAITES — We are not expecting any change between the 2003–04 target — sorry, we are expecting an increase. What we are doing is expecting an increase in the number of applications with the new guidelines.

Mr RICH-PHILLIPS — Having come from a dramatic drop-off in the previous year for — —

Mr THWAITES — Exactly. We would expect that to come up, and we can come back. But there has been less money in the fund this year too, because basically the smoking bans have significantly reduced the revenue into the fund, and we have been quite open and public about that. The message has gone out to people that there are less funds at the moment.

The CHAIR — Minister, earlier I raised the issue of how does the government calculate its economic, social and environmental costings. I want to bring that up again in this portfolio. At page 240 of budget paper 3 the government outputs involved specialist research, advice and information on approaches to ensure effective economic, social, environmental and cultural outcomes for all Victorian communities. The range of your programs in DVC is both broad and diverse. What research and what indicators do the government rely on in determining approaches to this output, and are they any different to other work you have done in your other portfolios?

Mr THWAITES — We have a bit of information on this. In terms of research, we supported some fascinating research that was carried out by Professor Tony Vinson, of Jesuit Social Services, looking at the poorest postcodes in Victoria. The researchers looked at the poorest postcodes in terms of socioeconomics but put over the top of that social cohesion factors and examined the link between social cohesion and outputs. To be specific, the three social cohesion factors were: volunteers — how many volunteers in a postcode; sport and recreation — how many people played sport; and how many people in answer to a survey said that they had someone to call on in a time of crisis. VicHealth has done this survey where it says if you are in a crisis how many people can you call.

They then looked at outcomes like unemployment, imprisonment rate, child abuse et cetera, and they found that in those postcodes that had high levels of social cohesion the levels of imprisonment were lower, the number of kids leaving school early was lower, and there was even some link to things like child abuse. The conclusion of the researchers is that there is a positive link between the social cohesion factors and social outcomes.

In terms of how you then translate that to performance indicators, we have not finalised that work — we are going through that process now to inform ourselves — but it does at least give us an indication that there is a real research base for what we are doing and it is not just fuzzy, nice-sounding jargon.

The CHAIR — Some people would say it is not fuzzy. They would say it is clear commonsense in people's life experience and now it has been quantified, which is very good.

Mr BAXTER — Turning to some of the record-keeping responsibilities of this multifaceted department, particularly in births, deaths and marriages, I assume that in the past the fees charged for the issue of extracts from the register have borne some relationship to the unit cost of generating them. Presumably now with the expansion of online services the cost of issuing these certificates is declining, or at least not increasing, yet the Parliament has recently passed at the government's behest the legislation which will index fees and charges which would seem to me to sever that relationship of cost recovery. Does this mean that in the future the fees and charges will go up and generate revenue stream over and above the cost of providing the service?

Mr THWAITES — In a sense that is a question for the Treasurer, who introduced the legislation on the good basis that all government fees and charges should be linked to the consumer price index and not go through a situation we have had in the past where they sit for many years and then there is a sudden jump.

Mr BAXTER — If we have got online facilities, surely our unit costs are decreasing rather than increasing?

Mr THWAITES — The investment in that online system has been huge. It is a bit like, say, when you buy a computer. Do you just pay for the plastic and chips in it? You do not. You pay for the research and development that goes into it and the cost of putting it all together. Very substantial costs have been incurred in developing the online system, and obviously the government has paid for them. We are not increasing people's real fees and charges; all we are doing is keeping them level with inflation, which is very reasonable.

Ms GREEN — I am interested in the Department for Victorian Communities community forum and want to hear what some of the outcomes were from that?

Mr THWAITES — That was another one of the forums that we held that involved local government and the non-government sector who indicated to us at times they have felt they were not consulted sufficiently and were not significantly part of the government. Out of that forum we developed a much closer relationship between the

Department for Victorian Communities local government and the non-government sector, but we have also implemented a number of specific recommendations or changes.

Probably one of the key ones is the In the Community forum, where the department spends a day in the community helping the local agencies and people understand all the things that we do — for instance, how to make applications to the department, what our programs are doing, explain our guidelines et cetera. It is about improving the relationship that government agencies have with outside bodies.

The second core message that came out of that day was the need for government to be more coordinated and to break down some of the silos that we have between departments. The very establishment of the Department for Victorian Communities partly aimed at achieving that, but now we are also doing more in linking up what we are doing in education, health and Department for Victorian Communities, so we get a much more whole-of-government approach.

Mr FORWOOD — Minister, I refer you to page 246 of budget paper 3, which has only one line on it — that is, the total output cost of the community building output group. The total output cost in 2002–03 was \$26.5 million. The budget for 2003–04 is \$65.2 million, and it has a note saying that the increase is due to the higher level of funding initiatives. I make a point that that is the budget. If you look at the actual outcome, which we are about to get to, it is \$25.2 million. Next year, 2004–05, it drops another \$5 million. Unless you can explain it to me, you may care to take this on notice Why do we have this?

Mr THWAITES — It is a relationship with the trust accounts, as I understand it, which we are going to give in that other answer. That is the explanation for that.

Mr GREGORY — In relation to the budget, it reflects the revenues in, minus the costs out. So in the original budget of 2003–04 there were costs expected of \$180 million out of the fund and —

Mr FORWOOD — And you only had \$141 million.

Mr GREGORY — We were only able to spend \$140 million out of the fund, so it nets off against the revenue. That has been the movement of \$40 million.

Mr FORWOOD — What was the total amount of funds for 2003–04 that went into the fund?

Mr GREGORY — The budget was for about \$115 million going into the fund —

Mr FORWOOD — And \$180 million to come out of it?

Mr GREGORY — That is right.

Mr FORWOOD — But in the end only \$141 million went in.

Mr GREGORY — Revenue was less also.

Mr FORWOOD — Less than the \$115 million?

Mr GREGORY — Yes, because of the gambling impacts. The revenue into the fund is likely to be about \$100 million this year.

Mr FORWOOD — So the budget was for \$115 million to go in, but only \$100 million went in?

Mr GREGORY — Correct.

Mr FORWOOD — What is the budget for the forthcoming year to go in?

Mr THWAITES — About the same.

Mr GREGORY — The budget is \$109 million, but that is before the changes to the gambling legislation bring it down to increase the amount that gets taken out before we get the appropriation. After the legislation just recently passed the net we are looking at is \$90 million.

Mr FORWOOD — Ninety million dollars?

Mr THWAITES — But do not forget that previously we were funding that drug strategy out of the CSF. We are now directly and transparently allocating it to those programs. So there is no net reduction from the CSF for funds available for community programs; all we are doing is being quite transparent about it in that way. Just to look at historically why it is a bit difficult to understand in terms of those figures, traditionally the fund has got in all the money, which varies hugely — it goes up and down — and then the allocation of the funding varies somewhat, but probably not as much as the revenue. In the past the fund has built up and up because it was not fully expended during the term of your government and in the early part of ours. We have more fully expended it now so that we are moving to a stage where the amount expended will match the amount coming in. In the last financial year the amount expended was greater than the amount coming in because we had all the money that was sitting there from the past.

Mr FORWOOD — What do you hope to keep the balance of the fund at if you get to a stage where this year's ins and this year's outs about match? What is the balance now?

Mr THWAITES — Between \$0 and \$10 million.

Mr FORWOOD — Nought and \$10 million?

Mr THWAITES — Yes. We want our outs to be about equal to our ins, that is obvious accounting, but with a small buffer.

Mr FORWOOD — Just a last question. In relation to the \$20.5 million this year, does that total amount come from the CSF or is there in that output group any retained receipts or appropriation funds, or is it just CSF?

Mr GREGORY — There is a little bit of appropriation there. There is an allocation of corporate overheads over the top as well. So there is probably about \$2 million of appropriation in that amount.

Mr FORWOOD — Do you know what the actual cost of running the CSF is?

Mr GREGORY — We run on about \$1.5 million for administrative costs out of the Community Support Fund.

Mr FORWOOD — Thanks very much.

The CHAIR — Thank you for that complete answer.

Mr DONNELLAN — Minister, in the 2004–05 budget, funding of \$3 million was provided over three years for the indigenous community capacity-building program. Are you able to tell the committee what projects will be funded and which agencies and organisations might be involved in this? You might want to take that on notice.

Mr THWAITES — I think taking it on notice would be the best thing. It is a fairly detailed question.

Mr CLARK — Thank you for providing the committee with a copy of the guidelines and application for community support grants. Page 14 gives an explanation of the assessment process, but it does not tell us who does the assessing. Can you tell us whether there is a committee or similar body that decides which CSF grants are going to be approved? If there is, who is the chairman and the other members of the body and how are they chosen or appointed?

Mr THWAITES — The process is that people make their applications according to the system. We have a transparent evaluation method, and we have set out publicly what that is. The applications go in and the Department for Victorian Communities, community support division, makes an assessment according to those evaluations. The government also has a community advisory council which consists of Peter Laver, who is the chair, Ben Bodna, the Reverend Alistair McRae, Dr Ian McBean, Jill Reichstein and Dianne Smith. They provide advice to government on the applications, and then, depending upon the amount — if it is less than \$50 000 I approve it as minister; if it is more than that they go to a cabinet committee which consists of myself, the Premier and the Minister for Finance.

The CHAIR — Minister, you referred in your overheads to the Community Support Fund going to gambling services, including financial counselling of \$22.6 million. Could you outline to the committee how much

has been allocated to problem gambling counselling services over the last year, the current financial year and the forthcoming year, and also to financial counselling?

The second component of the question relates to the 'Think of what you are really gambling with' ads that now have international acclaim. Historically the increase in problem gambling counselling has been 100 per cent when there has been a campaign blitz. Have you any figures on that, or would you like to take it on notice?

Mr THWAITES — The best information I get is when I get an FOI from the opposition; then I get much clearer information.

The CHAIR — If you want me to I will put in an FOI application!

Mr THWAITES — Problem gambling initiatives were \$12 million — —

The CHAIR — Sorry, can you run through those!

Mr THWAITES — Twelve million dollars in problem gambling — —

The CHAIR — In 2002–03?

Mr THWAITES — That is 2003–04, and for financial counselling an amount of 2003–04 through to 2006–07 of \$7.6 million, but we will come back with further details on that.

The CHAIR — And the success of the advertising campaign? I presume that is a key performance indicator and that you would expect that if there is problem gambling advertising that there would be some increase in the number of counselling services. I know that is funded through DHS, but given you are the funding provider I presume you have those KPIs?

Mr THWAITES — Yes. I cannot be clear about the KPIs but certainly we can follow that up and come back with any KPI details, but that is the measure against which we are judging ourselves.

The CHAIR — The number of ads that have gone on and the take-up rate in problem gambling counselling services. Thank you.

Mr THWAITES — So the expenditure to address problem gambling is estimated at approximately \$21 million in 2003–04. That was from the approvals I gave previously. There is also the gambling research panel funding of some \$271 000 — —

The CHAIR — I am not interested in the research panel. I am interested in the advertising and the take-up — —

Mr THWAITES — We can give you details of that.

The CHAIR — Excellent.

Mr RICH-PHILLIPS — I would like to ask you about the qualitative measures for the Community Support Fund on page 245 of budget paper 3. There is one measure that relates to percentage of projects monitored and evaluated against performance agreements.

Mr THWAITES — Sorry. Which one is that?

Mr RICH-PHILLIPS — The percentage of projects monitored and evaluated.

Mr THWAITES — Yes.

Mr RICH-PHILLIPS — For 2002–03 it was 71 per cent actual rising to an expected outcome of 100 per cent for this year, which obviously this committee welcomes. But given that figure of 71 per cent, roughly one in three projects was not evaluated, so can you tell the committee the reasons why those projects were not evaluated against performance targets, and what processes have obviously been put in place since the previous year that leads to all projects being evaluated for this year?

Mr THWAITES — I think we will have to come back on that. I cannot understand the explanation.

Mr RICH-PHILLIPS — In doing that, could you also provide the committee with an outline of the value and if possible which projects were not evaluated — which of the 29 per cent?

Mr THWAITES — I am told that all were evaluated. I think the issue is around when they were evaluated. I think what occurred was that some of them were not evaluated in the last quarter of that financial year. They were then evaluated in the 2003–04 year. So they have been evaluated but they were evaluated slowly; it is hard to evaluate all your programs for the last quarter in that year. So I think the explanation is that they did not complete all the evaluations for the last quarter of 2002–03 but those evaluations have now been completed.

Mr RICH-PHILLIPS — Is that an issue of the recipients of the grants not supplying sufficient documentation back to the department or is it a departmental issue that they were not evaluated?

The CHAIR — The department perhaps can fill us in on that.

Mr THWAITES — I suspect it might be a somewhat unrealistic expression of the ability to evaluate everything in the financial year. They — —

The CHAIR — We understand if you want to take it over that time.

Mr MERLINO — Minister, in your presentation you refer to the Commonwealth Games legacy program as being one of your key programs in the upcoming year. Can you provide some details to the committee about what this program is?

Mr THWAITES — The Commonwealth Games provide a great opportunity to engage Victorians from a range of backgrounds, and we want to ensure that we have a real, positive legacy from the games. A number of the specific things will be in terms of indigenous communities. We want to enable the games to showcase culturally appropriate approaches to the conduct of events. We will be working with the indigenous community in relation to that. In relation to equal access we will be promoting long-term benefit from the games by ensuring that all sectors of the community are engaged in the games. That would include, for example, in volunteering, so reaching out to all sectors of the community in that. We want to increase participation in sport. Obviously the Commonwealth Games is itself an elite event but we want to see it as a platform to promote broad participation in sport. In terms of the environment we want to leave a good legacy for the environment and that is things like ensuring we plant more trees to account for the carbon that will be used through the games. The educational program is another significant one where we want to use the games as an opportunity for young people to be engaged in an international event. In employment and training we want to see the games as a way to provide new skills to people for example in hospitality. It is a tremendous opportunity across a whole range of areas.

The CHAIR — By way of a supplementary comment, I have heard the most supportive endorsement of that Commonwealth Games legacy program from a couple of people with disabilities who are enjoying the chance to be volunteers instead of people seeing them as recipients of welfare and others' volunteering. They are really looking forward to the opportunity of being part of the entire volunteer team for the games.

Mr CLARK — I wanted to ask about the Victorian electronic record strategy aspect of the department.. As you know there is some funding allocated for that in this year's budget. Can you tell the committee more specifically what is hoped to be achieved by the additional expenditure in this year's budget and what performance benchmarks and milestones have been established for this additional part of the project?

Mr THWAITES — This is about ensuring we have the most up-to-date electronic record-keeping system and a system that can last into the future. One of the big problems of changing technology is that your records become quickly out of date and you cannot read them. We as a government are developing and implementing an electronic record system across all departments. This is not an exercise just for our department although we are the overseeing department. The individual departments themselves are implementing it and are funding it. They need to all become compliant with the new system in the coming five years. So it really is a whole-of-government exercise; it is about having the technology right, the formatting of information right and the technologies there to record it in a way that will remain readable into the future. It is a very positive thing for the Victorian government. It is something that governments around the world are grappling with. We are one of the more advanced governments.

Mr CLARK — When do you expect the departments to have fully adopted the ERS?

Mr THWAITES — In five years.

Ms ROMANES — Minister, also on page 303 of budget paper no. 3 is the output initiative shared services implementation, which in the description talks about shared arrangements with other Victorian government departments. There is a \$10 million allocation over four years. Could you tell us more about what budget initiatives are involved in that program and the role the Department for Victorian Communities is playing in the whole-of-government approach to services?

Mr THWAITES — Essentially this is about being cost effective in the way we manage the corporate areas of the department. We have entered into arrangements with the Department of Infrastructure for IT services rather than setting up our own IT, with the Department of Primary Industries for financial systems, and we have joined in a contract they have for human resource services. Really it is just ensuring this department is managed as efficiently as possible. It is not a large department by government standards. We want to link in with other departments and get best value.

Ms ROMANES — Is that setting the pace for a new approach in government? Is that something that has been done before?

Mr THWAITES — There are certainly shared services, for example, between DSE and DPI. I think you would find the large departments like Human Services and Education and Training would tend to operate independently.

Mr FORWOOD — Minister, in the course of the financial year just about to finish have any funds been moved from one output group to another, and if so which output group to which and what amount; and what funds is the department anticipating it will carry forward into next year? If you cannot give that to me off the top of your head, I would be happy to have it on notice.

Mr THWAITES — Let us do it that way. Thanks.

Mr GREGORY — There has not been — —

Mr FORWOOD — None has been switched from output group to output group? And there are no carry forwards?

Mr GREGORY — There are carry forwards on a number of capital projects.

Mr FORWOOD — Okay, if you could let us know, thanks very much.

The CHAIR — Minister, thank you very much. We do appreciate the fact that you have covered three portfolio areas, you have managed to answer a plethora of questions and I think you have probably hit the record for the succinct answers, for which we are really grateful because it enables us to write a good report that is useful to the Parliament when ministers cover so many topics. Thank you very much to you and your team that has compiled those comprehensive folders.

Committee adjourned.