

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2023–24 Budget Estimates

Melbourne – Thursday 15 June 2023

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Paul Hamer

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Ellen Sandell

WITNESSES

Ms Ros Spence MP, Minister for Suburban Development,

Mr Tim Ada, Secretary,

Ms Beth Jones, Deputy Secretary, Regional and Suburban Development, and

Mr Justin Burney, Director, Suburban Revitalisation, Department of Jobs, Skills, Industry and Regions.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2023–24 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, any comments made outside this hearing may not be protected by this privilege.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream and other committee members.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Suburban Development the Honourable Ros Spence as well as officials from the Department of Jobs, Skills, Industry and Regions. You are very much welcome here. Minister, I am going to invite you to make an opening statement or presentation of no more than 5 minutes. This will be followed by questions from the committee.

Ros SPENCE: Thank you, Chair. I would like to thank the committee for the opportunity to report on the suburban development portfolio. Before I begin, I would like to acknowledge the traditional owners of the land that we are meeting on today and pay my respects to elders past, present and emerging.

Visual presentation.

Ros SPENCE: The suburban development portfolio is helping suburban communities to thrive through place-based programs and partnerships. The Office for Suburban Development is delivering more than 400 projects and supporting the suburban revitalisation boards in some of Melbourne's most disadvantaged suburbs. The metropolitan partnerships program provides a forum for government to listen to grassroots voices and get a deeper understanding of the needs and aspirations of local communities. Partnering with communities creates opportunities for co-investment, ensures better design of policies and programs, improves outcomes and builds trust between government and the community. While there are common challenges, every neighbourhood is unique. Our goal is to ensure that everyone across our city has the opportunity to succeed and to thrive.

Since 2016 the suburban revitalisation program has invested more than \$67 million into 580 projects with a total value of \$172 million. The projects, co-designed with and for local communities, drive place-based economic development and strengthen social capital. The suburban revitalisation boards bring together local MPs, councils and business and community leaders to develop a shared vision for their communities. The metropolitan partnerships help us to better understand how issues are being experienced in different parts of our city and pilot local, community-led solutions. Since their establishment the metropolitan partnerships have engaged with more than 14,000 Melburnians and are currently delivering 23 projects focusing on issues like homelessness, mental health, transport connectivity and clean energy. I am pleased to advise that the budget provides \$18.9 million to the suburban development portfolio in 2023–24 for a total expected output in 2023–24 of \$23.3 million.

Next slide. This includes \$6.2 million for the suburban revitalisation program, including our election commitment to repair and renovate the Cranbourne public hall. We will invest \$2.7 million in the metropolitan partnerships program, directing the focus of the program towards outer, growth and disadvantaged suburbs. The suburban development portfolio will also take on responsibility for the Growing Suburbs Fund, which has received an allocation of \$10 million in 2023–24, and I will work with the Minister for Regional Development to deliver the \$10 million Tiny Towns Fund, another of the government’s election commitments.

Through the Office for Suburban Development, we will deliver a range of new and legacy projects to continue to support the suburban revitalisation boards and metropolitan partnerships with a renewed focus on growing outer suburbs. We will build strong and enduring partnerships with business, community organisations and across all levels of government, tapping into the Commonwealth government’s renewed focus on cities, urban policy and addressing entrenched disadvantage. In a fiscally constrained environment we cannot do everything. I intend to focus on outer suburban disadvantaged communities to address the challenges of population growth and inequality. Eight in 10 Victorians live in Melbourne’s suburbs. We face complex challenges across our city, like population growth and rising costs of living. The suburban development portfolio will play a key role in responding to these challenges to ensure that Melbourne remains a livable, sustainable and equitable city for generations to come. I thank the committee for its time this morning.

The CHAIR: Thank you, Minister. The first 8 minutes is going to go to Mrs McArthur.

Bev McARTHUR: Thank you, Chair. Thank you, Minister. I am going to go to the Secretary. Budget paper 3, page 201 – we heard from the local government minister yesterday that cuts to her portfolio were due to the transfer of the growing suburbs program to suburban development. How much was transferred from local government to suburban development as part of these changes?

Tim ADA: Thanks for the question, Mrs McArthur. As the minister said in her presentation, there is a \$10 million allocation for the Growing Suburbs Fund in the budget. That funding is held in contingency. That will be released based on the report back by the minister. The answer to your question is \$10 million in 2023–24 for the Growing Suburbs Fund.

Bev McARTHUR: Thank you. Budget paper 3, page 237, details that nearly \$20 million is cut from the suburban development portfolio in 2023–24. That considers the additional funding from local government. What are the specific programs that have been cut from your suburban development portfolio? That represents about a 58.2 per cent cut.

Tim ADA: If I understand your question, Mrs McArthur, when you look at the total costs for the suburban development output and take into account the \$10 million that is held in contingency for the Growing Suburbs Fund, that makes the allocation, as the minister said, about \$23-odd million in 2023–24. That is a little bit more than the 2022–23 target. What explains the reduction from the expected outcome in 2022–23 is that a good portion of the Living Local Fund in last year’s budget was allocated in 2022–23, with a smaller amount in 2023–24. That largely talks to the reduction from the expected outcome in 2022–23.

Bev McARTHUR: Let us go to budget paper 3, page 78, ‘Support for our suburbs’, which states:

Funding is provided to continue support for the Metropolitan Partnerships ...

The minister has waxed lyrical about these metropolitan partnerships in her presentation, yet only \$500,000 is provided in the out years. Is that enough?

Tim ADA: Can I just ask for the page reference again, sorry?

Bev McARTHUR: Page 78. That is what I have got, but I think the printed version and the online version might be different.

Tim ADA: I might just ask you to repeat your question.

Bev McARTHUR: Sorry. The funding is provided to continue to support the metropolitan partnerships program, yet only \$500,000 is provided in the out years.

Tim ADA: As I understand it, Mrs McArthur, the balance in 2024–25 is in support of the government's election commitment to the Cranbourne town hall. The bulk of the funding in 2023–24 goes to the work of the suburban revitalisation boards and the metropolitan partnerships, as the minister said. Obviously, the government has a chance to consider what further funds to allocate to the portfolio as part of next year's budget process.

Bev McARTHUR: Will you be winding up the metropolitan partnerships program, Minister?

Ros SPENCE: As the Secretary just said, we will look at next year's funding for next year's budget.

Bev McARTHUR: They really sort of usurp the role of elected representatives, don't they, partnerships? In local government you are elected, but you have the CEOs on these partnerships and you have an appointed chair.

Ros SPENCE: No, I would not agree with that. I think it broadens who we engage with at a regional level. The local government are represented on the partnership.

Bev McARTHUR: Only by the CEOs.

Ros SPENCE: That is correct, but they represent the views of the council on the partnerships –

Bev McARTHUR: The councils feel that they are not represented.

Ros SPENCE: That is not what they have said to me. But if they have said that to you, then that is fine.

Bev McARTHUR: Maybe it is different in rural areas.

Ros SPENCE: Maybe. When we consult at a regional level we consult with more than council. We also consult with businesses, with community organisations, just as I am sure you, as a local member, when you want to consult on an issue locally in your capacity as a member of Parliament, consult with more than your council on that issue. I am sure that you would consult with other interested parties, and these partnerships take a very similar approach. They consult broadly, and their composition is reflective of the region in that it has local government, it has business interests, it has community interests, it has health sector interests, so it has a broad range of membership on the partnership, not just local government. Local government is just one body that we can consult with when we are out consulting –

Bev McARTHUR: It is elected, though.

Ros SPENCE: Correct. It is one body that we consult with, but we do not only consult with local government through the partnerships. We have ongoing relationships with local government, not only through the partnerships but also through the revitalisation boards, where they exist, and also through our ongoing day-to-day work that we do. Partnerships are only one way in which we engage, and local government plays a role through those partnerships.

Bev McARTHUR: Okay. Maybe the Secretary can answer this. Budget paper 3, page 393, last year's budget had a target of 470 grants to support local communities and not-for-profit organisations. The government achieved 190 grants. Why are the community grants being discontinued?

Tim ADA: As I understand your question, obviously there are different parts of government that contribute to that measure. As I understand that reference in the budget paper, suburban development is one of the portfolios that contributes to those place-based grants. I might ask Ms Jones to add to my answer.

Bev McARTHUR: Thank you so much.

Beth JONES: Yes. Ms McArthur, that output relates to the Living Local program, which as you have heard from the minister is concluding in this coming year.

Bev McARTHUR: So all the community grant streams have been discontinued?

Beth JONES: For Living Local.

Bev McARTHUR: Yes.

Beth JONES: For Living Local, and in relation to your question with regard to the target, it just reflected a change in the design from how many and the maximum amount of the grant, to get the best outcome. So our target was not achieved for that reason.

Bev McARTHUR: Going back to these important partnerships, Minister, how many times has each partnership met during the 2023 year? Perhaps on notice.

Ros SPENCE: During the previous year?

Bev McARTHUR: Yes.

Ros SPENCE: The partnerships, I think – from the measure that we have, I believe it was 18, I think you will find from the –

Bev McARTHUR: Each partnership has met 18 times –

Ros SPENCE: No, no, that was the cumulative total, so it is four times for each of the partnerships.

Bev McARTHUR: Okay. Now, funding is also provided to the Cranbourne public hall. How much for this line item?

Ros SPENCE: I believe \$1 million.

Bev McARTHUR: Saved by the bell.

The CHAIR: Thank you, Mrs McArthur. We are going to go to Mr Galea now for the next 11 minutes.

Michael GALEA: Thank you, Chair. Good morning again, Minister. Good morning, officials. Thank you for joining us. It is very exciting to hear about the investment towards the Cranbourne public hall. It is a great local –

Bev McARTHUR: I am so concerned about your electorate.

Michael GALEA: I am glad you are keeping an eye on my electorate, and I know the local member there Pauline Richards has fought very hard for that, so that is going to be a terrific –

Bev McArthur interjected.

Michael GALEA: I will invite you out there any time, Bev. We will arrange it after today.

Danny O'BRIEN: There is a lot of love in the room.

Michael GALEA: Last-day love. As much as I would love to keep talking about the Cranbourne public hall, I would actually like to ask you, Minister, about the suburban revitalisation boards. Budget paper 3, page 78, references this program and that this program will also be continuing across a number of sites, including another great location in south-east metro which is Noble Park, which is very exciting to see. Could you please outline, Minister, what these boards will be delivering for a community such as Noble Park and others?

Ros SPENCE: Thank you, Mr Galea, for your question. I am really delighted to have the opportunity to talk about the fantastic suburban revitalisation board program. The government is encouraging suburban revitalisation as a way of strengthening Melbourne's livability and to drive economic opportunity and jobs growth closer to where people live. The 2023–24 budget provides continued support for the suburban revitalisation program as part of an \$8.9 million package of support for our suburbs. This will deliver place-based community and economic development across metropolitan Melbourne, including, as you mentioned, Noble Park, which I know is very important to you.

Each of these sites in which the suburban revitalisation boards are located is identified using a range of criteria. This includes relative disadvantage, using measures such as the socio-economic indexes for areas, the SEIFA index; unemployment rates; educational attainment; family composition; and youth engagement. Consideration

is also given to a suburb's size and the presence of enough organisations and institutions, including the local council, that are willing to come together and address local issues and support local priorities. The department also reviews the extent of government activity, including a review of notable investments, election commitments and revitalisation opportunities that can be leveraged and benefit from a board and a coordinated mechanism. To provide some information on the background of these boards: boards support community-led revitalisation to enable selected suburban communities to thrive economically and socially in partnership with local government and community leaders. A key feature of the program is the operation of the boards and the boards bringing together local leaders and stakeholders to collectively identify local priorities and make recommendations to government. Each board includes the local council mayor and CEO and representatives of community organisations and businesses, and members collaborate to support community priorities and leverage existing resources to improve economic, social and livability outcomes for their communities.

In Noble Park, to date, the suburban revitalisation board has supported 32 initiatives, including new public spaces and amenities, upgrades to the Noble Park Community Centre and artistic installations like the Ukrainian mural, which I had the privilege of visiting in March this year. It is a really beautiful acknowledgement of the strength and courage of Ukrainians afflicted by war, particularly in a suburb with such a large Ukrainian community. It is a well-established community there, but they are now welcoming some newer community members. They were very moved as a collective when we went down and opened that memorial. As well, there is the Frank Street open space, which is nearby to there, and that has activated a really under-utilised site that provides for a meeting and resting place during the day, but also there were great conversations about how that could be used as an events space on weekends and during the evenings. So something that was being completely under-utilised is now a real hub of community activity.

The boards also support really important social activities like the continuation of the Students Connect Homework Club, which is an initiative developed by the Noble Park Youth Committee. This project supports a community-based tutoring and study support program offering learning support for young people aged 12 to 25 alongside practical workshops that aid young people's engagement in further education, voluntary work and employment support options. The study connect homework group is delivered in partnership with Greater Dandenong Youth Services and South East Community Links, who I am sure you are very familiar with – a terrific community organisation. Lastly, the board will bring the community together through sport and recreation programs and cultural events such as the Noble Park Community Fun Day, which was held on 4 March this year. The event brought the community together to celebrate the rich diversity of Noble Park, and it built on the success of last year's event. So far these projects have had a really positive impact on local business through the additional foot traffic, and the projects have also increased pride in place and encouraged social cohesion through participation in events and activities. And I should also acknowledge that in the most recent King's Birthday honours one of the members of that board, Jackie Galloway, was acknowledged. She is not only a member of that board but also a member of the partnership. She is on the Frankston board and in the Southern Metropolitan Partnership. We have terrific people there, so that is really wonderful. We have also seen similar impacts across other boards, with one good example coming from the Tarneit suburban revitalisation board, who have supported the development of the Tarneit Business Association.

Bev McARTHUR: We will be going out there too.

Ros SPENCE: Yes, very important.

The CHAIR: Very much welcomed out in Tarneit. The largest growth corridor – one of them – in this country.

Ros SPENCE: Yes. The Tarneit Business Association engages traders to improve governance structures and digital media platforms, and I know that the Chair is very familiar, as previous chair of that board.

The CHAIR: Very important.

Ros SPENCE: Very important, and a lot of time was put in, and thank you for the work that you did on that board. Funding from the Tarneit suburban revitalisation board supported establishing a governance structure, model rules, priorities, action plan, meeting schedule, digital media platform and business association activities. Remarkably the association, which had five members when it started working with the revitalisation board, now comprises more than 140 member businesses that participate in a range of business activities. So that is

just a fantastic outcome from that work. This in turn has led to further projects that have been backed by the revitalisation board, such as the Firefly Night Market pilot event, which included over 60 local business stalls, art installations, performances and cultural entertainment, and that was attended by over 13,000 people.

Importantly, these investments deliver really great value for money. To date the Noble Park revitalisation board has leveraged an additional \$4.6 million in contributions from project partners, for a total value of \$8 million. Indeed across Victoria since 2016 the suburban revitalisation board program has invested over \$67.8 million into 580 projects with a total value of over \$172 million, so that is excellent return on dollar value. This investment has been a massive boost for employment, having created more than 1050 jobs, and I am delighted that the new funding in this year's budget will provide our boards, including the Noble Park suburban revitalisation board, with the capacity to invest in a range of similar projects, and we will continue supporting the boards to identify and deliver community-led projects across Melbourne.

Michael GALEA: Thank you, Minister. You touched on the make-up of these boards as well. Could you go into a bit more detail about how the diversity of these boards contributes to their success?

Ros SPENCE: Thank you, Mr Galea. We do have a really wide diversity of community leaders across our suburban revitalisation boards. As I mentioned in the earlier question, South East Community Links is a terrific organisation and has a highly qualified CEO in Peter McNamara. He has more than 20 years of executive and board experience, including as a previous CEO of Good Shepherd Microfinance, general manager of the Asylum Seeker Resource Centre and also past president of the Australian Council of Social Service, having served on the board from 2015 to 2022. He is just one of the very well credentialed members sitting on the boards, reflecting the very best of our community but also helping to amplify voices as diverse as our suburbs. Our boards do include diverse CALD community members, such as Gurpreet Kaur, who sits on the Melton revitalisation board and is the director of community services and treasurer at Sahara Victoria Association, and there are many more to speak of.

Michael GALEA: Thank you, Minister.

The CHAIR: Thank you, Minister.

Bev McARTHUR: On a point of order, Chair, if I may raise something.

The CHAIR: Yes, Mrs McArthur, on a point of order.

Bev McARTHUR: Thank you. Chair, just following on from a question I asked where the minister detailed that the metropolitan partnerships had met four times each for a total of 18 times: I am not very good at maths – it is really not my strong suit – but four into 18 does not go. That does not seem to add up, so perhaps you could provide a breakdown of those 18 meetings.

Ros SPENCE: I have been told it was up to four.

Beth JONES: Correct. So there are six partnerships, Mrs McArthur. It is up to four times – some may not have completed all of their meetings, but up to four.

Bev McARTHUR: Perhaps you could give us that information on notice.

Beth JONES: Certainly.

Bev McARTHUR: Thank you very much. Maybe the rural partnerships as well.

Ros SPENCE: We do not do that. That is a different portfolio.

Bev McARTHUR: You are not into rural partnerships.

Ros SPENCE: Metropolitan partnerships.

The CHAIR: Thank you, Mrs McArthur. Moving on. We will go to Ms Sandell for the next 3 minutes.

Ellen SANDELL: Thank you, Chair. You have talked about the Living Local Fund, which I understand is wrapping up. Part of that fund was for revitalising suburban shopping strips. A big issue in a lot of the areas that

I and my party represent is vacancies in shopping strips and shopping strips that need revitalisation, so if that is wrapping up, can you talk about whether there are any other programs that step in to fill that gap?

Ros SPENCE: Yes. Thank you. There has been some really terrific work undertaken through the Living Local Fund into the investment into shopping strips. Part of the Living Local Fund was \$4.3 million into 32 shopping strip-related projects, which was a really good program, but the Living Local Fund was a time-limited fund. You have asked about what other opportunities there are, so I will go to that.

Through the metropolitan partnerships there are opportunities for project investment. There are also opportunities through suburban revitalisation boards, as I have mentioned. There are projects that can be undertaken through that. There may be opportunities through the Growing Suburbs Fund, but in areas that you also may be interested in, there may be opportunities through – and I cannot speak to this, because it is not part of my portfolio – the Melbourne revitalisation fund. There may be opportunities through that that you may wish to explore with Minister Carroll, who is responsible for that fund. That may be something that I think you might want to explore.

Ellen SANDELL: Is there any work being done looking at some of the more systemic issues? So this is not necessarily just about funding for traders associations, although that would be welcome, but things around talking to your federal colleagues about tax changes and things. There are varied reasons why a lot of shops stay empty, but my understanding is some of it is due to perverse incentives around tax and how landlords can count their rent and things like that. I am just wondering if there is any kind of collaborative work being done to look at some of those underlying systemic issues as to why we are seeing shops lay empty.

Ros SPENCE: Look, you have gone way out of my portfolio.

Ellen SANDELL: Okay. I know. I just wonder if there is any collaboration with the federal level. It is more a question about whether – you know, suburban revitalisation relies on shopping strips, right? Is there any kind of collaborative work happening with the feds as well as with – you obviously work with local government.

Ros SPENCE: That is right. We work with all levels of government. That is right. And these are topics that can come about in discussions with the partnerships. People may raise these as issues, but I cannot go to that.

Ellen SANDELL: Sure.

The CHAIR: Thank you, Ms Sandell. Well, Minister and department officials, the time has come for the end of questions from the committee. Thank you very much for appearing before us today. The committee is going to follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is going to take a very short break before beginning its consideration of the portfolio for community sport at 10:20 am.

I declare this hearing adjourned.

Witnesses withdrew.