

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2014–15

Melbourne — 23 May 2014

Members

Mr N. Angus

Ms J. Garrett

Mr D. Morris

Mr D. R. J. O'Brien

Mr C. Ondarchie

Mr M. Pakula

Mr R. Scott

Chair: Mr D. Morris

Deputy Chair: Mr M. Pakula

Staff

Executive Officer: Ms V. Cheong

Witnesses

Mr R. Smith, Minister for Youth Affairs,

Ms G. Callister, Secretary,

Ms J. McCabe, Director, Community and Economic Participation, and

Ms A. Bamford, Director, Youth, Disability and Women's Affairs, Department of Human Services.

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

The CHAIR — We resume with hearings for the youth affairs portfolio, hearing no. 47 in the 2014 estimates. I welcome back the Honourable Ryan Smith, and from the Department of Human Services the Secretary, Ms Gill Callister; the Director, Community and Economic Participation, Ms Jill McCabe; and the Director, Youth, Disability and Women's Affairs, Ms Annalise Bamford.

The minister now has an opportunity to make a brief presentation of no more than 5 minutes on the budget estimates for the youth affairs portfolio.

Overheads shown.

Mr SMITH — Thank you, Chair. Thank you to the committee for the opportunity to talk about what I believe to be one of the most important portfolios in the government. Certainly addressing issues around youth and helping them to build confidence and resilience is a very important task. There are just over 1 million young Victorians in Victoria, aged between 12 and 25. Through our youth statement *Engage Involve Create* our vision is that all young Victorians experience healthy, active and fulfilling lives and have the opportunity to achieve their full potential, participate in the workforce and be involved in their community.

The expected expenditure for the youth affairs portfolio in this budget is 16.17 million. I acknowledge that budget paper 3 has a figure of 14.7 but I am advised the expected expenditure is 16.17. The difference between the two figures is really just due to the way the budget has to be accounted and budget paper 3 does not include carry forward funds or uncommitted funds within the portfolio.

In 2014–15 our targets remain unchanged. We are expecting 200 000 young people to participate in programs that provide opportunities for them to be involved in social and economic life in their communities. In 2012–13 we had 237 000 young people participating in programs, and we expect to exceed our target again this year with around 218 000 young people participating. It is important to note I think that 75 per cent of those young people who participate in our programs are actually in programs that will develop transferable skills that support education, training and vocational opportunities going forward, which has been a real focus of this portfolio.

Some of the key programs that are continuing in 2014–15 are there up on the screen. Just to quickly run through them: Advance — committee members would know that particular program is run through a number of schools, almost all Victorian secondary schools in the state; the FReeZA program, a program that was begun by our current Premier, Dr Denis Napthine, and one that has been continued right through successive governments. This program is on target to reach 130 000 people in 2013–14 with over 113 000 young people already having participated.

We are continuing to support scouts and guides because we believe their core values are the same as the government's — values around getting young people outside, getting young people to support one another and getting young people out into the community to do some really good volunteer work. I think that is very important.

The Shape It! strategy is a strategy that we have in place to support young people in rural and regional Victoria, areas in which young people often feel a disconnect. We have a number of programs within that strategy to support those young people, including the Local Government Youth Inclusion Grants, which are there to help regional and rural councils to set up youth councils and youth advisory groups within their municipalities. We have the Change It Up workshops, which is an opportunity for young people to pitch ideas to improve their communities; and Shape It! Grants, which will help young people in regional communities help fund a project of significance.

To go to the next one, and I am conscious of the time, Chair, we are allocating \$2 million towards our enterprise strategy for young Victorians. We firmly believe that young people are a great driver for the future of Victoria's economy, and we are committing these funds to ensure that we can support start-up businesses as well as social enterprise initiatives and support them as much as possible so they can not only help their communities but also build sustainable business models.

There is just over \$1 million that we are allocating to support the wellbeing of young people. We have a number of programs that we are delivering in partnership with the Reach Foundation, which is a fantastic partner. We are helping them to develop programs to roll out in our schools, and an allocation of \$617 000 over three years

to them will enable their programs to reach around 6600 more students than what they would otherwise have been able to, so that is a fantastic outcome.

We are running a campaign to ensure that young people take responsibility around what they post online and through social media, and we have new initiatives that we recently announced to the value of \$425 000 which will be delivered in partnership with the Foundation for Young Australians. Some of the funds will be used to design, develop and deliver a program that will assist young Victorians to acquire enterprise and finance skills, and there is a further \$200 000 to deliver FYA's school space Worlds of Work projects and for a new project that will involve an additional 350 young Victorians.

Just to quickly finish off, we continue to invest heavily in Youth Central, which is the go-to website for Victoria's young people. It gives them a range of information around finances, around their rights. It gives them information on grant opportunities within the portfolio, tells them how to adequately write resumes and cover letters. It is a real gold mine of information for young people. With 1.85 million unique visits in 2013 it clearly is a valuable resource for Victoria's young people.

Finally, just to cover off on other achievements in 2013, we rolled out a number of grants to support young people through National Youth Week. We supported the Wakakirri Secondary School Challenge. We again supported the Victorian Young Achiever Awards. The Involve committee — my advisory group — continues to give the government good advice around issues that are important to young people. The Youth Parliament program is also a great program which shows people the value and the importance of democracy here in Victoria. There are a number of other programs I could go through, but in the interests of keeping to time, Chair, I am happy to move forward with questions.

The CHAIR — Thank you, Minister. We have until 1 o'clock for questions. Could you outline to the committee the budget initiatives in the youth affairs portfolio which will strengthen Victorian communities both in the coming year and over the forward estimates?

Mr SMITH — Thank you very much, Chair. I think we can all agree as representatives of our communities that some of the glue that holds those communities together is in those many special volunteers that we have. Volunteers are present in our sporting clubs, in our senior citizens clubs and in a whole range of different organisations that really do support communities and make them strong.

One of the major programs that I roll out through this portfolio is the Advance program. The Advance program is rolled out in almost every secondary school in the state. This government committed extra funding to that program when we came to government, and in the 2014–15 budget Advance will receive \$4.46 million. That is 21 000 young people in 420 Victorian secondary schools who will participate in this program, which is about not only challenging young people but also giving them opportunities to get involved in volunteer groups all around their communities.

It was just last week that I was at Albert Park College with a member for Southern Metropolitan Region, Andrea Coote, and the Minister for Education where we had a look at that particular school's interpretation of the Advance program, which was their Da Vinci program. Amongst other things it allowed students to undertake a trip to Cambodia to assist in the building of a school in a small village community there. Part of the program is also an environmental education program. As it dovetails nicely into my other portfolio responsibilities, it was a real pleasure to see the work and the focus that young people had on environmental issues. In addition to those things, there was also a Malaysia expedition and wilderness expeditions in southern New South Wales for environmental educational purposes. So they are rolling out the Advance program in a fantastic way.

In my own electorate, at Melba secondary college the school partners with the Victoria Police Youth Corps. I understand, Chair, that Mornington Secondary College also partners with the Victoria Police with that program — another fantastic program.

The CHAIR — Very strong.

Mr SMITH — I believe you have raised that in the house in the past as well. Mr Angus, I think recently you also had a great example at Blackburn English language college and Burwood East Special Developmental School about programs that they are running, as well as Forest Hill.

Mr ANGUS — Yes.

Mr SMITH — There are countless examples of fantastic work that is being done by the teachers who run these programs and these programs do allow young people the opportunity to get involved in their communities to a very great degree. I could go through many, many more examples of these schools that partner with CFAs in rural and regional areas and with surf lifesaving clubs in coastal areas. There is a great story about the Southern Autistic School in Bentleigh, which actually partners with the Friends of Karkarook Park to assist with the maintenance and revegetation of specific areas in that park.

Mr Ondarchie interjected.

Mr SMITH — Yes, Elizabeth Miller is a great supporter of that school.

The CHAIR — Order!

Mr SMITH — And I think that she — —

Members interjecting.

The CHAIR — Order!

Mr SMITH — Shannon Eeles actually joined me at Albert Park. She was very interested. She is very keen to get involved in her community and she would be a great advocate. The students at Southern Autistic School also work closely with the Bayside City Council kitchen facility. There are a number of other great initiatives that schools are rolling out and that is just one way that this portfolio supports volunteering and encourages young people to volunteer. I could go through a number of other programs that we do as well, but I think the key, in answering your question, is that the more we can support young people to volunteer, the more that we can encourage them to learn about the volunteer organisations that are within their communities, and of course that will lead to much stronger communities than what we currently have.

The CHAIR — If we could keep it on a formal basis through the Chair for the balance of the hearing, that would be helpful.

Mr SMITH — My apologies.

Mr SCOTT — I note in the presentation there is a change to the expected total output cost on page 180 of budget paper 3 to 16.17 million. By my quick calculation, that is still a reduction of around 7 per cent from the expected outcome of 17.4 million. I would be grateful if you could take the committee through what that reduction entails in terms of any reprioritisation or savings measures or cuts within the program area.

Mr SMITH — The reduction in the target output is really as a result of budget allocations for some of the programs. So the scouts and guides program, for instance, where we allocated \$5 million for a number of things within that program, such as not only the redevelopment of many of our scout and guide hall facilities but also in programs to encourage multicultural involvement in these scout and guide's groups as well as training some of our scout leaders to detect mental health issues that some of their charges may have. They are some of the issues that we have been able to fund, but it is fair to say that the funds allocated to many of the facilities redevelopment programs that we have had in place have been expended in recent times. So part of the reduction would be that we have already fulfilled many of our commitments with regard to that particular program. That really covers off on the large portion of it, but really it is the phasing of the programs and that the bulk of the money that we had allocated to these programs was expended in the early part of the cycle.

Mr SCOTT — Just by way of supplementary, I would be grateful if you could provide to the committee the detail of exactly which programs and where the funding reductions are in actual dollar terms. If that is not available now, again, if that could be provided to the committee when it is able to be provided. I would be grateful if it could be now, but if it is not — —

Mr SMITH — Sure. I can give you some examples. I go back to what I was just saying about the Scouts and Guides program. There is \$0.7 million less funding to be provided in the program in 14–15 than there was in 13–14, as the bulk of the funding has already been provided in previous years. The Shape It! strategy received money through the Regional Growth Fund, so we have already received that money. We have

expended a large portion of that as well. In relation to WebWise funding, which was funding given to various community groups to help them establish an anti-cyberbullying protocol for their peers, that funding was provided for and we have concluded that particular program. So they are a couple of examples. We can provide you with more substantive answers if we need to, if it is beyond what I have given you now.

Mr ONDARCHIE — Minister, I refer you to budget paper 3, page 179, under the youth affairs output area. I want to talk about young entrepreneurs and I think you have touched on that in slide 8. Could we have slide 8 back up, please? I just want to make sure we are talking about the same thing. It is the one headed ‘Supporting enterprise opportunities for young people’. I wonder if you could outline to the committee what initiatives and strategies your portfolio has undertaken to support young entrepreneurs to both start their own business and also make a contribution to the economy of Victoria?

Mr SMITH — My firm view is that young Victorians have a great amount to contribute to the future of Victoria’s economy. I think the way we can best support them going forward is to provide them with opportunities to express what they are trying to do in a business sense and also support them to progress it to actually a material outcome. This government has committed, as it says, \$2 million over four years for a number of different strategies. The first one is our NEW GEN strategies, which we are rolling out in partnership with Social Traders.

These are two programs — NEW GEN Crunch and NEW GEN Thrive — which are about supporting young people to put together a social enterprise. A social enterprise is one that needs a business model around it but has some really good community outcomes as well. The NEW GEN Crunch program is to provide young people with the ability to start a new social enterprise. It provides opportunities for them to have special mentoring, to have workshops around their idea and to help them develop it.

NEW GEN Thrive is about getting existing social enterprises helping them to maintain a sustainable business model. Again I was up at a workshop recently that was being run for the NEW GEN Thrive participants with Social Traders and officers of PricewaterhouseCoopers, who are great supporters of us in this regard and who are providing mentors for these social enterprises. It was telling to me to see just how much value this particular program has, because participants included the Salvos and SYN FM, two organisations you would say had great experience in running social enterprises but saw that they wanted to expand what they were already doing and make sure their continued growth was sustainable. To have organisations that have been around the traps a fair while volunteering to be part of this workshop tells me that we are on the right track and that we are actually delivering something that has some material value.

We are also running a program called Getting Down to Business, which is an \$840 000 program for young people aged 16 to 25 with a passion for enterprise. We are helping them kick-start a new business or take their existing venture to new levels. This program is not a one-size-fits-all program; it is about specifically sitting down with these young people, tailoring the workshops and the mentoring to their specific needs and getting some really good outcomes as a result. In fact I attended one of those workshops too. There were some really innovative and passionate young people there. There is a young lady over in the west who is looking to turn her stud cattle farm into a paddock-to-plate business. There was a young lady who runs a nightclub in Geelong who wanted to expand her business as well. There were 41 fantastic stories in that room that day that you could not help but be blown away by, and I think we are getting some really good outcomes as a result of this.

We also launched just a few weeks ago a new initiative of \$400 000 that we are committing to go into partnership with the Foundation for Young Australians, allowing them to design, develop and deliver a program that will assist young people to acquire enterprise and finance skills so that they have some of those skills and experiences to help them progress in our contemporary labour market. I think by supporting young people through this enterprise strategy not only are we giving young people skills to have sustainable businesses but we are also giving them opportunities down the track to employ more people, and I think that is a really good outcome.

I think the investment we are making here will have long-term and consistent ramifications for those young people. Whether it be a social trading enterprise or an enterprise that is being developed through the Getting Down to Business program, we will get some long-term sustainable outcomes from those young people being involved in those programs.

Mr ONDARCHIE — They have a bright future, these young people.

Mr SMITH — Yes.

Ms GARRETT — Minister, referring to your whole-of-government measures around output responsibilities in Youth Affairs, I highlight the Brotherhood of St Laurence, which recently released their analysis of ABS data showing just how deep the crisis in youth employment is. Minister, when you took over the Youth Affairs portfolio the youth unemployment trend estimate from ABS data shows the rate was 11.4 per cent. It is now at 12.4 per cent, and it has risen every year under your watch. Even worse, this report highlights the growing problem of chronic youth unemployment. I ask you to advise the committee what you are doing to respond to this youth unemployment crisis in our community.

Mr SMITH — Just to clarify the performance measure, I think the fairest and most accurate descriptor of youth unemployment is actually the youth unemployment ratio, which currently stands at 4 per cent — and may I say that is the lowest in the country — for our state. This is the percentage of 15 to 24-year-olds who are unemployed and not in full-time education. That is probably the fairer and more accurate descriptor of youth unemployment.

In relation to the question of what we are doing to deal with youth unemployment, the slide that I put up earlier said that 75 per cent of participants in our programs — and that is over 200 000 young people in our programs — are getting transferable skills that will put them in employment or keep them in education. There are a number of programs that we have in the Youth Affairs portfolio, and I talked about some of them in relation to Mr Ondarchie's question, helping young people to establish businesses both from a social enterprise point of view and otherwise. There is a whole range of programs within my portfolio that add skills for young people to get jobs. Whether that be in the Advance program I talked about before or other programs, a lot of the skills they pick through volunteering with various groups will add to their CV and help them get jobs.

The program we are funding through Youth Parliament also gives them skills they will need as they go forward. It is easy to dismiss that as just a program that puts people in Parliament, but it gives them communication skills, it gives them interactive skills and it gives them a whole range of skills, as does the FReeZA program, as has pretty much every program that we roll out in this portfolio.

You asked a question about what the government is doing in relation to youth unemployment, and it is a question that cannot be really answered in the confines of the portfolio. The fact of the matter is that the government more broadly is rolling out billions of dollars worth of infrastructure. That has a material impact on youth unemployment; there are going to be jobs there for young people.

Through our investment in Ringwood station, a \$66 million investment, we have provided for a \$700 million expansion of Eastland. As a direct result of our investment in the area, Eastland decided to do likewise. There are about 2500 retail jobs, many of which will be picked up by young people. The trade missions this government supports also have a direct flow-on through not only the \$4 billion worth of additional business written by those participating businesses who have gone on those trade missions but also the many new jobs that they support.

The reforms we have made in the TAFE sector mean that 70 per cent of people in TAFE programs now are doing courses that relate to areas where we may have a skill shortage down the track. I think that is very important. I think every aspect of this government, every minister and every portfolio has an eye on unemployment broadly, but in all of those instances youth unemployment will also be addressed in a number of different ways, and I think that is the important thing to note. But within the confines of my portfolio the enterprise programs that we have put in place and the programs that we roll out continuously that give young people skills that are transferable to work are an important part of ensuring that young people are provided for in the future and that they are given skills that will relate to long-term sustainable jobs for those young people.

The CHAIR — Thank you, Minister. That concludes the youth affairs portfolio hearing. I think there was one question on notice, and again we will write to you with those details and we would appreciate a response within 21 days. I thank the minister, the secretary and the departmental staff for their attendance. That completes the hearing.

Witnesses withdrew.