

# VERIFIED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into Budget Estimates 2016–17

Melbourne — 12 May 2016

#### Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Dr Rachel Carling-Jenkins

Mr Tim Smith

Mr Steve Dimopoulos

Ms Vicki Ward

Mr Danny O'Brien

#### Staff

Acting executive officer: Leah Brohm

Business support officer: Melanie Hondros

#### Witnesses

Ms Jenny Mikakos, Minister for Youth Affairs,

Ms Kym Peake, Secretary, and

Mr Lance Wallace, Deputy Secretary, Corporate Services, Department of Health and Human Services.

**The CHAIR** — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2016–17 budget estimates. All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Youth Affairs, the Honourable Jenny Mikakos, MLC; Ms Kym Peake, Secretary of the Department of Health and Human Services; and Mr Lance Wallace, Deputy Secretary, Corporate Services.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege. Witnesses will not be sworn but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

Questions from the committee will be asked on a group basis, meaning that specific time has been allocated to members of the government, opposition and crossbench to ask a series of questions in a set amount of time, before moving on to the next group. I will advise witnesses who will be asking questions at each segment.

All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses must be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way and cannot photograph, audio record or video record any part of these proceedings. Members of the media must remain focused only on the person speaking. Any filming and recording must cease immediately at the completion of the hearing.

I will now invite the witness to make a very brief opening statement of no more than 5 minutes. This will be followed by questions from the committee.

### **Visual presentation.**

**Ms MIKAKOS** — Thank you, Chair, and thank you to the committee members again. I am pleased to present an overview of the work being undertaken by the Andrews Labor government in the youth affairs portfolio to improve opportunities for young Victorians. Every young person needs opportunities and support to realise their potential, no matter where they live, no matter what their background, no matter what their economic and social circumstances.

We are in the process of finalising a youth policy and engagement strategy that will establish a whole-of-government approach to improve outcomes for young Victorians. It will provide mechanisms for young Victorians to share their views and experiences and influence government, including those whose voices often go unheard, such as young Aboriginal people, young people with disabilities, young people from multicultural backgrounds, young LGBTI people or those young people living in regional and rural Victoria.

The policy will guide and strengthen government engagement with young people and promote coordination and links with the government's key social and economic reform agendas which impact on young Victorians. The policy will reflect the views expressed through an extensive consultation process, which involved over 2000 young people. Over 1000 young people responded to an online survey, and there were 1800 visits to the Youth Central website. In addition, consultation forums were held with young people across Victoria, facilitated by 13 non-government agencies, and I take this opportunity to thank them for that.

A youth reference group comprised of 18 young people aged 12 to 24 was established to guide the development of the policy and to represent different groups and experiences of young people. Through the consultation process, young people made it clear they want to express their views and influence government decision-making on issues that matter to them. Our new youth policy will redefine government's relationship with young people and will ensure that their views are heard as new policies and programs are designed and implemented.

Whilst we continue to deliver our core youth programs that support youth participation in community and economic life, we have refocused the direction of the portfolio to ensure that new programs support and re-engage the most vulnerable young people in our community, and I will be discussing these programs shortly.

The 2015–16 state budget allocated \$8 million of funding over four years for a number of new youth participation and engagement programs in the youth affairs portfolio. These programs have been designed to support and empower young people who are experiencing social and economic disadvantage, who live in rural and regional locations and who are from culturally diverse backgrounds.

This includes, through the rural and regional local government youth engagement program, grants of up to \$30 000 that have already been provided to seven local governments; through the Youth Affairs Council of Victoria, which received \$1 million in funding over two years for two new regional offices in Swan hill and Warrnambool; through the Centre for Multicultural Youth, funding of half a million dollars over two years was provided to them to build community connections, navigate educational and employment pathways, and develop leadership skills for young people from culturally and linguistically diverse backgrounds; through the scouts and guides social inclusion programs, which each received \$457 000 funding over two years for programs to build greater social inclusion; and through new engagement programs.

We will be using the feedback from our consultation process to guide further funding allocation, particularly for people who are at greatest risk of disengagement, and I will be announcing these new programs later this year.

Chair, when Aboriginal Victorians are strongly connected to their culture we know that they have better life outcomes. Funding of \$875 000 has been provided through the 2016–17 budget for a new Aboriginal youth mentoring program, which will help young Aboriginal people develop skills, relationships and networks that connect them to their culture, families and friends and achieve their life goals. We are also providing funding for the Koori youth justice program to deliver enhanced prevention and early intervention initiatives to support young Aboriginal people, as part of the community based Koori youth justice program.

Chair, our government is investing in valuable initiatives and services that will make a big difference to the lives of young Victorians now and in the future. Thank you for the opportunity to present to you, and I look forward to your questions.

**The CHAIR** — Thank you, Minister.

**Ms SHING** — Thank you, Minister, for your opening remarks. I would like to take you to budget paper 3, page 7, in relation to the program that you mentioned at the end of your presentation, the Aboriginal youth mentoring program, I think you said it was \$875 000, which has been rounded up to 0.9 in the budget in the output initiatives on page 6. This is part of a broader framework of proactive assistance for Koori kids and Koori youth across the state, but I would ask you to describe the details of this program and how and where it will be delivered.

**Ms MIKAKOS** — Thank you, Ms Shing, for your question. This is something that I am very excited about. The budget is providing funding for a mentoring program to foster cultural identity and build resilience in Aboriginal young people. We know that many young Kooris are faring well; however, others are experiencing entrenched disadvantage and experiencing barriers in terms of accessing education, training and employment and other opportunities for community engagement. So this program is focused on young people most in need, through a program that is really designed to support young Aboriginal people to get every opportunity to succeed in life. We know that young Aboriginal people are over-represented in our youth justice system; we have got under-representation in terms of educational outcomes. So I think it is incumbent on us as a government to provide every possible support to close the gap over time.

I had the opportunity to attend a round table — a forum, actually — that was held. It was the Koorie Youth Summit that was held just a few weeks ago. There was an opportunity for young Aboriginal people to present their ideas for what they would like to see governments do. Interestingly the issue of a youth mentoring program came up time and time again, so I was really pleased later in the evening, after the summit had concluded, at the Ricci Marks awards to actually announce that our government was going to be funding this program, and I have to say to you that there was a lot of excitement in the room about that. So we will be — —

**Ms SHING** — Who will be delivering the program?

**Ms MIKAKOS** — Thank you for that further question. We will be working through a period of co-design, together with Aboriginal leaders and Aboriginal-controlled organisations, together with our various peak bodies — both the Koorie Youth Council, which as I mentioned was able to put on that Koorie Youth Summit

earlier in the year, as well as the Youth Affairs Council of Victoria. Both of those organisations will be provided with funding to provide the expertise, resources, training and support to this initiative, and the Koorie Youth Council has undertaken work that highlights elements of successful mentoring programs to create positive life change, bringing together education, traditional knowledge sharing, healing and community engagement. We know that if we intervene early and provide deeper connections for Aboriginal young people to their community and their culture, this will reduce the risk for young people coming into contact with the youth justice system and other engaging antisocial behaviour.

**Ms SHING** — So is this within a very culturally specific framework for Indigenous young people?

**Ms MIKAKOS** — Yes, absolutely. We think that for this program to be successful it needs to be culturally safe and it needs to respond to the cultural needs of Aboriginal young Victorians, and I am really proud that we are going to be partnering with the Koorie Youth Council and other Aboriginal organisations and leaders to deliver this, together with the peak body, the Youth Affairs Council of Victoria, to harness all of their collective wisdom and expertise.

**Ms SHING** — Minister, I would note also that this line item appears to sit alongside a number of other initiatives. For example, just earlier this week I was pleased to be able to confirm \$200 000 in funding for the Moving on Up project in the Latrobe Valley, which will encourage 30 more participants from Indigenous backgrounds to have leadership mentoring and positive role modelling. To that end, it seems like there is a fair degree of duplication. To what extent does this actually duplicate or enhance any other government programs that are already being delivered?

**Ms MIKAKOS** — Thank you, Ms Shing. It is not duplication. In fact it is part of a whole-of-government strategy to close the gap, to lift outcomes for Aboriginal young people, particularly our collective efforts across government to make sure that young Kooris are better engaged in education and training and then obviously accessing the employment market. So I see these as complementary.

**Ms SHING** — They expand what is already there.

**Ms MIKAKOS** — Yes, so they are complementary, building on what is already there, building on other investments in this budget across government, particularly in the portfolio of the Minister for Aboriginal Affairs but also across a range of portfolios, really making sure that we can provide all our young people with opportunities and also particularly have targeted measures for those young people who are the most disadvantaged and disengaged.

**Ms SHING** — So is that where KYC and YACVic work will help to understand how these programs are being delivered across the board?

**Ms MIKAKOS** — Absolutely. I think harnessing their collective wisdom and expertise is going to be a critical part of making this initiative a success, and we want to also, as I said, in terms of the development of the youth policy engagement strategy that we are going to be releasing later in the year, make sure that young people's voices are heard more in government decision-making. We need to make sure that young people are consulted, and I know that having two key organisations that give a voice to young people every day as just their core business is going to be a critical part to making sure that we harness young people's ideas in how this program will work effectively.

**Ms SHING** — And does that include metropolitan and also regional and rural areas of the state?

**Ms MIKAKOS** — Absolutely.

**Ms SHING** — Thank you, Minister.

**Mr DIMOPOULOS** — Just a quick one, Minister, in relation to an area slightly outside your portfolio that links with young people — also perhaps to the secretary — mental health and the suicide strategy that was announced in the budget. Young people in regional Victoria are among a priority group, I imagine. I just want to have a sense of where your and Minister Foley's portfolios meet in relation to that and — I know it is the same department — whether we can link young people into the announcement we made in terms of the suicide strategy.

**Ms MIKAKOS** — Thank you for your question, Mr Dimopoulos. Obviously, whilst I have particular responsibilities as Minister for Youth Affairs, I do work closely with my ministerial colleagues across government where there are issues of concern that impact on young people, and mental health is an issue that did come through very strongly in the consultations that we held with young people. That is an area of concern to them.

The Victorian government is providing a range of funding in relation to young people's mental health in the budget. Suicide of course is a terrible tragedy for the community and for those who are closest to that young person. We have lost many Victorians to suicide and we have a suicide prevention strategy — \$27.5 million investment into suicide prevention in this year's budget. Obviously that would benefit and is designed to provide a range of strategies, both personal support services for those who have made a suicide attempt and trials at place-based approaches to suicide prevention across six LGAs as well as further supports there, including for young people as well in rural and regional Victoria as well as more broadly. There is also further investment, 59 million, to rebuild Orygen youth mental health service.

**Mr DIMOPOULOS** — Yes, and obviously the Safe Schools Coalition is another investment.

**Ms MIKAKOS** — A very important one.

**The CHAIR** — Order! Mr O'Brien until 4.25 p.m.

**Mr D. O'BRIEN** — Minister, could I take you to budget paper 3, pages 78 and 79. There is not a single youth affairs output initiative under the department's outputs there. Has the government simply run out of ideas for youth in Victoria?

**Ms MIKAKOS** — Not at all, Mr O'Brien. I refer you to in fact budget paper 3, page 6. We are a government that is absolutely committed to supporting young people and providing support to them across government. If you do — —

**Mr D. O'BRIEN** — Budget paper 3, page 6 only refers to Aboriginal programs. For the non-Aboriginal community there is nothing whatsoever.

**Ms MIKAKOS** — Yes, but if you have a look at budget paper 3, page 7, where it describes the young Aboriginal people's health and wellbeing under that heading and it talks about the Aboriginal Youth Mentoring program, you will see that it sees at the end of that that:

This initiative contributes to the Department of Health and Human Services youth affairs output.

**Mr D. O'BRIEN** — Okay. The point is made, I think, that for non-Aboriginal youth there is nothing there.

**Ms MIKAKOS** — So it may not be in the part of the budget papers that you are looking at, Mr O'Brien, but it is in the budget.

**Mr D. O'BRIEN** — No, no, no. I am well aware of those two programs, but in fact in your three-page presentation, one page entirely is devoted to last year's outputs and one page entirely is devoted to Aboriginal, which I am sure is very worthy, but for non-Aboriginals there is nothing. I will move on.

**Ms MIKAKOS** — Well, I actually spoke at some length, Mr O'Brien, about the range of initiatives we are providing to young Victorians in my portfolio, but I am happy to spend some time telling you about all the initiatives across government that are benefiting young Victorians. It is rebuilding our TAFE system —

**Mr D. O'BRIEN** — For the youth affairs policy, there is nothing.

**Ms MIKAKOS** — it is investing in our education system, it is providing funding — —

**Mr D. O'BRIEN** — In the TAFE system, we do not want to go there — —

**Members interjecting.**

**The CHAIR** — Order! It is the opposition's time. Does the opposition have a question?

**Mr D. O'BRIEN** — Can I move on, Chair. BP3, page 258 has the outputs. The figures indicate that funding has increased, despite the fact that there are no actual output initiatives. But it refers to the price increase primarily affecting price escalation and changes in carried over funding. What in fact has been carried over?

**Ms MIKAKOS** — I will refer this to Mr Wallace.

**Mr WALLACE** — Carryover funds are funds that are unspent for one year that are carried over under the budget whole-of-system principles to a future year. So in any single year some appropriations may be committed but not spent in cash in that year and there is a budget adjustment between years to adjust for that.

**Mr D. O'BRIEN** — Okay. It also refers to price escalation. What is the price escalation? The note on page 258 refers to price escalation. What in fact — —

**Mr WALLACE** — So, again, the whole of the budget is adjusted each year for CPI adjustment, so CPI price movement on goods and services provided under the program, salaries movement —

**Mr D. O'BRIEN** — It is not in every other portfolio.

**Mr WALLACE** — movement in wages for staff employed under the program. So right across the whole of the budget there is a CPI adjustment of 2.5 per cent of the prevailing CPI rate.

**Mr D. O'BRIEN** — Okay. Minister, given you talked about issues across the rest of government, how many youth jobs will be created by the Back to Work scheme?

**Ms MIKAKOS** — I want to add further just briefly to Mr Wallace's answer. I referred in my presentation to how we are going to be making some further announcements about further allocations later this year. What was happening under the time of the former government is there was a very piecemeal approach — —

**Mr D. O'BRIEN** — Minister, I just asked you a question — —

**Members interjecting.**

**Ms MIKAKOS** — I have been consulting with young people — —

**Members interjecting.**

**The CHAIR** — Order!

**Ms WARD** — Mr Smith, will you stop yelling at people? Yelling at people does not make it easy for you, Mr Smith. Please — —

**The CHAIR** — Order! Ms Ward!

**Mr D. O'BRIEN** — Chair, I was happy to give the minister a bit of leeway in continuing Mr Wallace's answer, but I had actually asked another question and I would like her to come back to it. I will say it again: you said that there are initiatives across government. How many youth jobs will be created under the Back to Work scheme?

**Ms MIKAKOS** — Yes, there is a range of initiatives across government in relation to the issue of assisting young people in further employment. There are in fact even initiatives in my own portfolio that help young people to get into employment, such as the Advance program, which is a program that is run out of schools and gives young people practical, hands-on experience in a range of fields, projects that the young people themselves can help to design and bring to fruition, as well as the FReeZA program, a very well-known program which — —

**Mr D. O'BRIEN** — This is all interesting information, but it is not the question I asked, Minister.

**Ms MIKAKOS** — I am making the point, Mr O'Brien, that there is a range of programs —

**Mr D. O'BRIEN** — You can make a point. I would like you to answer the question that I asked, which is about the Back to Work scheme.

**Ms MIKAKOS** — in relation to encouraging young people into employment. I just want to come to the issue of employment specifically.

**Mr DIMOPOULOS** — What is your definition of young, Mr O'Brien?

**Ms SHING** — Arguably I am a youth.

**Ms WARD** — I hope that you would be called a youth.

**Mr DIMOPOULOS** — Under 40?

**Ms WARD** — No, let's go under 50. Youthful demeanour, that is what we are looking for.

**The CHAIR** — A sunny disposition and a youthful demeanour.

**Mr D. O'BRIEN** — The interplay is interesting, but it is actually giving the minister a lot of cover.

**Ms MIKAKOS** — So, Mr O'Brien, of course we have got the Back to Work scheme that is assisting with the hiring and training of young unemployed people, providing apprentices or trainees, youth justice clients, young people in or exiting out-of-home care, social housing tenants — very disadvantaged cohorts of young people — with support through that program, as well as young people unemployed for 26 weeks or more. So the first cohort is eligible for \$5000, and those who are unemployed for 26 weeks or more are eligible for \$12 000. Obviously we are providing incentives there to promote young people's — —

**Mr D. O'BRIEN** — Interesting background again, Minister, but is there a target for how many youths will be employed under this scheme?

**Ms MIKAKOS** — Well, that is an issue, obviously, that relates to the Minister for Employment's portfolio, and I understand that you had her just a short period of time ago. We also provided funding through the additional investment in the budget for the 10 technical schools, the Jobs Victoria Employment Network program and the Reconnect program. There are many, many programs across government in promoting and encouraging young people into employment, including some that do happen to be in my portfolio.

**Mr D. O'BRIEN** — Okay, and for the record it is the Treasurer that actually is responsible for Back to Work, but that is fine.

Minister, how do you expect young people's voice to be heard when you have abolished the Office for Youth?

**Ms MIKAKOS** — Actually, that is not the case at all. The new structure for the Department of Health and Human Services took effect on 1 March 2016. This structure enables a stronger alignment between the development of youth policy and the delivery of appropriate youth programs. It provides opportunities to enhance the efficiency and effectiveness of the initiatives —

**Mr D. O'BRIEN** — I have got the new organisation chart, Minister. There is no Office for Youth anymore.

**Ms MIKAKOS** — that support and empower young Victorians. As well as developing and implementing a new youth policy, the department will continue to deliver youth programs that encourage the participation and engagement of young people, and the funding and staffing levels dedicated to the delivery of youth affairs initiatives remain the same under the new structure.

**Mr D. O'BRIEN** — Okay, so exactly the same number of staff. How do we have any confidence that they are actually still working on youth affairs issues?

**Ms MIKAKOS** — Well, Mr O'Brien, I have just responded to you. I have explained that the funding and staffing levels dedicated to the delivery of youth affairs initiatives remains the same under the new structure, and I am happy to ask the secretary to add further to this.

**Mr D. O'BRIEN** — That would be great.

**Ms PEAKE** — So the structure that you have in front of you, or the representation of the structure, Mr O'Brien, in front of you, is the top level of the executive down to I think it is the director level — —

**The CHAIR** — Order! The time has expired. Perhaps the secretary may wish to take that question on notice.

**Ms PEAKE** — Certainly. I will provide more information.

**Mr D. O'BRIEN** — That would be great. Thank you.

**Dr CARLING-JENKINS** — Welcome back, Minister. I am glad you came back after the break. I would like to say that I do empathise with Mr O'Brien's point about the outputs for your specific portfolio. They would have been helpful and that would be something that would be great moving forward. From your comments to Mr O'Brien, I interpret your role as, I guess, an advisory role across portfolios in government. I would also like to ask a question about jobs in light of the fact that whole-of-government strategy is on jobs in this budget, and that is budget paper 3 from page 25, of course. It also ties in to the slide in your presentation where you comment, 'We are delivering programs that support youth engagement and participation in community and economic life' there.

In budget paper 2, pages 18–9, it talks about the Victorian labour market, and it notes issues around youth unemployment. It says:

... Victoria continues to have the highest share of young people in full-time education of all states —

which is commendable. So within your portfolio of youth affairs, I am sure that you have come across within your consultations that you described earlier, for example, that there is a lot of hidden unemployment among youth who are studying full-time. I wonder if you could provide feedback to the committee about what youth have said to you in the consultation processes around that difficulty of finding work and the strategies that you might have to assist youth to retain study while struggling to work.

**Ms MIKAKOS** — Thank you, Dr Rachel Carling-Jenkins, for that question. It has absolutely come through very strongly in the consultations that we did do with young people that they are wanting to make sure that they get access to good education and then get access to jobs, and we know that is a particular issue of concern amongst particularly more disadvantaged communities — so for our newly arrived young people that is a particular issue of concern. For young people in rural and regional areas that is an issue of concern, and they are concerned about whether they need to relocate from their home base to another area to find employment.

I am responsible for specific programs within my portfolio, but I do work closely with my colleagues around issues that impact on young people. I referred to earlier the new youth policy that we will be releasing soon, which will take a whole-of-government approach to these issues, and obviously the issue of employment is a critical issue.

**Dr CARLING-JENKINS** — And that issue of the hidden employment?

**Ms MIKAKOS** — Well, the issue of the hidden employment is obviously a very difficult issue — —

**Dr CARLING-JENKINS** — Sorry, unemployment.

**Ms MIKAKOS** — The issue of hidden unemployment is a very difficult issue to quantify, of course. We have official ABS data. I can advise you that the youth unemployment rate in Victoria is 13.7 per cent. It is down 0.9 per cent since November 2014. This represents 8400 more young people that are employed during our time of government, but we need to make sure that we continue to drive opportunities for young people to get a job. It is a complex issue. So we need to make sure that across the government we are providing those opportunities. I referred earlier to the types of supports which we are providing to those particularly disadvantaged cohorts to get into jobs.

I just want to particularly, given I have a responsibility for out-of-home care, mention the LOOKOUT schools and that really exciting initiative that the Deputy Premier has initiated to make sure that young people in out-of-home care also get a good education or get opportunities later on in life as well. There are many initiatives across government from the technical schools to the reinvestment in TAFE to investing in our education system through unique, targeted initiatives like the LOOKOUT schools to make sure young people will be able to get into the job market and be job ready.



**Dr CARLING-JENKINS** — Sure. Thank you, Minister. Just very quickly, in your advisory role, then, in this space, do you participate in an advisory role around Jobs Victoria to represent your portfolio of youth affairs?

**Ms MIKAKOS** — So, as I said, I work very closely with colleagues. I obviously cannot go into issues around cabinet discussions and those types of discussions, but the Jobs Victoria Employment Network program is going to help disadvantaged Victorian jobseekers gain employment, including disadvantaged young people.

**The CHAIR** — Order! Time has expired. I would like to thank the witnesses for their attendance: the Minister for Youth Affairs, the Honourable Jenny Mikakos, MLC; Ms Peake; and Mr Wallace. The committee will follow up on any questions taken on notice in writing. A written response will be provided within 14 calendar days of that request.

**Committee adjourned.**