

# CORRECTED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2011–12

Melbourne — 20 May 2011

#### Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr R. Smith, Minister for Youth Affairs,

Ms G. Callister, Secretary,

Mr J. Higgins, Acting Executive Director, Corporate Services,

Mr D. Craig, Executive Director, Industry Workforce and Strategy, Department of Human Services;  
and

Ms K. Krsevan, Director, Office for Youth, Department of Human Services.

**The CHAIR** — I now welcome Ms Gill Callister, again, Secretary of the Department of Human Services; Mr Jim Higgins, acting executive director, corporate services, Department of Human Services; Mr Doug Craig, executive director, industry workforce and strategy, Department of Human Services; and Ms Kati Krsevan, director, Office for Youth, Department of Human Services.

I now call on the minister to give a presentation of no more than 5 minutes on the budget estimates for youth affairs.

**Overheads shown.**

**Mr SMITH** — As the first slide shows, there are over 900 000 young people living in Victoria, as defined by the ages 12 to 25. According to the last census Victoria actually has the second-highest population of young people in Australia. A Mission Australia survey that came out in 2010 showed that of these young people, 96 per cent live with their family, 17 per cent speak a language other than English at home and over 94 per cent are studying full or part-time. Added to that, just over 44 per cent who are in full-time, part-time or casual employment. According to that particular survey the three things that are valued by Victorians the most are positive family relationships, which they valued the most at 78.4 per cent; the next most important thing to young Victorians are their friends; and finally their own physical and mental health is the next most important thing.

Slide 2 provides us with some information about the initiatives that are in the youth affairs portfolio. The government is committed to maintaining initiatives that will provide effective support for young people to better engage with and indeed participate in their community. For that, the youth affairs portfolio supports a number of programs through community organisations and local government across Victoria, including the FReeZA program, which allows young people to lead in the planning and delivery of music and cultural events in the community, and the Advance program, which supports people in their local schools and provides them with recognised skills and training and encourages them in volunteering in the community.

The government's youth website, 'youthcentral', has a very popular jobs and careers section and also is a great consultation tool for young people. In addition, youthcentral's roving reporter program gives budding writers and journalists the opportunity to get some skills and experience while making a contribution to the community and also to that website.

The WebWise initiative up there supports cybersafety education and training to young people from potentially vulnerable groups to make sure they have the skills and knowledge to safely access online environments.

The mentoring and capacity building initiative works to ensure that young people, particularly vulnerable young people, benefit from quality mentoring programs. The youth participation and access program supports vulnerable young people who may be facing barriers to participate in their community.

I will just move on to slide 3. I just want to take a moment to tell you about some of the new initiatives that are funded in the 2011–12 budget. I am very pleased to tell you the government has committed an additional \$17.9 million over four years to the youth affairs portfolio. This funding supports the commitment the government has to supporting and encouraging young Victorians to get active in their local communities.

In my specific portfolio, there are a number of initiatives that strengthen government support for young people. There is 5 million over four years to assist the Victorian scouting and girl guides organisations to increase participation and build capacity through improved program development and upgraded facilities.

There is funding towards SYN FM and a new community radio initiative to increase opportunities for young people in rural and regional Victoria to develop their skills in broadcasting. There is also funding towards the Centre for Multicultural Youth, towards the Youth Affairs Council, to the Rock Eisteddfod Challenge and also to Youth Parliament.

We will move to output measures. The output measures have actually been reviewed and revised. The reason for this is because I am committed to ensuring that young people are first and foremost in our minds when we deliver these programs. The former output measures did not reflect the outcomes so much; they only reflected some of the programs and initiatives. The revised measures are focused really on the core business of youth affairs and supporting young people in this regard.

Slide 5 shows a number of key priority areas for the youth affairs portfolio, which include ensuring that the voice of young people is heard across the government. That means working towards engaging young people in the community. Secondly, we want to build strong partnerships with local government and community organisations to promote and support practices that have demonstrated good outcomes for young people. In addition, we want to be working with other government departments and the community to expand opportunities for non-tertiary-based career pathways.

Basically it is my aim for our young people, and it is the government's aim for our young people, to be strong and vibrant members of the community. Young people should be valued for their contribution. They should be made to feel valued. I think communities benefit as a whole when we get young people involved in them.

**The CHAIR** — Going directly to a critical driver in the youth affairs portfolio, as it in many portfolios, I ask: how have predictions concerning population growth shaped the budget for 2011–12 and the out years?

**Mr SMITH** — There is a number of initiatives in the 2011–12 budget relating to youth affairs that will provide some support to areas of population growth. As I said before, Victoria has the second highest population of young people aged 12 to 25 in Australia. While the majority of the over 900 000 young Victorians live in metropolitan Melbourne, a significant proportion live in regional and rural areas, and the government wants to make sure that these people, no matter where they live, will still have access to good services.

In recognition of the significant number of young people who live in rural and regional areas — a number that is expected to grow significantly — a number of initiatives funded in the 2011–12 budget will support these young people to have opportunities to participate in activities in their community. For example, we have provided additional funding to the YMCA Youth Parliament. That will be provided to help subsidise the cost of transport and accommodation for rural and regional participants.

Our commitment to supporting community radio will benefit an increasing number of young people in regional and rural Victoria, with \$200 000 being allocated to run training workshops in that regard. As a result, community radio stations in rural and regional Victoria will be supported to involve young people to provide a great opportunity for young people to be involved in the social fabric of their communities.

Another initiative of the budget is to increase funding to the Advance program, which is an important youth development program throughout almost all of Victoria's schools. A significant portion of that funding is provided to schools in the interface council areas, including Victoria's growth corridors where we are expecting to see that population growth continue.

The government is also going to work with the scouts and guides to support the use of funding allocated in the budget for the improvement of facilities in rural and regional areas. In recognition of increasing numbers of migrants and refugee arrivals settling in rural and regional Victoria, the budget provides for the establishment of two regional officers for the Centre for Multicultural Youth. We are looking for those initiatives to accommodate the increased population we will see, particularly in rural and regional areas.

**Ms HENNESSY** — Minister, I note the promoting youth output initiatives at pages 47 and 199 of budget paper 3, which include funding to the Centre for Multicultural Youth. I think that is a good thing. But I am concerned there is an omission of funding to the Centre for Multicultural Youth for the youth referral and independent person program. Can you tell us why that program has been discontinued?

**Mr SMITH** — That particular program is under the authority of the Minister for Police and Emergency Services.

**Ms HENNESSY** — But surely as Minister for Youth Affairs you have some input into the budgetary process.

**Mr SMITH** — There is no doubt that ministers talk across portfolios on these issues, but with regards to funding for the future of that, that would be under the authority of the Minister for Police and Emergency Services.

**Ms HENNESSY** — It is not of concern for you?

**Mr MORRIS** — Minister, can I return to an issue that you touched on in your presentation and that is the output measures in terms of the reference to budget paper 3 on page 232. They are substantially different from the 2010–11 output measures. Can you explain the rationale for the changes?

**Mr SMITH** — Certainly. I am looking at the previous outputs. I view that they did not really reflect the outcomes that we wanted to see, I guess. This year's budget provided an opportunity to adjust the output performance measures for youth affairs. The range of new output measures that have been proposed and that have been implemented in this budget more accurately reflect the focus of youth affairs activities in Victoria. It is well documented in youth research that a sense of connectedness to family, friends, school and their community are strongly associated with a young person's health and wellbeing. Community networks that are built through participation in public life, such as involvement in community events, arts, organised sports, organised groups and volunteering, provide people with important benefits that act as protective factors for their mental health and their wellbeing and improve outcomes around engagement with education and training and opportunities.

The output measures that I proposed prior to this budget have a much stronger emphasis on measuring the outcomes for young people or the impact on their participation in programs and initiatives funded through the Office for Youth. As I said before, the previous outputs did not really reflect all of the initiatives that the Office for Youth delivers, so I would hope that these new outputs better reflect the full range of programs and initiatives rather than just focusing on those few.

**Ms HENNESSY** — Minister, I refer you to budget paper 3, page 387, and the discontinued performance measure for FReeZACentral intensive workshops. The footnote explains that this program will not be funded beyond 30 June 2011. You will see that the discontinued performance measure provides a target for this financial year of 500 young people participating in this program. I was just wondering why you have discontinued funding that program that encourages young people to participate in music training workshops, exposes them to the music industry and provides them with organisational and event managing experience.

**Mr SMITH** — Let me start by talking about the FReeZA program, which is a great youth development program which was introduced, I think, in the 90s. It is a program that enables young people to enjoy music and enjoy cultural activities, artistic activities, and they are by and large run by youth in alcohol and drug-free venues.

**Mr SCOTT** — Smoke as well.

**Mr SMITH** — Certainly that program has had a number of kids go through it in recent times. We have over 420 events each year, and a great deal of youth are engaged in that program. FReeZACentral is an offshoot of that, and it is a program that has delivered great outcomes for young people over the last four years. The government has been in partnership with The Push and Mushroom Marketing in providing these opportunities for young people.

The fact of the matter is that the government had to make some tough budgetary decisions. We were left with a reduced amount of GST receipts from the federal government. We were left with a number of black holes from the previous government. I know previous government members are not thrilled to hear about it, but when we take into underfunding of — —

**Mr PAKULA** — Not for 11 days straight.

**Mr ANGUS** — Neither are the Victorian taxpayers.

**Mr O'BRIEN** — We had to put up with 11 years of it

**Mr PAKULA** — Yes, 11 years of budget surplus at AAA rating

**Ms HENNESSY** — More GST than the Brumby government ever had, and we cannot find some money for these young people to participate in this workshop?

**Mr PAKULA** — You are like a scratchy, cracked record with a shocking song to start with.

**Mr O'BRIEN** — You waste the money on uncosted, no-business-case projects, and then you ask where the money has gone.

**Ms HENNESSY** — Cut your travel budget. Cut your consultancy budget.

**Mr MORRIS** — On a point of order, Mr Chairman.

**The CHAIR** — Mr Morris.

**Mr MORRIS** — Mr Chairman, I believe the minister was responding to a question. I was certainly interested in the answer, even if the members on the other side of your good self are not. I would appreciate the opportunity to hear the minister's response in silence.

**The CHAIR** — Thank you, Mr Morris. The minister to continue without interruption.

**Mr SMITH** — So as I was saying, with the budgetary position we were left, including those many, many black holes, unfunded or underfunded programs that were left for the government to pick up and the ongoing costs such as the desalination plant, a number of other issues — —

**Mr SCOTT** — It is actually not a cost.

**Mr PAKULA** — Now you talk about water. Now you want to talk about water.

**Mr O'BRIEN** — What a shambles that is.

**Mr ANGUS** — Talk about a lack of a business case!

**Mr SCOTT** — The desal is actually a non-public financial corporation. It is not funded from the general government sector, so you are actually misleading the committee. Do you understand the difference between the general government sector and the non-financial public corporations? It is actually not funded in the same way.

**Mr ANGUS** — It is a financial millstone for Victoria. We have got to pay for it for years and years to come.

**Mr PAKULA** — You would not talk about it in your environment presentation.

**Mr O'BRIEN** — It is \$5.7 million over budget. How many lapsing programs would that have funded? Tell the kids about that.

**Ms HENNESSY** — You cannot find the money, the Minister for Youth Affairs, for an important FReeZA event.

**The CHAIR** — I just point out to members of the committee who are seeking to waste the time of the committee that we now only have 10 minutes remaining for important questions to the minister in this portfolio?

**Mr SMITH** — Obviously there was a range of lapsing programs that had come up for review. FReeZACentral was not one that made the cut, unfortunately. As I say, I acknowledge the good outcomes that that particular program had and I certainly acknowledge the partnership that we had with The Push and Mushroom Marketing. We do have some other programs that will build participation and experience in the music industry. The funding towards community radio and SYN FM is just one of those programs. As I said, \$400 000 over four years is what the Victorian government will be allocating to community radio stations, and that 400 000 will include 200,000 for community radio stations in rural and regional Victoria to run training workshops in radio broadcasting and provide mentoring to young people to produce live-to-air shows. Thanks to this funding, rural and regional community radio stations will be supported to involve young people, particularly in the music industry or those with a bent towards the music industry. As much as the government regrets not being able to continue FReeZACentral, certainly FReeZA in its — for want of a better phrase — pure form or original form will be able to be continued.

**The CHAIR** — Ms Hennessy?

**Ms HENNESSY** — No. I was simply establishing that it has been cut and that the minister does not care about it.

**Mr ANGUS** — Minister, I refer you to budget paper 3, page 123, and the reference to the funding for Advance, and you also touched on that very briefly in your presentation a few moments ago. Minister, can you explain for the committee what Advance does and what this funding will provide?

**Mr SMITH** — This state budget delivers \$8.8 million over the next four years to fund Victorian government secondary schools across the state to deliver the Advance program. Funding for the Advance program and ongoing will be 4.5 million, enabling the current number of school campuses to continue to participate in the program. I have to say this is a great program that encourages volunteerism in the community. This program runs at a cost of around \$2.1 million each year and has run at that cost for a number of years. The previous government provided only 1.6 million towards that program, and the shortfall of \$500 000 had to be found within the Office for Youth's internal appropriation. That was clearly a process that could not continue, so I was delighted to be able to announce at budget time when the Treasurer released the papers that the appropriations for this particular program would be funded in its entirety outside of the departmental appropriation.

This program commenced in 2004 and built on the success of the Victorian Youth Development program, and young people who have participated in the Advance program undertake volunteering projects within the local community to contribute to their community. They complete recognised skill training and learning modules in understanding community communication and project management. The program has a strong focus on applied learning principles which provide young people with alternative opportunities to participate in practical and interactive activities that help contribute to improving their engagement in education.

So it a great program. It is one that we are currently reviewing in terms of making sure that it is much more focused than it is now. But, as I say, I was delighted that we were able to fully fund the program rather than keep chipping away at appropriation within the department.

**Ms HENNESSY** — Minister, I refer you to budget paper 3, page 61, where you have allocated just \$100 000 for 2011–12 for 'Minor community commitments — Community Support Fund'. I note that budget paper 3, page 65 describes this funding as assisting local councils and community groups to enhance the amenity of existing facilities, including sport, recreation and youth services. On 10 October last year the coalition put out a media release where you committed \$350 000 to convert the former Bairnsdale police station to build that into a drop-in and activities centre for young people in East Gippsland. Could you just point me to where in the budget papers this commitment has been funded?

**Mr SMITH** — This particular program is being run by the Minister for Regional and Rural Development.

**Mr PAKULA** — For goodness sake.

**Ms HENNESSY** — It is a youth drop-in centre.

**The CHAIR** — Mr O'Brien.

**Mr PAKULA** — Hang on.

**The CHAIR** — Ms Hennessy did not indicate she had a follow-up.

**Mr PAKULA** — It is like *Saving Private Ryan*.

**Mr ANGUS** — A totally unnecessary comment there.

**Ms HENNESSY** — What are you responsible for? Not much.

**Mr SMITH** — You should check what I am actually responsible for before you ask the question.

**Mr MORRIS** — How long have you waited to use that one?

**Mr O'BRIEN** — I am happy for you to call me names all day. Your legacy is what you should be ashamed of; your legacy is what you should be apologising for. You were a minister in that government.

**Ms HENNESSY** — A youth offence drop-in centre, not there; NYC funding, not there; FreeZa cut.

**Mr PAKULA** — I haven't had enough lectures from you in the last two weeks, Mr O'Brien. Keep it up.

**Ms HENNESSY** — It would be interesting to see what a Minister for Youth Affairs is actually delivering for young people.

**The CHAIR** — I just point out what a fine example this committee is to youth! Mr O'Brien.

**Ms HENNESSY** — I am still young, Chair.

**Mr O'BRIEN** — Minister, I take you to budget paper 3, page 52, which includes new funding for scouts and girl guides. It is my understanding that this is the first time that a government has provided funding for scouts and girl guides, and I ask: could you advise the committee what this funding will deliver?

**Mr SMITH** — What great organisations the scouts and girl guides are. I am not sure, Chair, if you were ever a scout? You were? Dyb, dyb. I was not myself.

**Ms HENNESSY** — Oh, God, keep him away from young people.

**Mr SMITH** — But certainly the Victorian government recognises the work that the scouting movement and the girl guides movement do for young people. We have allocated \$5 million over four years to fund the Victorian scouting and guiding organisations. Four million of that funding will improve facilities for the scouts and girl guide groups. By improving facilities what the Victorian government is doing is supporting scout and guide groups to have safe and appropriate venues to provide activities to engage young people involved in scouting and guiding. I have to say I visited recently a scout hall in my own electorate that was certainly quite run down. If that is an example of the sort of facilities that are out there, certainly they need some funding to help them to increase the standard of those facilities.

This initiative also provides an opportunity to explore the multi purposes of buildings to maximise the investment and the community infrastructure available for a range of activities. Three hundred and forty thousand dollars of that 5 million will be provided to Scouts Victoria to upgrade the Gilwell Park high ropes course and amenities, improving the safety and amenity of that site for use by young people across Victoria.

Two hundred thousand dollars of that 5 million is being provided to each organisation to support development of strategies to increase the inclusion of culturally and linguistically diverse young people. I think it is very important to make sure that we have a wide range, and I think scouts and guides would really like to have that diversity within their organisations. Through their participation in scouts and guides, young people from those backgrounds will have the opportunity to build relationships with their peers and other community members, and this will go a long way towards improving their connection to the community. These young people will also have the opportunities to develop their initiative and independence and self-confidence in new things and to challenge themselves. Through this additional funding young people from these culturally and linguistically diverse backgrounds will also have more opportunities to develop leadership skills through the training that scouts and guides offer and will be more likely to volunteer in the future, when they have that training.

The funding also intends to deliver quality scouting and guiding experiences and support volunteers in the organisations, and as we have said prior, volunteering in the community is very important. We need to nurture it and promote it as much as possible.

**Ms HENNESSY** — Minister, in budget paper 3, page 123, you have allocated funding in 2011–12 to support the transition of the 15 youth foundations across Victoria to full management by the Bendigo and Adelaide Bank. What probity arrangements and accountability measures will be put in place to ensure that the funds are managed properly?

**Mr SMITH** — Youth foundations is a program that has been run for a number of years — as Ms Hennessy said, in conjunction with the Bendigo and Adelaide Bank. Again, this was a lapsing program — a program that finished on 30 June. The decision, after discussion with the Bendigo Bank, was to provide this transitional funding, \$357 000, to transition, I guess, the Victorian government out of the partnership.

I have to say that the conversation that I had with the Bendigo Bank indicated that the partnership had been very fulfilling but indeed the bank was very willing to continue the program without the partnership of the Victorian government. So the funding that we were able to get for that six months will really mean that instead of being cut off on 30 June with the Bendigo and Adelaide Bank left to, I guess, have to make the transition very, very quickly, we were able to send a message to other prospective partners that the Victorian government might be looking for in the future that if you partnership with the Victorian government you will not be left in the lurch but there will be a transitionary time.

**Mr PAKULA** — You won't be left in the lurch straightaway.

**Mr SMITH** — As would have happened under the previous government, whose —

**Ms HENNESSY** — 'We'll dump you, but not now'.

**Mr SMITH** — lapsed programs finished on 30 June.

**Mr PAKULA** — You do know lapsing programs does not make it compulsory for you to cut the funding?

**The CHAIR** — Thank you.

**Members interjecting.**

**The CHAIR** — Thank you, Minister. Thank you, colleagues. Thank you.

**Mr O'BRIEN** — If you looked after the future —

**Mr PAKULA** — The vast majority of programs lapse at some point or — —

**Mr O'BRIEN** — you wouldn't have so many questions about your own lapsing programs that you didn't fund in the forward estimates.

**The CHAIR** — For the last day of the — —

**Ms HENNESSY** — Chair, I have not got an answer to my question.

**The CHAIR** — For the last day of the committee hearings people are a bit frisky. I wonder if the minister would conclude his answer.

**Mr SMITH** — The probity issues of course are being run through the department and the Office for Youth, and we will make sure that the appropriate probity is carried through.

**Mr PAKULA** — 'Trust us'.

**The CHAIR** — Thank you very much, Minister. That brings us to a conclusion of the estimates hearing on youth affairs. I thank the minister and staff from the department. Any questions taken on notice or unasked questions we will follow up in writing, and we will ask the minister to respond within 21 days. Thank you.

**Witnesses withdrew.**