

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2013–14

Melbourne — 22 May 2013

Members

Mr N. Angus
Ms J. Hennessy
Mr D. Morris
Mr D. O'Brien

Mr C. Ondarchie
Mr M. Pakula
Mr R. Scott

Chair: Mr D. Morris
Deputy Chair: Mr M. Pakula

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Witnesses

Mr N. Kotsiras, Minister for Multicultural Affairs,
Mr D. Speagle, Deputy Secretary, Federalism, Citizenship and Climate Change,
Mr M. Duckworth, Executive Director, Citizenship and Resilience, and
Mr H. Akyol, Director, Office of Multicultural Affairs and Citizenship, Department of Premier and Cabinet.

The CHAIR — We will now resume the hearing. I welcome from the Department of Premier and Cabinet Mr Donald Speagle, Deputy Secretary, Federalism, Citizenship and Climate Change; Mr Mark Duckworth, Executive Director, Citizenship and Resilience; and Mr Hakan Akyol, Director of the Office of Multicultural Affairs and Citizenship. I call on the minister to give a presentation of no more than 5 minutes on the more complex matters relating to the multicultural affairs and citizenship portfolio. Anything under an hour hearing — an hour or less — is 5 minutes right across the board.

Mr KOTSIRAS — I could table it if you like; then you can ask me questions.

The CHAIR — Welcome again, Minister.

Overheads shown.

Mr KOTSIRAS — As you would be aware, Victoria's cultural and linguistic and religious diversity is one of our defining features, with our citizens originating from more than 200 countries, speaking more than 200 different languages and following more than 100 different faiths. That is our strength; that is who we are.

More than 26 per cent of Victorians are born overseas, and nearly 47 per cent of Victorians were born overseas or have one parent born overseas — so first or one parent born overseas, one in two — and approximately 23 per cent of Victorians speak a language other than English. It is also important to note that our diversity is increasing; if you look at the previous ABS statistics and now, you find that numbers are going up.

The government's commitment to multicultural affairs. We are committed to a whole-of-government approach, which is continuing on the work from the previous government, because we believe our diversity is far too important to play politics with; therefore in a number of areas we have got bipartisan support. We will disagree on money, where it is spent, but in terms of the concept itself, the concept of cultural diversity, I think we have got bipartisanship.

Our diversity does deliver social, cultural and economic benefits for all Victorians. Last year I released a statement, *The Government's Vision for Citizenship in a Multicultural Victoria*, because I believe that you cannot have multiculturalism without having civics and citizenship. You have to make sure that all migrants and refugees feel that they belong to society, feel that they are part of the community, so you embrace cultural diversity and religious diversity, but you also embrace the individual as well.

The key achievements in 2012-13 are the community grants program; the regional advisory councils, which have gone extremely well over the last 12 months, with the extensive consultation that has taken place; and Cultural Diversity Week, which was a huge success again. We had something like 1300 people attend the Premier's gala dinner, and I believe there were about 400 on the waiting list ready to pay to attend. We also had the multicultural awards for excellence, and of course the Victorian Refugee Recognition Record come into existence as well.

We also work with the settlement coordination unit. This unit is in the Department of Premier and Cabinet, and it is meant to coordinate the settlement needs of all migrants and refugees right across the state but also between the three tiers of government: commonwealth, state and local. In the past there have been gaps because the commonwealth provides services, we provide services and local government also provide services, but sometimes there was overlap and there were gaps so this unit was established to fill in those gaps and take away those that are overlapping.

We had the \$4.4 million Unity through Partnership program, which is over four years and which is to bring communities together. This program provides up to \$100 000 per event. It encourages individuals and groups to come together, work together and learn from each other, and that will bring out our strengths. We also had cultural precincts and community infrastructure money. This is money given to organisations to upgrade their buildings, whether it is to change the carpet, put in air conditioning or change the roofing. So it is money to organisations to assist them with their premises.

We have had the multicultural language services program. It is important that with new migrants and refugees you must be able to communicate with them and they must be able to communicate with government departments and services, and that is why we gave \$2 million in 2010 — \$500 000 per year — to try to assist those new migrants who are coming in. There are also community receptions which many of you have attended,

where we organise an event. It could be the Italian Republic Day or Greek national day, and the Leader of the Opposition and the Premier or myself will get up and speak.

As I said, our aim is all of government, so the Centre for Multicultural Youth opened two regional offices. There is also migrant and refugee support for students through the department, language education through the department of education, and a refugee health nurse program which is in the Department of Health.

Our budget is \$25.9 in 2013–14. I know you are excited about what is new money. New money is \$1.5 million for the peak multicultural organisations and \$360 000 over two years for the Victorian Multicultural Commission. In the Department of Health there was \$22.2 million over four years. That concludes the slideshow.

The CHAIR — Thank you. Minister, in the context of the 2013–14 budget can you outline to the committee examples of capital infrastructure projects in this portfolio which will be either commenced or completed in the coming financial year?

Mr KOTSIRAS — Unfortunately the \$12 million Cultural Precinct and Community Infrastructure Fund. — no, it is fortunate that it was established by the previous government. It was a good program. The bad or sad thing was they had spent most of it before we got in. But the projects were worthwhile, and I did give the commitment that should we win I would honour the commitments the previous government had made because I believe the projects were worthwhile. Up to now \$10.252 million has been spent as part of this project or fund, so there is just under \$2 million still to come. Out of this \$10 million, over \$35 million is expected to be leveraged against our commitments. So we have put in \$10 million, and the community will get back about \$35 million.

In terms of some of the projects that will commence in 2013–14, we gave \$500 000 to the Islamic Museum of Australia. It will be the first Islamic museum built. It goes towards education because sometimes — and I have said this often — education is a far better tool than legislation. You cannot force people to understand and appreciate other cultures and religions whereas, through education and museums, people might appreciate and understand other religions.

We gave \$1 million for improvement to the Vietnamese precinct in Victoria Street, and that will improve the gateway going into Victoria Street. Other examples are the Greek church in Thomastown, which we supported through a \$50 000 grant, and also the \$30 000 given to the Shree Ram Bhakta Ramayan Mandali Association of Victoria in Campbellfield. But there is a whole list of them that have received some money, and every time there is an announcement I try to involve all members of Parliament on both sides. I advise them that I will be attending, and I do not believe I have just invited one side; all sides have been invited. Where I have attended a conference in an area or an opening of a building, I have always invited all members of Parliament because I think that is the right thing to do.

The infrastructure projects are continuing. There is only just under \$2 million left for this financial year and next financial year so I look forward to seeing what more I can get for the following year.

Mr PAKULA — Good luck with that, Minister. You said during your presentation that we agree on the ambitions of the VMC, but not always on the way money is spent so I just want to focus on that. You would know that page 204 of BP 3 is the output summary for DPC, and I think now that the VMC is funded out of the supporting and strengthening communities output, which for 2012-13 is \$49.7 million revised, what I would like to know is, from that output, how much has been spent on the following — and if you do not have it with you I am happy for you to take it on notice: embossed leather satchels for commissioners; entertainment expenses for overseas delegations including premium wine, gifts and entertainment; legal fees including fees to Lander and Rogers in regard to a bullying and harassment complaint; and how much was spent by the commissioner on the credit card?

Mr KOTSIRAS — I will have to take that on board. I am happy to have a look at that. I am also happy to have a look at previous chairpersons' expenses as well.

Mr PAKULA — That is a matter for you.

Mr KOTSIRAS — And I am happy to look into Mr Pakula's question. If Mr Pakula wants to play games I am more than happy to play with him.

The CHAIR — Thank you, Minister.

Mr PAKULA — Touchy touchy.

The CHAIR — Is there a supplementary question?

Mr PAKULA — No there is not a supplementary question, Chair, I think it is a reasonable question about the expenditure of public money and I think to describe it as playing games — —

The CHAIR — Order!

Mr ANGUS — Minister, I refer you to budget paper 3, page 215 — the Premier and Cabinet output initiatives, and further to your presentation and your earlier comments, can you outline to the committee how the funding in the multicultural affairs and citizenship portfolio will benefit Victorians from culturally and linguistically diverse backgrounds?

Mr KOTSIRAS — The programs in multicultural affairs are many and they are varied, but they are there to provide support to our diverse community organisations. They are there to strengthen the capacity to address the specific needs of the communities because one community's needs might be different to another one's, so they have to be specific and they have to be targeted. But it is also about helping the communities to participate and to benefit from living in a multicultural state, and also to learn to live with each other in peace and harmony, and to ensure there is community cohesion between the two groups. So there are four main programs that I wish to go through.

The first one is the Community Grants program; the second one is the Promoting Harmony program; the third one is the Unity Through Partnerships program; and the fourth is the Rights and Responsibilities seminars. They are the four programs that I would like to briefly discuss. The 2012–13 Community Grants program budget is \$5.6 million. From July 2012 to March 2013 this program has allocated nearly 2300 grants to more than 1700 community groups, under the following five categories: organisation support; strengthening multicultural communities; community language programs; building language programs; building and facilities improvement; and multicultural festivals and events.

The government is dedicated to ensuring Victoria remains a harmonious, multifaith and multicultural society. The Promoting Harmony program is also very important because it is about harmony, and we have allocated an additional \$1.5 million per annum over four years to the end of 2014–15, so the total annual commitment under this program is \$2 million. The Unity Through Partnership program is \$4.4 million over four years — \$1.1 million every year — which is there to create a calendar of multicultural events, but when I use the world multicultural, I mean multicultural. It is many groups coming together to celebrate their differences, because I believe you can have unity through diversity. This program, up to date, has funded 49 groups since 2011–12.

We also provided \$800 000 over four years in the 2011–12 state budget for free seminars. This is about educating or communicating to newly arrived migrants and refugees about the services that are provided by government departments and agencies. They were held throughout Victoria. They are there simply to provide information and to engage with the community to get them involved and participating in the community. These are very important seminars. They have been well attended in the last 12 months. We will continue to hold them throughout Victoria because they are making a difference.

Ms HENNESSY — Minister, can I just take you to page 215 of budget paper 3. It shows the output has gone over; there is a carryover of \$2.9 million. Could you disaggregate what that carryover constitutes and what contributed to the overrun or error?

Mr KOTSIRAS — If I am not mistaken — if I am, could you let me know — the \$2 million is for the Greek precinct in Lonsdale Street. It was a one-off grant of \$2 million. Unfortunately the Greek community of Melbourne and Victoria took longer to start building and so they have not met some of the milestones. Once the building is built the money is there to fit out the inside of the building. As that building has not commenced as yet, the money has rolled over to this financial year.

Ms HENNESSY — I see.

Mr KOTSIRAS — Hakan?

Mr AKYOL — The total amount of carryover is predominantly related to what the minister has indicated in terms of the Antipodes Centre as well as a number of the other cultural precincts community infrastructure funds. Again, due to the capital nature of those works, and permit requirements and planning issues, some of the organisations have not delivered the projects within the time frame initially anticipated. This was also the case in the previous Cultural Precincts Enhancement Fund and the Cultural Precincts Community Infrastructure Fund with respect to the Greek, Italian and Chinese precincts from previous funding allocations in previous years and the more recent cultural precincts funds, some of those projects have carried over in each year. Amounts varying between \$2 million and \$4 million each year have been carried forward.

The CHAIR — Do you have a supplementary?

Ms HENNESSY — Yes. I am just intrigued because according to page 215 of budget paper 3 it seems that we constantly have an overestimate in spending in past years. In 2011–12 you were expecting to spend \$21.8 mill. That fell to an actual spend of \$17.5 mill. I am just wondering if you can explain why we have such large overestimates constantly occurring throughout the period covered?

Mr KOTSIRAS — Again it is due to projects. We provide the funding but the individual groups have to go through planning permits; they have to get all the necessary approvals. It is beyond our control to force the organisations to do something in the year that the money has been allocated, so a lot of this money rolls over. If you go back to 2002, 2003 and 2004 you will see that because of the format of the program — —

Ms HENNESSY — Twenty five per cent of the entire budget?

The CHAIR — Order!

Mr ANGUS — Let the minister answer!

Mr KOTSIRAS — What — so you want me to build the building for the organisation?

Ms HENNESSY — No, my question is — —

The CHAIR — Order! Ms Hennessy!

Mr KOTSIRAS — I am saying to you that it is a rollover. It is nothing to do with us. The money is there; it is allocated. It is up to the organisations to get the approvals in place. Hakan?

Mr O'BRIEN — We know Labor loves spending.

Ms HENNESSY — A quarter of your budget, constantly.

The CHAIR — Order!

Mr ANGUS — Just listen.

Mr ONDARCHIE — You would rather just head off.

The CHAIR — Order!

Mr AKYOL — As the minister has indicated, predominantly it is cultural precincts capital infrastructure. The agreements that we enter into with organisations have particular milestone payments — so, for instance, for the Antipodes Centre, the \$2 million is not just allocated to them. We have actually had certain milestones and a staged approach, so until that particular stage has been completed the funding has not been transferred. The funding has been committed, but based on anticipated project time frames.

With the Cultural Precincts Enhancement Fund, which goes back to 2007–08, there have been similar patterns to do with the allocations. The commitments have been made. We have done the risk assessments for those projects and the time frames have been at the time anticipated. But, for instance, in terms of some of the

precincts funding with respect to the Greek, Italian and Chinese precincts, some of the delays were to do with other areas, including planning permits and requirements and getting acceptances from neighbouring properties. In terms of those instances it was not necessarily the organisation; it was getting the negotiations and the final permits with neighbouring properties and clearances on those — so further council processes and consultations et cetera.

The CHAIR — Thank you, Mr Akyol.

Mr O'BRIEN — I note my Labor colleagues seem to be upset about projects — —

The CHAIR — Could you please ask your question, Mr O'Brien, without the editorial.

Mr O'BRIEN — I would like to ask you, Minister, a question relating to budget paper 3, page 214, under the heading 'Supporting and Strengthening Communities'. What programs are being funded to specifically promote harmony and social cohesion in our community?

Mr KOTSIRAS — As I said in my earlier answer, social cohesion is very important. There has been some research done in all states. I have to say that Victoria leads every other state when it comes to social cohesion because we have the programs and policies in place that make a difference. Social cohesion is an important part of being able to live together in peace and harmony.

We have the multifaith and interfaith program, which is \$400 000 per annum, that promotes understanding and respect for faith diversity in Victoria. We also have the Promoting Harmony program, which is \$2 million per annum until the end of 2014–15. We also organise leadership programs for young Victorians to come together and learn from each other, to learn about and other cultures and to be able to go out into their communities and educate others in terms of the benefits that come with cultural diversity.

The programs are there. We have had people from other states come down to Victoria to look and see the policies and programs that we have got in place. Luckily we have not got the conflicts that are found in other states, especially in New South Wales, and that is because we are constantly putting out programs and working with the communities and with the religious leaders to ensure that we do have a cohesive society. I am very proud to say that the Office of Multicultural Affairs, with the VMC, are working hard to continue the good work that has been put in place over a number of years.

Mr PAKULA — Minister, in response to Ms Hennessy's last question and her supplementary your effective response was that these were projects funded by the VMC that were not completed on time by the organisations that have been funded. I have had a look at the performance measures for multicultural affairs and citizenship on pages 214 and 215. You have performance measures about things like grants paid in line with agreement milestones at 100 per cent, so that community grants are going out certainly at the level you expect. Event briefs are being completed within the required time frame at 100 per cent et cetera, et cetera. There does not seem to be a performance measure for multicultural projects being completed within the expected time frame. Can you, in the absence of that performance measure, tell us what percentage of funded projects are actually being completed in the anticipated time frame?

Mr KOTSIRAS — As I said earlier, we provide the funding, we provide money — as in the Office of Multicultural Affairs — in terms of the grants that you have mentioned. It is not the VMC. It is up to the organisations to get their act together, to get the relevant planning approvals to start construction and collect the money from us. We will not hand over money, as the commonwealth Labor government did, simply for a press release. We want to get value for taxpayers money. Money will not be handed over until they reach certain milestones. You are asking me to look into my crystal ball and tell you when the organisations will be ready, or shovel ready, and I cannot give you that answer because it is beyond our control.

Members interjecting.

The CHAIR — Order! The Deputy Chair has the call, which means other members of the committee wait.

Mr PAKULA — Minister, I am just trying to understand then the efficacy of these performance measures. You have got a bunch of money that is not going out the door because organisations are not ready or they are not getting their planning approvals or they are not ready to proceed, but at the same time you have got a

performance measure which says ‘Cultural precincts enhancement grants paid in line with funding agreement milestones’, 100 per cent, and ‘community grants paid in line with funding agreement milestones’, 100 per cent. In a situation where you are saying to us that the reason you are not spending your money is because they are not ready to go it means one of two things: either your answer is wrong or these performance measures are totally meaningless. Which is it?

Mr ONDARCHIE — That is not the right conclusion.

Mr O’BRIEN — There may be a third option.

The CHAIR — Order! The minister will respond.

Mr KOTSIRAS — There is a third option, and that is that you are wrong, and you are wrong. Read what it says: once the agreement milestone is reached. If the milestone is not reached the money does not go there. Read: reaching funding agreement milestones. If the milestone is not reached there is no money going to them.

Mr PAKULA — So the performance measure does not tell us anything?

Mr KOTSIRAS — The performance measure tells you something. You cannot read it, that is your problem.

Members interjecting.

The CHAIR — Order! Minister, members, the supplementary was asked and the minister will have the opportunity to respond without further engagement. You get two goes at it. That was the second go.

Mr PAKULA — The engagement is the point, Chair.

The CHAIR — No, it is not a conversation. It is an opportunity to ask a question. I exercise the discretion generally to allow a supplementary. That is it; that is the opportunity.

Mr ONDARCHIE — In fairness, accountability and rigour are foreign to the Labor Party. Minister, I refer you to your presentation — —

Mr PAKULA — We could all just start yelling like you do when you say something.

Mr ONDARCHIE — We do whatever you do to us and back again.

The CHAIR — Gentlemen — and I am saying ‘gentlemen’ for a reason — can we just please get on with what we are here for, which is to ask the minister questions, not to engage in debate amongst ourselves. That includes all members.

Mr ONDARCHIE — Minister, you referred in your presentation, which we rushed you through, to Cultural Diversity Week. I wonder if you could talk to us about the benefits of Cultural Diversity Week, particularly the Viva Victoria festival.

Mr KOTSIRAS — As members know, each year during the month of March the VMC coordinates and supports activities over a one-week period. It engages schools, businesses and local councils to celebrate and recognise Victoria’s cultural diversity. It also coincides with the UN’s day for the elimination of racial discrimination, which is held on 21 March every year.

In 2013 there were 290 Cultural Diversity Week events that occurred throughout Victoria. Schools had multicultural days and excursions, and there were a variety of events and performances during the week. The annual Premier’s gala dinner, as I said earlier — Crown had over 1400 guests. It was a great event. It showcased our strength by bringing people together to celebrate our differences, because you can have unity through diversity. The total expenditure to the VMC for this week is anticipated to be just over \$600 000, and Viva Victoria, which is the last day of Harmony Week, is held at Federation Square. That is the final big event. On average I imagine there would be anything between 10 000 and 15 000 people that go through it on the day. It attracted many sponsors and many in-kind supports for that whole week. So we start off with the Premier’s gala dinner, and we finish it off with Viva Victoria, and in between there are a number of events held throughout the state — schools, local councils, organisations, businesses — to celebrate our cultural diversity.

Even in the workplace they have a number of events that celebrate their cultural diversity, and, again, it shows why we are leading so many other states in what we do. We do it so well because we understand that our strength — our make-up — is the fact that we are from many different cultures but the one thing that does unite us is the fact that we are Australians and Victorians, and that is part of the citizenship that is so important and that I spoke to you about earlier. So cultural diversity is good for Victoria; it is good for the state, and it is good for the nation, but we also have to remember that unless you communicate, educate and work with other groups to in turn learn and respect other cultures then you will not have any social cohesion. So on both parts of the equation you need to put a lot of effort in. I think we are doing it well in Victoria.

Ms HENNESSY — Minister, I wanted to ask you about regional grants. In 2012–13 you set yourself a target of awarding 320 regional grants, which is down from a target of 370 in 2010–2011 and 2011–2012. The expected outcome in this year's budget is just 288 grants, which is a cut of 22 per cent from two years ago. Why have we cut so many regional grants? Is it people not applying? Is it a policy decision you have made?

Mr KOTSIRAS — Can I say again: you are wrong. It is not a cut. Most of the grants have gone in areas where people need money for specific projects, and money is allocated on need upon recommendations from the VMC and the Victorian Office of Multicultural Affairs. The third thing is: if people do not make applications, they are not likely to get any funding. And four — —

Members interjecting.

Mr KOTSIRAS — You might learn something! Just listen.

The CHAIR — Order!

Mr KOTSIRAS — And four, you also have to look — the amount of money they spent is still the same. So some organisations have received a greater amount of money. The actual money in dollar terms is not less; it is the same. Whether organisations have formed as a group and put in an application rather than putting one individually — that is another possibility, but the actual dollar terms have not been cut. The same amount of money is available. There have been no sunseting programs from last year to this year. Grants will change in terms of whether they are more in Sunshine or more in Northcote or more in Preston depending on applications and depending on the organisations and what they have applied for.

The CHAIR — Supplementary?

Ms HENNESSY — Yes, I do have a supp. Minister, I make the point that there has been a 22 per cent drop in regional grants being awarded, but I also note that you have increased the proportion of regional grants next year to —

Mr KOTSIRAS — To 15 per cent.

Ms HENNESSY — by 25 per cent, but given you have fallen so short of your target in previous years, what steps do you intend to take in order to reach that?

Mr KOTSIRAS — Again, there has been no cut in actual dollar terms. The money is still there.

Ms HENNESSY — I am only quoting your figures, Minister.

The CHAIR — Order! You do not get two goes.

Mr KOTSIRAS — The money is still there. Yes, you are right; according to the 2013–14 budget the VMC has received extra money, and, yes, the grants awarded to organisations in Victoria's regional and rural areas will go up 12 to 15 per cent, but that is as a result of the regional councils. There were a large number of meetings that were held last year because last year we established those councils, and they were held throughout Victoria, and they will continue to be held throughout regional Victoria. People will be advised of the different types of grants that are available, and organisations can apply, but to simply say that programs have been cut is not true. In terms of dollar terms the money is still there, so it is about ensuring that the money goes to the people who need it, and that is on the recommendation from the VMC and from the Office of Multicultural Affairs. To say that programs are cut is simply not true.

Ms HENNESSY — Twenty-two per cent less — —

Members interjecting.

Mr ANGUS — Minister, I refer you to budget paper 3, page 37, and the output initiative there: peak multicultural organisations support fund. Minister, can you please explain to the committee the specific details of the peak multicultural organisations fund?

Mr KOTSIRAS — As you know, every year we fund the ECCV, the Ethnic Community Councils of Victoria, which is the peak organisation in metropolitan Melbourne. We provide an amount of money to help them with their programs, but it is very difficult for the ECCV to be able to ensure programs are carried out throughout the regions in Victoria. There are a number of key peak organisations in regional Victoria, such as the Ballarat Regional Multicultural Council, the Diversitat in Geelong, the Ethnic Council of Shepparton and District, the Gippsland Ethnic Communities Council, the Loddon Campaspe Multicultural Services based in Bendigo, the North East Multicultural Association based in Wangaratta, the Sunraysia Mallee Ethnic Communities Council and the Albury-Wodonga ethnic communities council, which is about to be established with assistance from the ECCV.

A large number of ethnic community organisations in regional Victoria are currently not receiving a single dollar from us unless they make an application for a particular grant. In terms of running costs, in terms of servicing their needs on a daily basis, there is no funding available. We thought it was important that we provide them with some money in consideration of the good work that they do over the year. We have allocated \$1.5 million over two years — that is, the 2013–14 and 2014–15 years — to support these organisations, because they do such a great job in meeting the needs of their communities.

We encourage migrants and refugees to live in regional Victoria, and we should, but unless we have the services and the support it is very difficult for them to feel engaged and to participate fully in the community. These organisations will work with these new migrants and refugees to help them fit in, settle, engage with, and hopefully become active and productive members of the community. It is only a small amount, but I think it is something they have welcomed, and I look forward to every single one of them putting in an application in order to receive some money to assist them in their everyday needs.

The CHAIR — That concludes the hearings for consideration of the budget estimates for the multicultural affairs and citizenship portfolio. I thank the minister and departmental officers for their attendance today. Where questions were taken on notice — and I think there was one for the energy and resources portfolio and one for the multicultural affairs portfolio, we will write to you on those two matters, and if you respond within 21 days, that will enable timely reporting to the Parliament.

Witnesses withdrew.