

RESPONSE TO QUESTIONS TAKEN ON NOTICE

PAEC Inquiry into the 2023-24 Financial and Performance Outcomes - DTF

Monday 18 November 2024

1. Has the Budget Operations Framework been updated? (in relation to Treasurer's Advances)

(Asked by Danny O'BRIEN Page 5 of the transcript)

Transcript extract:

Danny O'BRIEN: Are you saying that the Treasurer's advances are no longer for urgent or unforeseen spending?

Chris BARRETT: That has been correct for a little while, Mr O'Brien, as I mentioned, that we changed the practice a few years ago to hold more money, particularly for capital projects, centrally and then move it out of contingency, and the vehicle by which it is moved out of contingency is a Treasurer's advance, but we thought that there was some lack of clarity in past years about how that was reported. That is why we reported it differently in this year's annual financial report.

Danny O'BRIEN: I would suggest there is still a lack of clarity, Secretary. Given what you said, though, were all Treasurer's advances then only provided once project milestones had been reached?

Chris BARRETT: I might ask Ms O'Sullivan to add to my answer. For capital projects it would be either when a milestone is reached or usually when a particular – well, I suppose you could also call it a milestone if we have done a high-value, high-risk assessment or a gateway review. Ms O'Sullivan, would you like to add to that?

Kate O'SULLIVAN: Yes, that is certainly correct. The only other instance is where we have a programmatic approach to funding for a program; for example, the Level Crossing Removal Project. That is reported as the total TEI in budget paper 4, and then they have an annual release where they come to government to demonstrate their activity and the contracts that have been awarded. That is an annual program release as distinct from a milestone program release.

Danny O'BRIEN: Secretary, can I ask: when was this policy change actually announced to the public?

Chris BARRETT: I am happy to be corrected, but it would have been in the 2023–24 financial report.

Danny O'BRIEN: Has the budget operations framework been updated?

Chris BARRETT: I do not know that the budget operations framework would need to be updated, but I am happy to –

Danny O'BRIEN: I just read out to you what it was from 2017. It was quite explicit that departments must highlight why it is urgent or unforeseen. If that is no longer the case –

Lauren KATHAGE: That is if it is a request, not if it is a budget decision.

Chris BARRETT: I am happy to look –

Danny O'BRIEN: A Treasurer's advance is a request by definition.

Chris BARRETT: I am happy to look, Mr O'Brien, at the guidance and provide further information to the committee if I can, but I do not think from what you read out that it is inconsistent with the practice that we are adopting.

Response

Treasurer's Advance represents a specific appropriation made available to the Treasurer each year as part of the annual *Appropriation Act* to meet urgent claims that may arise before Parliamentary sanction is obtained, which will afterwards be submitted for Parliamentary authority.

To support departments in seeking to draw on Treasurer's Advance, the *Resource Management Framework* (RMF) provides the following guidance:

- Urgent claims - where issues have become known to departments, or where spending by a department has become necessary, after the Appropriation Bill for that year was finalised, and for which a funding is needed within the same financial year
- Unforeseen issues
 - items outside a department's control and that could not reasonably have been predicted by a department during the annual planning process;
 - unexpected scope changes exceeding a department's expectations due to factors outside the department's control
 - unexpected timing changes due to factors outside the department's control.
- Central contingencies - provisions established by Government for future expenditure which have not yet been allocated to specific departments. These contingencies are held and managed by DTF.

The *2023/24 Financial Report* separately shows:

- Treasurer's advance payments relating to decisions made post budget
- Contingency releases paid from the advance to the Treasurer

This improved disclosure was implemented for the first time this year and is consistent with the RMF in its distinction between accessing funding from central contingencies and other TA requests.

The RMF provides requirements and guidance for departments and the new disclosure in the *2023/24 Financial Report* is consistent with these requirements.

The most recent version is publicly available on the DTF website via the [Resource Management Framework](#) page.

The RMF has been updated on an annual basis since it officially replaced and combined the *Budget Operations Framework* (BOF) and the *Performance Management Framework* (PMF) in 2019.

Section 3.6.2 of the RMF describes the capital budgeting arrangements which apply to High-Value High-Risk capital projects, including that funding for these projects will be released incrementally during a project's lifecycle.

Sections 4.4 and 4.5 provides guidance to departments on requests for Treasurer's Advance and accessing funding from central contingencies for previously approved Government funding decisions.

2. How much GAIC was actually collected in 2023-24 and how much, currently, in total, not just last year but in total, has not yet been allocated to projects?

(Asked by Danny O'BRIEN Page 6 of the transcript)

Transcript extract:

Danny O'BRIEN: What is the government's plan for changing GAIC?

Chris BARRETT: I am not aware of that plan.

Paul DONEGAN: I might just add: the government committed to a process under which government and industry would work together to examine options to reform infrastructure contributions. That was announced last month, but no commitment was made to any particular outcome.

Chris BARRETT: Nor was it in relation to GAIC.

Danny O'BRIEN: Okay. On specifics then, can I ask how much GAIC was actually collected in 2023–2024 and how much currently, in total, not just last year but in total, has not yet been allocated to projects?

Chris BARRETT: We might see, Mr O'Brien, if we have got those figures. If we can, then we will report them back before the end of the committee, but otherwise we will take that on notice.

Danny O'BRIEN: Okay. If you can come back to it, that would be great.

Paul DONEGAN: I have got 2024–2025. We are expecting to collect \$336 million.

Danny O'BRIEN: \$336 million. How much GAIC is still sitting there unspent?

Paul DONEGAN: I do not have that to hand.

Danny O'BRIEN: You can come back to me on that.

Chris BARRETT: We will have to see if we can provide it.

Response

Total GAIC revenue in 2023-24 was \$177.8 million, as detailed in *Table 5: Growth Areas Infrastructure Contribution transactions 2024* of the Department of Transport and Planning 2023-24 annual report.

The DTP annual report *Table 3: Accumulated receipts and expenditure at 30 June 2024*, details that \$309.8 million of GAIC remained uncommitted to projects* at the conclusion of 2023-24. A further \$150 million has been announced as part of new GAIC round in October 2024. Whilst not allocated to projects to date, successful projects will be announced in April 2024 which will draw down on the uncommitted capacity detailed in the 2023-24 DTP annual report.

Sources: <https://www.parliament.vic.gov.au/parliamentary-activity/taled-documents-database/taled-document-details/8692>

<https://www.planning.vic.gov.au/guides-and-resources/legislation-regulation-and-fees/growth-areas-infrastructure-contributions>

* Excluding interest earned to 30 June 2024

3. **The Cladding Safety Victoria annual report shows that it received subsidies from the government simply to pay the mental health and wellbeing levy – \$38,000 a year. Are you aware of any other government agencies having to be subsidised by the government to pay a tax back to the government?**

(Asked by Danny O'BRIEN Page 7 of the transcript)

Transcript extract:

Danny O'BRIEN: Okay. Secretary, the Cladding Safety Victoria annual report shows that it received subsidies from the government simply to pay the mental health and wellbeing levy – \$38,000 a year, so it was actually being subsidised. Are you aware of any other government agencies having to be subsidised by the government to pay a tax back to the government?

Chris BARRETT: The way that we fund departments, Mr O'Brien, is through the departmental funding model, which is set – and pretty well understood – currently at 2.5 per cent per annum. It would be our expectation that most departments can pay those levies out of the departmental funding model and the receipts that they get. I am not aware of this specific case you are speaking about in relation to Cladding Safety Victoria. I am not aware of others.

Danny O'BRIEN: It was reported in the *Age* on 2 November out of their annual report. Would you perhaps take it on notice whether any others have?

Chris BARRETT: I am happy to look and see if we can provide further information.

Response

The Mental Health and Wellbeing Surcharge is payable by most employers with total taxable wages exceeding \$10 million, including government entities.

The Departmental Funding Model underpins Victoria's devolved output-based system. Under the model departments are funded for the cost of delivering outputs. The cost of delivering outputs can include costs associated with any levies government entities are required to pay – including the Mental Health and Wellbeing Surcharge.

4. Two private credit rating reports were requested in 2022, is the second one going to be released? What was the cost of that assessment?

(Asked by Danny O'BRIEN Page 7 to 8 of the transcript)

Transcript extract:

Danny O'BRIEN: Thank you. Can I now go to credit ratings. In 2022 the Treasurer secretly commissioned ratings agency Fitch to produce a private credit assessment for Victoria. Why did it take two years for that report to be released?

Chris BARRETT: Well, it is a private rating, Mr O'Brien. I might ask Ms Kingston to add to my answer, but with credit rating agencies, you can have a private rating and you can also have a public rating. There is a difference in cost between them, and this was a private rating initially. As you would have seen from what has been released recently, it is about the same level as the other agencies. But, Ms Kingston, would you like to add to the answer?

Camille KINGSTON: The only other thing that I would add is that when a client receives a private credit rating, because it is done at a point in time, credit rating agencies will not convert them into public ratings because they say that it is representative of the circumstances and their opinion at a given point in time. I know that the rating has obviously now been made public subject to a production order, but the commercial arrangements are pretty standard for private ratings, that they cannot just be converted into public ones.

Danny O'BRIEN: I understand there were two ratings requested. Is the second one going to be released?

Camille KINGSTON: Sorry, do you mean the 2024 one, which is public?

Danny O'BRIEN: No. I understand there were two done out of the original request, and one has now been released. Is the other one going to be released?

Camille KINGSTON: I will have to take a look and come back and see what information we can provide, but certainly the 2024 one is a public report.

Danny O'BRIEN: Secretary, you mentioned the cost. What was the cost of that assessment?

Chris BARRETT: I would have to see if we can provide that separately.

Danny O'BRIEN: When you say you have to see if you can provide it –

Chris BARRETT: As in I will see if I can provide that information, and I will take it on notice if I can.

Danny O'BRIEN: I appreciate you taking it on notice, but there should not be any reason why the taxpayer should not be aware of what that is, should there?

Chris BARRETT: I will take it on notice, Mr O'Brien.

Response

The 2022 private credit rating opinion from Fitch was tabled in the Legislative Council on 15 October 2024 and the 2024 public credit rating opinion was released by Fitch on 8 October 2024.

The cost of obtaining ratings is commercial in confidence.

5. Regarding the \$2.2 billion (for the Suburban Rail Loop) request. Have we asked them formally for the rest of the \$11 billion?

(Asked by Danny O'BRIEN Page 14 of the transcript)

Transcript extract:

Danny O'BRIEN: Can I ask, on that, Secretary, when is a decision on value capture to be made? We are signing multibillion-dollar contracts and we do not have two-thirds of the project funding actually secured, let alone the one-third value capture. When will Victorians know how you are going to fund that third?

Chris BARRETT: Ms O'Sullivan can correct me if I am wrong, but the amounts that have been committed to date, I would expect, would fit entirely within the third that has already been budgeted for. And in terms of the forward estimates, as you rightly said, there is a third effectively from the budget and forecast – and that sits in our forward estimates, including the GII numbers that I showed earlier – then there is a third expected from the Commonwealth and then there is a third from value capture and other revenue. So I would expect that what has been committed to date sits within that budget funding.

Danny O'BRIEN: That is not the question, Secretary. The question is: to pay for the whole thing we are going to need at least another \$11 billion from value capture – when will we know how that is going to be achieved?

Chris BARRETT: That is a matter for government when they are ready to announce that.

Danny O'BRIEN: And just one final one, if I may, Mrs McArthur: we have asked the Commonwealth for their \$2.2 billion. Have we asked them formally for the rest of the \$11 billion?

Chris BARRETT: I think we would have to either take that on notice or – department of transport; are you aware, Ms O'Sullivan? Is there anything we can add there?

Kate O'SULLIVAN: The Department of Transport and Planning engages productively with the Commonwealth government and the department around all of our capital requests, and –

Danny O'BRIEN: It is just a simple question: have we asked them for the remaining \$9 billion?

Kate O'SULLIVAN: There has been engagement and correspondence with the Commonwealth around the funding request, which represents the one-third of the funding.

Danny O'BRIEN: Is that a formal request from a minister to a minister in Canberra?

Kate O'SULLIVAN: I cannot recall if it was a formal –

Mathew HILAKARI: To be fair to the department, we are looking at the previous financial performance and previous financial year rather than the forward-looking agenda.

Danny O'BRIEN: The Suburban Rail Loop only started in 2024–25, was it, Mr Hilakari? Was it announced in 2018?

Mathew HILAKARI: I am pretty sure that is not the purpose of this inquiry.

Danny O'BRIEN: I think this inquiry is looking at the outcomes from last year, and I am pretty sure you will find there was Suburban Rail Loop funding in last year's budget.

Response

The Department of Transport and Planning is leading on the engagement with the Commonwealth Government relating to the Suburban Rail Loop Project, and will be able to provide specific information relating to the status of that engagement.

6. **Regarding land tax, information on the land tax assessments made in each of the last three years on the following Australian valuation property classification codes – that is, 620, electricity power generation; 621, hydro-electricity generation; 622, wind farm electricity generation; 623, electricity substation, terminal station and transmission system switchyards; 624, electricity transmission lines; 625, electricity distribution/reticulation lines; and 626, solar electricity generation. Why is it the case that this is not available?**

(Asked by Bev McArthur Page 15 of the transcript)

Transcript extract:

Bev McARTHUR: Mr Hilakari, you can ask your own questions. Let us go on to land tax. AusNet have to pay you a fifth of the land tax in Victoria – \$257 million comes from the collection of land tax on easements for transmission lines. It was \$161 million four years ago; that is an increase of \$96 million that you are getting out of electricity users, because they get a wave through and it is passed on to electricity users. Building new transmission lines generates, obviously, extra revenue, especially given that there has been a directive that no transmission lines can be built on Crown land; it has to be private land, where you get the easement take-up. Retrofitting existing transmission lines generates no land tax. Is that the reason why Victoria has to have new transmission lines – to capture more land tax?

Chris BARRETT: I would not think it was that, Ms McArthur. I mean, the network does need to look quite different as the amount of renewables in the system increases – you have a slightly less hub-and-spoke transmission system and more of a network, so I would have thought that would be driving it, rather than the need for revenue.

Bev McARTHUR: So you would be very happy if we retrofitted and we went on to government easements so that no extra land tax was collected?

Chris BARRETT: I think the most important thing is that the network is built out at a rapid enough pace to assist with the energy transition and make sure that we have got energy security.

Bev McARTHUR: Also just on land tax, I asked in October this year – it was due early this month – about the land tax assessments made in each of the last three years on the following Australian valuation property classification codes – that is, 620, electricity power generation; 621, hydro-electricity generation; 622, wind farm electricity generation; 623, electricity substation, terminal station and transmission system switchyards; 624, electricity transmission lines; 625, electricity distribution/reticulation lines; and 626, solar electricity generation. The answer is not available. Why is that the case?

Chris BARRETT: I would not know off the top of my head why that answer is not available. I do not know if Mr Broderick has got anything that he would be able to enlighten us on this. A shake of the head is okay, Paul, if you do not have that information.

Paul BRODERICK: I do not have that information off the top of my head. I can take it on notice.

Bev McARTHUR: Great. Thank you. Take it on notice. We will get it. Fantastic.

Response

The question on notice has already been addressed as a parliamentary matter, and we are currently providing a direct response.

7. The annual report outlines that WorkSafe issued 13,943 PINs in the last financial year. How many of these were issued on the public sector or government agencies?

(Asked by Bev McArthur Page 17 of the transcript)

Transcript extract:

Bev McARTHUR: I need to go to the WorkSafe witness.

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Chris BARRETT: Yes, sure. I might ask if Mr Calafiore could come up and assist the committee.

Bev McARTHUR: Thank you, Mr Calafiore. The annual report outlines that WorkSafe issued 13,943 PINs in the last financial year. How many of these were issued on the public sector or government agencies?

Joe CALAFIORE: Thank you for the question. In terms of the safety performance across the Victorian industry – I am just having a look now – health care, construction, manufacturing, public sector and education are the top industries in terms of where recent claims and injuries are. In terms of your specific question about how many PINs in government, I would have to seek advice, Mrs McArthur.

Bev McARTHUR: Great. Thank you. Take it on notice and get the detail. Now, WorkSafe are onsite –

The CHAIR: Excuse me, Mrs McArthur. Mr O’Connor, are you going to take that on notice, yes or no?

Chris BARRETT: Mr Calafiore, sorry.

The CHAIR: Sorry.

Joe CALAFIORE: Yes.

Bev McARTHUR: Thank you very much

Response

PINs (provisional improvement notices) are a written direction for a person, usually an employer, to address a contravention of the Occupational Health and Safety Act 2004 (OHS Act) or OHS Regulations 2017 (OHS Regulations). PINs are issued by elected Health and Safety Representatives. Due to this we do not know how many PINs have been issued by HSRs or to which organisation.

WorkSafe Inspectors issue notices, such as improvement or prohibition notices, directing a duty holder to address a health and safety problem in the workplace.

Notices issues to public entities:

WorkSafe Inspectors issued 260 Improvement Notices to public entities between 1 July 2023 and 30 June 2024.

8. How long have you been investigating the safety issue at Golden Plains wind farm?

(Asked by Bev McArthur Page 17 of the transcript)

Transcript extract:

Bev McARTHUR: Thank you very much. You are onsite out at Rokewood at the wind farm because we have had bits of the wind towers flying off and farmers being told they have got to wear hard hats, told not to go within 450 metres of a wind tower, but these bits have been flying off 750 metres away. How long have you been out there investigating this safety issue? And you were there, surely, at the time where we had a tragic incident last week.

Joe CALAFIORE: Let me begin with obviously we had a terrible tragedy last week, and I am sure all of us in this room our thoughts are with the family as well as the workers and their workmates. We do not hesitate to undertake strong compliance and enforcement activity across this sector. As a regulator we have conducted many visits and inspections across this sector over the past year, including issuing a number of notices to a number of duty holders. I may just have to seek advice, if it is okay, Mrs McArthur, given that we have a live investigation underway about this specific incident.

Response

WorkSafe has had an active presence at Golden Plains Windfarm since it commenced construction in 2023.

Since March 2023, WorkSafe has conducted a total of 316 workplace inspections during 117 visits to the Golden Plains Wind Farm project, issuing 22 compliance notices to a number of duty holders.

Data (as of 13 Nov 2024)

9. **How many PINs were issued in relation to bullying in the workplace?**
10. **How many PINs were issued in relation to sexual harassment or inappropriate behaviour in the workplace?**
11. **Can you delineate between private and public sector?**
(Asked by Bev McArthur Page 17 of the transcript)

Transcript extract:

Bev McARTHUR: How many PINs were issued in relation to bullying in the workplace?

Joe CALAFIORE: PINs are issued for a variety of reasons in a variety of workplaces. I may have to seek guidance.

Bev McARTHUR: Thank you. And also, you can find out how many were issued in relation to sexual harassment or inappropriate behaviour in the workplace while you are at it.

Joe CALAFIORE: Now, are you referring to the entire workforce or –

Bev McARTHUR: Your entire investigation, yes, across the workforce. And you could delineate between the private and public sector as well, while you are at it.

Joe CALAFIORE: Okay. I will see what we can do.

Response

Bullying:

WorkSafe Inspectors issued 7 Improvement Notices in relation to bullying to public entities between 1 July 2023 and 30 June 2024.

WorkSafe Inspectors issued 294 Improvement Notices in relation to bullying to private entities between 1 July 2023 and 30 June 2024.

Sexual harassment:

WorkSafe Inspectors issued 6 Improvement Notices in relation to sexual harassment to public entities between 1 July 2023 and 30 June 2024.

WorkSafe Inspectors issued 168 Improvement Notices in relation to sexual harassment to private entities between 1 July 2023 and 30 June 2024.

Inappropriate behaviour:

WorkSafe Inspectors issued 8 Improvement Notices in relation to inappropriate behaviour to public entities between 1 July 2023 and 30 June 2024.

WorkSafe Inspectors issued 297 Improvement Notices in relation to inappropriate behaviour to private entities between 1 July 2023 and 30 June 2024.

12. Is it possible to get a breakdown of what the additional \$2.7 billion from last year was actually used for?

(Asked by Danny O'Brien Page 23 of the transcript)

Transcript extract:

Danny O'Brien: My question is: was the increase in the cost of service delivery commensurate with the increase in service delivery? That is, there was a 9.5 per cent increase in costs; was there 9.5 per cent increase in service delivery?

Chris BARRETT: I might ask Mr Hotham if he wants to add a bit further to this answer. Mr O'Brien, you have definitely put your finger on something that has been occurring across health departments not just in Victoria but across the developed world. Post COVID there has been a very significant increase in the cost of care, so medical equipment is more sophisticated and more expensive, wages have been a bit higher, treatments –

Danny O'BRIEN: Twenty-eight per cent higher going forward for nurses alone. Anyway –

Chris BARRETT: So drugs and those other types of medication, for example, have got more expensive. The other thing – I mean, the Department of Health will be able to speak to this when you see them later in the week – is the acuity of the patients has increased somewhat as well. Obviously, we have an ageing population, so we see people with more acute service needs because they are older. But also post COVID we are seeing more acute services.

Danny O'BRIEN: I understand all that, Secretary. The question is: did we get the equivalent amount of what we paid extra for, or was there some other explanation as to why there was a 9.5 per cent increase?

Chris BARRETT: Apologies, it was a slightly roundabout way of getting to your question. There is definitely a cost element in there. There is some activity, but I might ask Mr Hotham if he wants to expand on that.

Chris HOTHAM: The 9.5 per cent increase is effectively additional funding – that \$1.5 billion – which was effectively to address the factors that are driving that additional cost in the system: as the Secretary was saying, an ageing population, greater acuity, a growing population and the sorts of supply chain pressures that have been really evident through COVID. So that \$1.5 billion expenditure has come subsequent to budget, as you know, and comes on top of the record investment of the 2024–25 budget, which importantly to these questions –

Danny O'BRIEN: Hang on, sorry, we are a little bit at cross purposes here. You are now talking about the \$1.5 billion announced by the Treasurer in August.

Chris HOTHAM: August, yes.

Danny O'BRIEN: Okay. I was actually only talking about the blowout in last year's budget, but they are two separate things, aren't they? So \$2.7 billion in 2023–24, and there will be an additional \$1.5 billion in 2024–25 on top of what was announced in the 2024–25 budget.

Chris HOTHAM: That is correct.

Danny O'BRIEN: Okay. Is it possible to get a breakdown of what the additional \$2.7 billion from last year was actually used for?

Chris BARRETT: We will see if there is more we can add to the record on that. It may be that those data are held by the health department. Either way, we will let you know.

Response

Increased expenses related to both cost increases and increases in the volume of hospital care delivered over 2023-24.

A further breakdown of 2023-24 expenses that varied between budget estimates and final figures is included at pages 94-95 of the Department of Health PAEC questionnaire response. This table outlines expense categories that varied by more than 10 per cent or \$100 million and the reasons for those variances.

Please find the DH questionnaire response below.

<https://www.parliament.vic.gov.au/4ac98d/contentassets/c38bb2d7ed994e3cbaa00e6cba0daed8/department-of-health-response-2023-24-fpo-general-questionnaire.pdf>

13. The department paid \$218 million in employee benefits last financial year. How much of that was paid for staff redundancies?

(Asked by Danny O'Brien Page 24 of the transcript)

Transcript extract:

Danny O'BRIEN: Thank you. That will do for the moment. Can I move on. I have got some questions for the department, but I will have some more questions for Mr Calafiore, so sorry, Mr O'Connor, I will kick you off again. Secretary, the department paid \$218 million in employee benefits last financial year. How much of that was paid for staff redundancies?

Chris BARRETT: I will see if we can come back to you on that if we have a number for that now. If we can provide it by the end of the meeting, we will. If not, I will take it on notice.

Response

There were four redundancies in 2023-24 for the Department of Treasury and Finance. Redundancy package payments, excluding leave payouts and regular wages in final pay, totalled \$372,450.

14. In 2023–24 how many public servants exited with packages and then started with another role within the public service?

(Asked by Danny O’Brien Page 24 of the transcript)

Transcript extract:

Danny O’BIEN: That would be great. There was an unnamed public servant quoted in the *Herald Sun* a few weeks ago in relation to staff redundancies, and the quote was:

The perversity is that we’re in a budget crisis and we have a situation where many public servants are exiting with packages, and then starting in another role the next week.

In 2023–24 how many public servants exited with packages and then started with another role within the public service?

Chris BARRETT: I could probably tell you the first part of that on notice. I do not know that we would know the answer to the second part of that, but we will endeavour to see what we can provide.

Response

In 2023-24, four DTF employees departed with a separation package.

Under the Budget Reprioritisation in the Victorian Public Service policy there are various types of separation packages that VPS employers may offer to VPS staff, arising from their need for workforce transition.

These packages are available where a department runs a formal change process under the VPS Enterprise Agreement (Clause 11) and the packages are available types specified under the Budget Reprioritisation in the Victorian Public Service policy.

Where employers run a process that results in an employee taking an Applicant Separation Package, they are restricted from re-employment, either directly or through a labour hire agency, or from receiving a fee for service from a VPS employer for a period of 36 months. This restriction does not preclude re-employment in the broader Victorian public sector.

Other separation packages such as redundancy packages do not have re-employment restrictions. No DTF employees who took a package in 2023-24 had re-employment restrictions associated with their package.

The department has processes in place through our recruitment platform to capture information from job seekers on whether they have accepted a package from another VPS employer that has re-employment restrictions, to ensure the department is not hiring candidates who may have re-employment restrictions.

15. The DTF questionnaire indicates 10 executives received an increase in their base salary of more than 5 per cent. How much did that cost?

(Asked by Danny O'Brien Page 24 of the transcript)

Transcript extract:

Danny O'BRIEN: I do not know that the government does sometimes, Secretary. Anyway, can I ask specifically about your department: the questionnaire indicates 10 executives received an increase in their base salary of more than 5 per cent.

Chris BARRETT: Could you direct me to the page?

Danny O'BRIEN: It is page 50, I think, of the questionnaire. So 10 DTF executives received an increase in their base salary of more than 5 per cent, and I just want to know how much that cost.

Chris BARRETT: We could provide that information if we are able to. We have slightly changed the way we report these results, and it is noted in the footnote for the convenience of the committee that in the past promotions were included in these numbers. They are no longer included in these numbers, but we will see if we can provide further detail for you.

Response

During 2023-24 ten Department of Treasury and Finance executives received an increase in their base salary of more than 5 percent. The total cost of these increases was \$222,293 per annum or \$234,245 including superannuation.

16. Is it accurate or not that PIN notices were withdrawn to allow the minister to go and open the wind farm? They were PINs WS88297 and WS88300.

(Asked by Danny O'Brien Page 25 of the transcript)

Transcript extract:

Danny O'BRIEN: Okay, thank you. Back to Mr Calafiore. PINs, provisional improvement notices: are they ever withdrawn or rescinded? Can they be?

Joe CALAFIORE: They can be. Just very briefly: we issued 13,943 improvement notices last year, and I appreciate there were some specific breakdowns which I have taken on notice. They can be reviewed or rescinded, although it is quite rare.

Danny O'BRIEN: Okay. So it would be rare, for example, on the example that Mrs McArthur gave before about the – what is the name of the wind farm?

Bev McARTHUR: At Rokewood?

Danny O'BRIEN: Golden Plains wind farm. It has been put to me that PINs were withdrawn to allow the minister to go and open the wind farm. Can I ask you, perhaps on notice, to investigate whether that is accurate or not? I can actually give you the PINs that I have been told if you like, Mr Calafiore. They were WS88297 and WS88300 if I can read my writing right; I think that is right. Are you happy to investigate and come back to me?

Joe CALAFIORE: Of course. I have taken that information. Obviously, every notice that we issue is an administrative decision by the government, so there are quite public processes that are well established in terms of an internal review process by WorkSafe, and then obviously subsequent court processes if required. But, yes, I have captured the information you have asked.

Danny O'BRIEN: Sure, thank you.

Response

WorkSafe was not aware of any PINs issued by HSRs at Golden Plains Windfarm prior to, or at the time of, the Minister's visit.

As the Health and Safety Regulator the safety of the Victorian workforce is of utmost importance. Any notices issued by WorkSafe would not be cancelled due to a Ministerial visit.

WorkSafe did issue the two improvement notices WS88297 and WS88300.

WS88300 was complied with on 25 September 2024.

WS88297 was cancelled following a request for a review by our Internal Review Unit, received on 18 September, a decision to cancel the notice was made on 1 October. A further notice was not issued following this cancellation due to there no longer being a risk following compliance of WS88300.

17. The dates of those (Return To Work advisory subcommittee) meetings as they relate obviously to these hearings?

(Asked by Danny O'Brien Page 25 of the transcript)

Transcript extract:

Danny O'BRIEN: With respect to the reforms that were passed earlier in the year, the minister moved a house amendment to the legislation that required the WorkCover advisory committee to establish a 'return-to-work advisory subcommittee'. Has the subcommittee been convened?

Joe CALAFIORE: Yes, it has been convened. We have had at least one meeting and a really productive workshop actually. Really the intent behind that return-to-work advisory committee is to draw on expertise such as from the employer community, Dr Mary Wyatt occupational rehab specialist and employee representatives. We have had two meetings, and we are looking forward to working together next year to really see what we can do that is new and innovative to improve the return-to-work performance.

Danny O'BRIEN: Could you give me on notice, if need be, the dates of those meetings as they relate obviously to these hearings?

Joe CALAFIORE: Of course.

Response

The Return-to-Work Advisory Committee has met on 2 occasions since it was established in July 2024. The first meeting was held on 18 September 2024 and a workshop was held on 8 November 2024.

18. How many additional inspectors have been employed? At the same time, I am looking for a net figure. How many left in the 2023–24 financial year as well?

(Asked by Danny O'Brien Page 26 of the transcript)

Transcript extract:

Danny O'BRIEN: How many additional staff have been recruited to Return to Work Victoria?

Joe CALAFIORE: So the vast majority of staff when we established Return to Work Victoria were existing staff of WorkSafe. To give you an approximate: we went to market for a new leadership team, two of those people were externally successful and two were internal, so it would be a very small number. So of the roughly 350 staff, the vast majority would be existing WorkSafe employees.

Danny O'BRIEN: Okay. But in your annual report on page 98 under 'Staff and related', there is a footnote that says, 'Salaries and related expenditure increased to deliver on legislative changes, which included the establishment of Return to Work Victoria'. So I am just trying to know what the net gain was attributable to Return to Work Victoria.

Joe CALAFIORE: Yes, that will be very small. I know what that is referring to. One of the decisions WorkSafe made in recent times was to insource a proportion of complex claims. I appreciate when I say the word 'claim' we are speaking about injured workers. That resulted in an increase in headcount of approximately 100 people over the last two years.

Danny O'BRIEN: About 100 people, did you say?

Joe CALAFIORE: Yes.

Danny O'BRIEN: So that may answer my next question, which is on the same footnote again about staff numbers, and it says 'which included investment in additional inspectors'. How many additional inspectors have been employed?

Joe CALAFIORE: I think we have hired over the past financial year in the vicinity of 60 to 70 new inspectors, but I can clarify that for you.

Danny O'BRIEN: If you could. At the same time, I am looking for a net figure. How many left in the 2023–24 financial year as well?

Joe CALAFIORE: Understood.

Response

More than 70 new inspectors and investigators were onboarded in 2023-24, with WorkSafe's induction process streamlined to incorporate more on-the-job learning. This approach helps new inspectors and investigators gain a stronger understanding of their role in enforcing WorkSafe's regulatory powers.

In the 23-24 Financial year, 41 new inspectors joined WorkSafe, 21 inspectors left WorkSafe and 2 inspectors moved from an Inspector role into a non-inspector role.

19. Which (food relief) organisations received those grants and how much they received?

(Asked by Aiv Puglielli Page 30 of the transcript)

Transcript extract:

Aiv PUGLIELLI: Good morning. We know the government donates to charities. For example, it delivered \$1 million to the Good Friday Appeal in 2023. I understand there was an allocation of grants of between \$50,000 and \$100,000 to 14 food relief organisations – that is very welcome – but I understand there has been little to no information about who was picked and what they received. Could you tell the committee which organisations received those grants and how much they received?

Chris BARRETT: Thanks, Mr Puglielli. I do not have that information in front of me. I suspect it is not even held by our department. I would suspect it is with the Department of Families, Fairness and Housing. What I will undertake is that we will have a look if it is information that we hold, but I would recommend also asking DFFH when they come later in the week.

Aiv PUGLIELLI: Thank you. In the event that it is not held within your department, if you could clarify which department it is, that would be really helpful.

Response

DFFH supports food security initiatives including Foodbank Victoria, Regional Foodshares and the Regional Food Security Alliance. The Minister for Carers and Volunteers is the Hon. Ros Spence.

20. How many contracts have been executed between July and September 2024? (Social Housing Growth Fund grants program). What has been the median delay in contract execution among those contracts that have been delayed? Which communities and geographic locations have been most impacted by those delays?

(Asked by Aiv Puglielli Page 32 of the transcript)

Transcript extract:

Aiv PUGLIELLI: Thank you. I have just got a question about the Social Housing Growth Fund grants program. I understand the department fell 22 per cent short of its target to commit to 500 social housing dwellings through the Social Housing Growth Fund grants program, with the explanation noting that a number of projects were close to contract execution in early 2024–25. How many contracts have been executed between July and September 2024?

Chris BARRETT: I recall that that was the impact, and they were pretty close; they just did not quite get away within the 2023–24 financial year. I do not know that we would have the detail to hand, but if there is anything that we can say, bearing in mind some of it might be commercial in confidence to those involved, we will come back on notice.

Aiv PUGLIELLI: Thank you. And just further to that, perhaps, what has been the median delay in contract execution among those contracts that have been delayed? That would be handy to know as well.

Chris BARRETT: If we are able to provide that, we will.

Aiv PUGLIELLI: Thank you. I am not sure if you will have this one to hand, but which communities and geographic locations have been most impacted by those delays?

Chris BARRETT: Again, I would need to look at the list, and we will be happy to provide that information if we are able to.

Response

Delivery of the Social Housing Growth Fund program is jointly administered by the Department of Treasury and Finance and Homes Victoria.

With respect to the number of social housing dwellings committed in 2023-24 against target, it was disclosed in DTF's 2023-24 Annual Report that the 2023-24 actual is due to a number of projects being close to contract execution in early 2024-25. Contracts for 82 social housing dwellings were executed between July and September 2024, resulting in 73 per cent of the shortfall against the 2023-24 target being acquitted within three months. It is expected that the remaining shortfall will be fully acquitted by the end of 2024.

Of the projects contracted between July and September 2024, 35 dwellings were located in Greater Shepparton, a further 16 were located in other parts of regional Victoria, and 31 were located across metropolitan Melbourne. The details of projects yet to be contracted are commercial in confidence at this stage.

21. For Wage Inspectorate Victoria, what sort of numbers are we talking about for enforcement actions and educative actions?

(Asked by Matthew Hilakari on Page 35 of the transcript)

Transcript extract (the transcript extract incorporated corrections submitted to PAEC as part of the transcript verification process):

Mathew HILAKARI: I am hoping to talk about the Wage Inspectorate Victoria. I do not intend immediately to go to the wage theft laws, and I appreciate the previous questions around gig workers. I am just hoping to understand more the work that the inspectorate undertakes. Obviously, there is a narrowing field, and we will get back to that in a second, but what is some of the work that they are undertaking?

Chris BARRETT: Yes. I might refer you directly to Mr O'Connor on those matters.

Matt O'CONNOR: Thanks, Mr Hilakari, for the question. Yes, as you rightly point out, the Wage Inspectorate has responsibility for a range of compliance across a range of statutes. It is probably important to retrace the history a little bit here, which is that there has been in place now for many years legislation in Victoria dealing with child employment and also long service leave, and for many years there was a compliance function within Industrial Relations Victoria and its predecessors dealing with the enforcement of that legislation. I am going back here into the 1990s at least, probably the 80s. So with the advent of the wage theft laws in 2021, the compliance unit within Industrial Relations Victoria ultimately became a statutory authority, a separate statutory authority, with an independent commissioner. That is the form that it currently takes, so it has effectively been a statutory authority now for more than three years. When it became a statutory authority and took over the enforcement of the wage theft laws on 1 July 2021, it also continued under the establishing legislation to hold responsibility for the enforcement of child employment laws and long service leave, and in the period leading up to that point they were also given responsibilities under the owner-drivers and forestry contractors legislation as well. So all of that work remains a significant proportion of the work of the Wage Inspectorate Victoria.

There were changes made recently to the Child Employment Act 2003 to move away from a sort of individual permit system for children in work to a licensing system, and so a lot of work has gone into moving across to that way of working, and the Wage Inspectorate has engaged in a range of enforcement activity over the last couple of years. It has probably stepped up its work in this space and done a lot more proactive compliance work and has been responsible for a number of successful and reasonably high-profile prosecutions. Long service leave, similarly – in Victoria there is a separate state Act, as there is in other States and Territories, which deals with general long service leave provisions for Victorian workers. The Inspectorate has again been particularly busy over recent years, particularly once it became a statutory authority, in terms of recovering unpaid long service leave for Victorian workers and again engaging in some fairly significant and high-profile enforcement cases to recover that money.

It is probably important to stress that, like most modern regulators, the Inspectorate operates under its statutes, and while they include the requirement for strong enforcement and litigation, there is a very strong focus on education and bringing people up to speed with the laws. Often the transgressions, if that is the word, are inadvertent and just come through sheer lack of knowledge of what the requirements are. So the Inspectorate works very hard with the community to educate both businesses and employees about their rights to bring people into compliance through voluntary measures, and in most cases that is how matters would ultimately be resolved and settled. There are

some cases, however, where a stronger enforcement regime is required, and cases sometimes end up in court. There are some other steps between voluntary compliance and actual litigation that the Inspectorate can take, like issuing compliance notices, infringement notices and those sorts of things, and it is all very much risk-based, so there is an assessment of the risk involved and a proportionate response to that. The Inspectorate and its predecessors did some fantastic work prior to the wage theft laws coming into force, but I think it has really developed some excellent and sophisticated approaches since becoming a statutory authority which really stand it in good stead.

Mathew HILAKARI: Can you give some examples of some of those enforcement actions but then also some of those educative actions? And what sorts of numbers are we talking about, if you can bring that to light as well?

Matt O'CONNOR: I probably would have to make some inquiries about whether I can give you numbers in relation to that, but to give you a bit of an example on the education and compliance side of things, the Wage Inspectorate has effectively divided all of that work into what you might call three significant components. There is an education strategy, which involves educating businesses and workers, establishing good partnerships with stakeholders around the laws and identifying behavioural insights to inform educative and behaviour change initiatives. There is also a communications and media strategy, which involves increasing awareness and understanding of the laws more broadly and driving compliance with those laws but also to build its own reputation as a trusted, engaged and proactive regulator. And then it has, as most if not all regulators would have, a compliance and enforcement policy, and I talked before about that being a risk-based approach, which includes a sort of kitbag, if you like, of regulatory tools. The policy talks about the discretion that the inspectorate has to initiate prosecutions and what factors would be at play in whether they decide to do that. There is also an element of publicising some of their successes and obviously deterring future offenders, if that is the word, and that all makes up part of that policy. The aims are to be proportionate in response to transgressions, to encourage behavioural change and to be clear and transparent about the work that it is doing. So I think that summarises what you might call the educative function.

In relation to the stronger forms of compliance, I think I mentioned before that there is initially voluntary compliance. There are compliance notices that the inspectorate will occasionally issue, which will indicate that they consider there is a breach and it needs rectifying.

Response

In the 2023-24 financial year, Wage Inspectorate Victoria helped Victorians reclaim over \$750,000 in unpaid long service leave. These repayments were the result of over 100 investigations conducted in response to long service leave underpayments.

The Wage Inspectorate prosecuted 17 businesses in 2023-24 under child employment and long service leave provisions, which resulted in offenders being ordered to pay more than \$2.1 million in fines and costs.

The Wage Inspectorates compliance and enforcement initiatives also included:

- 883 child employment licenses granted for the employment of over 7000 children
- 458 child employment compliance monitoring activities
- Audited over 650 engagements to ensure hirers of owner drivers were complying with the law.

Across its remit, the Wage Inspectorate helped 12,000 Victorian businesses and workers with its front-line services, while more than 340,000 people accessed educational tools and website

resources, with most people seeking information about long service leave laws. This education work included:

- 10,127 calls answered
- 2563 calls from employers
- 1860 written enquiries
- 467 news media stories
- 57 million potential news media reach
- More than 200 stakeholders engaged
- 10,300 likes, clicks and shares on social media channels
- 5 million social media impressions