

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into the 2024–25 Budget Estimates**

Melbourne – Monday 20 May 2024

### **MEMBERS**

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Aiv Puglielli

Meng Heang Tak

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

**WITNESSES**

Gabrielle Williams MP, Minister for Government Services; and

Jo de Morton, Secretary,

John Batho, Deputy Secretary, Digital Transformation,

Gayle Porthouse, Deputy Secretary, Corporate Shared Services, and

Lisa Tepper, Acting Deputy Secretary, Customer and Regulatory Services, Department of Government Services.

**The CHAIR:** I declare open this hearing of the Public Accounts and Estimates Committee, and I ask that mobile telephones please be turned to silent.

I begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting, and we pay our respects to them, their elders past, present and emerging as well as elders from other communities who may be joining us today.

On behalf of the Parliament the committee is conducting this Inquiry into the 2024–25 Budget Estimates. The committee's aim is to scrutinise administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege; however, comments repeated outside of this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check, and verified transcripts, presentations and handouts will be placed on the committee's website.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream today and other committee members.

I welcome the Minister for Government Services the Honourable Gabrielle Williams, as well as officers from the DGS, the Department of Government Services. Minister, I am going to invite you to make an opening statement or presentation of no more than 5 minutes, and after this time committee members will ask you questions. Your time starts now.

**Gabrielle WILLIAMS:** Great. Thank you for your time. I think John is going to do the clicking through the presentation for me. Before I begin please let me acknowledge the traditional owners of the land on which we are currently gathered and pay my respects to their elders past and present and any other First Nations people who may be with us or watching this live stream here today.

**Visual presentation.**

**Gabrielle WILLIAMS:** I would like to begin by providing a brief overview of the government services portfolio and the department, which is in its infancy – it is a bit over a year old now. The department was established to bring together several functions across government, with a focus on driving productivity, on digitisation and improving Victorians' experience of interacting with government. In today's hearing I will talk to some of the core government services that the department is responsible for and a little bit about what we have achieved so far this year.

Next slide. A key focus over the last 12 months has been delivering more digital services and putting Victorians at the centre of how we design those services. This includes a digital drivers licence, which was launched last week, which is the ninth card available on the Service Victoria digital wallet, and there will be more coming soon. There are now over 130 services and functions available through the Service Victoria platform. Another example is a digital working with children check card, which as of this month has over 180,000 downloads – that is 180,000 Victorians who have downloaded that working with children check card. We have also heard loud and clear that the response times for births, deaths and marriages services were not meeting community expectations, which is why we have implemented measures to reduce wait times, expedite certificate

processing and extend contact centre hours as well. As a result we have seen a significant improvement in key services at BDM.

I am also proud to share with you the significant work we have been doing to support telco and connectivity across Victoria, particularly for our regional communities and those affected by our storms and fires earlier this year. In the wake of those wild weather events many communities were left without any mobile reception. The government services portfolio worked daily with telecommunications carriers to get mobile towers back online as quickly as possible. Telecommunications, as many will know, is primarily a Commonwealth responsibility, and following the storms I met with the Minister for Communications Michelle Rowland to express the need for better regulation of the sector. I was pleased to recently see the Commonwealth's review into the Optus outage, which made several recommendations to increase accountability of the sector, many of which directly reflected Victoria's advocacy. Connectivity is essential for people to live and work in our regions and growing urban communities, and that is why we have stepped in in improving mobile connectivity through the Connecting Victoria program not just in the regions but in our growing outer suburbs too. This program will deliver more than 1200 new and improved mobile towers across Victoria by 2026.

The portfolio has focused also on bolstering the government's cyber defence capabilities through the establishment of the Cyber Defence Centre. This centre has helped Victorian government agencies respond to about 558 cyber incidents through its 24/7 cyber incident response service. The Cyber Defence Centre also delivers targeted programs to VPS staff to uplift capability of our staff to recognise and mitigate against cyber risks, including things like phishing emails. Victoria has a growing cyber economy and cyber workforce. The department is also supporting this workforce through the new cyber internship program.

As we look ahead to next year, you can see from the slide just how much reform is happening. I will call out just a couple of the things listed. We are allocating an additional \$10.8 million over the next three years to bolster our cyber and data security. We are also driving VPS productivity through corporate shared services reform, investing \$25 million in standardised corporate HR systems for DPC, DTF and DGS. What that means in real terms is that VPS staff and those working in corporate services will spend less time managing clunky technology and more time doing their core job.

In conclusion, I am excited about the program of work underway, which further underscores this government's commitment to many things, including improving how Victorians and businesses engage with government, strengthening our cyber security controls across government and accelerating digital transformation and corporate services reform across the Victorian public service. I think I will leave my remarks there, Chair.

**The CHAIR:** Thank you very much, Minister. The first 8 minutes is going to go to Mr O'Brien.

**Danny O'BRIEN:** Thank you, Chair, and good morning, Minister and team. How are we?

**Gabrielle WILLIAMS:** Good.

**Danny O'BRIEN:** Minister, can I start with the digital drivers licence that you referenced. Within a matter of hours of it being launched the issue was highlighted between particularly RSLs and community clubs of people not able to use the licence to scan into those venues because you literally need a physical card. Was there any consultation undertaken with the community club sector about that?

**Gabrielle WILLIAMS:** Yes. In the lead-up to the introduction of the digital drivers licence, and it was actually a feature of our original press conference on it, we highlighted that DTP had been leading direct engagement with a range of different businesses – from supermarkets, retailers, VicPol, Australia Post and others – in the lead-up but also flagged that there would be a transition that would need to take place and their engagement would continue with other key sectors following the introduction of the card. That is why the original messaging leaned in fairly heavily to 'Do not throw away your plastic card; you will still need it.' There are some, particularly those like RSLs in the example that you have given, who rely on physical ID scanning machines, and so we are actively working with them as a slightly more complex part of that transition landscape to navigate their ability to accept that new form of identification. So –

**Danny O'BRIEN:** So when you say 'transition', is it a transition, though, for them? They will have to change their technology rather than –

**Gabrielle WILLIAMS:** Well, we are working with them on that currently. The department is working through what that will look like, and that has always been a feature of this process of handing over. It is very much why our communications going into this transition were that you would still need your plastic cards while we work through that technology transformation across the whole spectrum of purposes for this card. Obviously first and foremost a digital drivers licence is that – its purpose is to be a drivers licence first and foremost. But it obviously has a whole lot of other functionality attached, and that is the sort of secondary purpose which we are now working through in the transition.

**Danny O'BRIEN:** Is it intended eventually that you will not have the plastic card, that it will simply be a digital one? Is that the intention longer term?

**Gabrielle WILLIAMS:** At the moment the plan is that we do both. Obviously in time – I do not want to speak to too far ahead in the future – we will see how this rollout progresses. Across the board we are looking at greater digitisation of services across governments, not just here in Victoria but nationally and globally. That is certainly a transition trajectory that we are on.

**Danny O'BRIEN:** Can I ask: given that we still have to keep the plastic cards, both government and the driver, what was the cost of the digital program? The government cost, of course.

**Gabrielle WILLIAMS:** The government cost? Just let me check if we have got that figure. Jo, do you have that to hand?

**Jo de MORTON:** For Service Victoria, but I cannot speak for transport.

**Gabrielle WILLIAMS:** Okay. Jo de Morton, our Secretary, might want to add to that. She was just explaining to me that it is a part of the business-as-usual budget allocation for the functionality of DGS. What we do not have visibility of is the DTP component of that, because it is split across both Service Victoria as a DGS platform but also the VicRoads app as part of DTP, so you might have to direct the DTP part of that to the minister for roads.

**Danny O'BRIEN:** Okay. Do you expect that digital licences ultimately will be able to be delivered cheaper to the consumer, as in either you might be able to get a cheaper licence full stop or, if it is ultimately just digital, that it will be a lot cheaper for –

**Gabrielle WILLIAMS:** Did you want to speak to that, Secretary?

**Jo de MORTON:** Yes. Again, I think that regulatory impact assessment will come out of the Department of Transport and Planning. Certainly from the Department of Government Services perspective it is built in to the ongoing cost of the platform, so delivering an additional card is a non-material, marginal cost. What impact that might have on the overall regulatory scheme – I think you would have to look to that assessment from transport and planning.

**Danny O'BRIEN:** Okay. No worries. Can I move on to BP3, page 124, where it highlights in the line item there that identity and worker screening services have been cut by 17.1 per cent this year. I highlight the government's website for NDIS screening services. It highlights that due to the unexpectedly large volume of applications currently being received, offline application processing is up to eight weeks. So we have got a lot more people applying for both NDIS and other – working with children, for example – and yet there is a 17 per cent cut to that area, when we have already got delays. Why is that happening?

**Gabrielle WILLIAMS:** Look, one of the key purposes of DGS is to accelerate the digitisation across the public service, as I was outlining. In the last financial year additional funding was provided to births, deaths and marriages and the worker screening unit to drive efficiencies through that digitisation process and other optimisation initiatives. That has effectively resulted in a reduction in wait times for births, deaths and marriages services. For worker screenings, while demand is growing, performances remained high, and that is shown in the performance statements on page 53 of the budget papers. Jo, please, supplement, yes.

**Jo de MORTON:** You will notice we created a new output group this year as well, so some of that cost is now in the customer services output. So the contact centre cost for answering the phones for the worker screening in NDIS is now in that customer service output.

**Danny O'BRIEN:** So does this guarantee that you are going to actually get people their permits faster than they have been?

**Jo de MORTON:** I think we will continue to aim to meet the performance measures. I do not know about faster – some of them are pretty close. I think checks issued within three days of receiving a clear notification is up at 99.9 per cent, and then the exclusions received within the delegate's decision is at 99.7 per cent. So the performance measures are holding at that increased demand.

**Danny O'BRIEN:** What is the amount of weeks for an NDIS check being approved? It says on the website three weeks for an online one.

**Jo de MORTON:** Yes, I thought it was 21 days, the target.

**Danny O'BRIEN:** What is the actual being achieved?

**Gabrielle WILLIAMS:** Do you have the figures, John, on the NDIS checks?

**Jo de MORTON:** So the percentage within that 21 days is 99.9 per cent.

**Danny O'BRIEN:** Right. Okay. Thank you. Can I move on to accommodation, Minister. As you indicated in the budget papers on page 92, there is a reduction in the public sector's accommodation expenditure. Does that assume that a lot of public servants are going to continue to work from home? And perhaps while I am at it, could you tell me what proportion of employees so far this year, 2023–24, are actually working from home or in the office?

**Gabrielle WILLIAMS:** I am not sure that I would have that figure across the VPS, but what I can say in relation to the first part of your question, though, is that obviously we have seen our jobs marketplace not just in government but in the private sector as well change markedly. I think what we have seen happen across government is in order to remain competitive with our private sector counterparts, who are offering a range of different workplace settings, including working from home, the VPS is no different and is also offering some of those settings in order to be competitive and make sure that we get the best and brightest into the VPS. I think factored into that is certainly a reflection of that growing trend to have people work from home. As it stands, though, the VPS requirement is for three days to be in the office and the remainder can be from home.

**Danny O'BRIEN:** Okay. Thank you.

**The CHAIR:** Thank you, Minister. We will go to Mr Galea.

**Michael GALEA:** Thank you, Chair. Good morning, Minister, Secretary and officials. Thank you very much for joining us this morning. Minister, I would like to start by referencing budget paper 4, page 62, the departmental outputs, specifically the ones relating to customer services to the community. Can you please outline for us what projects are being covered under this output?

**Gabrielle WILLIAMS:** Yes. Thank you, Mr Galea. That is a very good question. As I have outlined previously, the Allan government is committed to enhancing the customer experience, and that is a core part of the purpose of DGS in terms of delivering things like more digital services and also modernising the way that the government does business, which is obviously a growing expectation coming from the Victorian community.

If I start with, say, Service Victoria, Service Victoria is pretty much the centrepiece of that mission and has been operating as a front door to over 130 government services and attracting somewhere in the order of about 2.3 million, so almost 2.5 million, visits each month. On page 56 of the 'Department Performance Statement' budget paper you will note that 60 new services as well as some features and products have been delivered on the Service Victoria platform just for this financial year alone, which is an incredible boost to that platform, and of course that work will continue. The idea is that we keep building it. If I move to working with children checks, the working with children check is one of the services that has been added to that Service Victoria platform. It was launched in February last year. We have had over 180,000 cardholders who have added their digital card to their Service Victoria wallet. It is not just an easy way for Victorians to access and use that card, it is also safer than a physical card. It maintains up-to-date information about the validity of a person's working with children check as well, and this means that employers can scan the QR code on the digital working with

children check card to receive real-time confirmation about somebody's employment status. That is obviously important too, as we see growth in the care and support economy. That has resulted in a really strong demand for those worker screening services. As a result, the worker screening unit has processed about 571,000 working with children checks and national disability insurance scheme checks.

As we heard the Secretary refer to before, it also has 99.9 per cent of checks issued within three days, which is above our BP3 measure. That achievement is in no small part due to the work of the department in streamlining and modernising that check process. We know our volunteer community, which provides significant social, cultural and economic value to Victorians – through the digitisation of that working with children check process, we know that for them we are reducing the red tape, which is incredibly important not only for those individual volunteers but in supporting the work that they do.

In terms of BDM, it was another service that was transferred to the Department of Government Services in 2023. Similar to the working with children check, BDM was moved to the new department in recognition of its importance and a commitment to modernising that service. I am very pleased to inform this committee about how we are achieving that commitment and how we will continue to do that throughout 2024 and into 2025. Since moving to DGS the BDM's call centre wait times have reduced by 90 per cent and the contact hours have extended from 8 to 4, and that means that more people are able to access those critical documents faster. We know how important that is, and I am sure that every member sitting around this table has at some point been contacted –

**Danny O'BRIEN:** Regularly, Minister, regularly.

**Gabrielle WILLIAMS:** exactly – by constituents in need of that service. We have heard from them loud and clear, which is why that work was done to reduce those wait times. Wait times are expected to reduce even more with the establishment of the whole of Victorian government contact centre, which consolidates BDM, the worker screening unit, Consumer Affairs Victoria and Service Victoria contact centres and is expected to provide almost 700,000 instances of support and information to Victorians in 2024–25.

We have also developed an online pathway for Victorians to apply and prove their identity through the digital application portal. Through this pathway customers can now receive their certificate via trackable express post in less than 10 days. Of course, some people always need to transact over the phone or in person, and the justice service centres offer that face-to-face option for BDM across both metro and regional Victoria. The justice service call centre staff have access to a priority phone line to births, deaths and marriages so where urgent matters arise, officers can provide that face-to-face application support for those services, which we know is really important.

The department will continue to work closely with other government departments and agencies to monitor and digitise services which Victorians and businesses interact with on a daily basis. I look forward to being able to keep the committee up to date on all the new digital services and cards that we will be adding to the Service Victoria platform for the next financial year.

**Michael GALEA:** Thank you, Minister. Indeed, as you say, the cut in the waiting times for BDM in particular was something that we discussed last year, so it is very good to see some significant progress on that.

The 'Department Performance Statement', page 56, outlines some of those 60 new products, services and features through the Service Victoria app. I also note budget paper 3, page 129, goes to common corporate platforms, and you have spoken about those front-end digital services. If I can turn your attention to some of those back-end initiatives which are listed under objective 3 for the department – which is to deliver corporate services that enable efficiency, productivity and high-quality service delivery – can you please outline and expand on what some of these investments will actually deliver and how they will make ways of dealing with government more efficient?

**Gabrielle WILLIAMS:** In relation to the common corporate platforms initiative?

**Michael GALEA:** Yes.

**Gabrielle WILLIAMS:** Yes, sure. The department, as I have been discussing and as has come up already, is not just focused on front-end digital transformation but also on how we can improve the way that the public

service itself operates. I like to think of it as a bit of an efficiency engine room – efficient for Victorians’ experience of dealing with government but also efficient in transforming the way that government itself operates to mean that we can spend our resources in a way that delivers the greatest impact for the public and streamlines the way that we do things internally. This ultimately benefits every Victorian, as you can see, and also means we can spend more time on delivering those customer-facing services if we get our own show in order and ultimately make it more efficient.

Traditionally departments have each run different back-end services. I think we can see from that that there are efficiencies to be gained in transforming the way that is done. The common corporate platforms program is one way of doing it. It basically standardises existing processes and policies across the VPS in areas like HR and finance and procurement, for example, to improve how corporate services operate and improve the productivity of those government agencies. This has been a significant achievement in service design, working across departments to agree on things like standardised templates that are fit for purpose across multiple contexts. Obviously, that is very important because different departments are doing quite different types of work, so it is a challenging reform agenda but one that can deliver great benefits when we do that work properly and well.

The second part of that program, which is funded to the tune of about \$25 million in this budget, will expand the delivery of a new cloud-based HR and payroll system. It is called Vic Gov People. This platform has been successfully trialled and used by 7000 employees from the Department of Transport and Planning, and it will be rolled out further to the departments of Premier and Cabinet, Government Services and Treasury and Finance as well, as a part of this investment. It will enable high-quality and cost-efficient shared HR services across those departments with the opportunity to scale those benefits further over time. These are the sorts of efficiencies we want to get in the way government does things for the benefit of all Victorians, freeing up those resources to be spent elsewhere in direct impacts to the Victorian public.

**Michael GALEA:** Thank you, Minister. I look forward to seeing progress on those fronts as well. Minister, if I can ask you about mobile connectivity, I know this is an issue that you and I have spoken about at great length. I will keep on the same ‘Department Performance Statement’, page 56, which talks about the government’s program that has invested in, I see, an expected target to deliver 299 mobile infrastructure projects across black spot communities in Victoria this year. As you know, I have spoken about the issues in Clyde North and growing suburbs and communities out there that have no mobile reception at all in some cases. Understanding of course that mobile phone coverage is a federal issue, it is good to see that the state government has nevertheless stepped in, especially with this program. Can you give me an update on this program and where we are seeing some benefits coming through from that?

**Gabrielle WILLIAMS:** Sure. You are right – this has been an issue that is not only relevant to many of our regions, which is often where people go when they think about connectivity challenges, but also, as you have rightly identified, to some of our outer suburban communities. While we have been advocating very staunchly to the Commonwealth government to improve regulation of our telecommunications sector given they have primary responsibility, I think in recognition of the challenges that have been experienced here the Victorian government has substantially stepped into this space as well through the Connecting Victoria program, a \$540 million program which is delivering well over 1200 new and upgraded mobile towers, for example, across Victoria to basically address as many of the gaps as we can through that program. It is important for this committee to understand, I think, the current regulatory environment for telcos. Am I out of time?

**The CHAIR:** Unfortunately, Minister. I am a hard taskmaster when it comes to time. We will go to Mr Puglielli.

**Aiv PUGLIELLI:** Thank you, Chair. Good morning.

**Gabrielle WILLIAMS:** Hi, how are you?

**Aiv PUGLIELLI:** Well, thank you. Just starting with a recent announcement. Funding for the Victorian Community History Awards and Public Record Office Victoria’s local history grants I understand has now been discontinued. Those are quite important initiatives to support historians, community groups and local institutions across the state, so I just wanted to check: are those initiatives going to be replaced or is that it – they are gone?

**Gabrielle WILLIAMS:** What was that, sorry – that last bit?

**Aiv PUGLIELLI:** Are they going to be replaced or are they scrapped?

**Gabrielle WILLIAMS:** The local history grants?

**Aiv PUGLIELLI:** And the community history awards, yes.

**Gabrielle WILLIAMS:** I will firstly start by highlighting how important the work of the public record office is and those supporting programs to it. Obviously the PROV is the archive of state and local governments in Victoria, it has very, very significant digital and physical record databases and plays a very crucial role in managing those, so I have great, great respect for the entities and also for the importance of that work in ultimately preserving our history. PROV offers a range of funding to support Victorian community groups and creatives to preserve local history and heritage, as you know, and we recognise the importance and value of those local history grants, particularly to regional communities, in sharing and disseminating history that may otherwise be forgotten, and we have seen in recent rounds the majority of those grants do go to regional Victoria. That is why the government will continue to fund those local history grants beyond 2023–24, and I am pleased to be able to say to the committee today that the government will continue that funding over the next 12 months in addition to \$150,000 to be awarded as a part of that 2025 program, and we will have more to say in due course about the program beyond that time. What I can lean in and say is that I am a big fan of the program, and although we are in a fairly tight fiscal environment, I recognise how important those grants are, particularly for our regional communities, in being able to preserve that history and tell the stories that might otherwise go untold.

**Aiv PUGLIELLI:** Thank you, Minister. Just moving ahead, the government fleet: do you expect that at some point that is going to be all electric, and if so, when is that?

**Gabrielle WILLIAMS:** As you may be aware – I think I have got your cough, Mrs McArthur. I think it is infectious.

**Danny O'BRIEN:** From last year.

**Gabrielle WILLIAMS:** Maybe I gave mine to you, apologies. As you know we are working to accelerate the adoption of zero-emissions vehicles. We remain committed to doing our part to achieve the COP26 declaration to work towards all sale of new cars and vans. I was going to tell you about the pilot program and the 400 vehicles and 400 charging stations, but hopefully I will get another chance to do so.

**The CHAIR:** Apologies, Minister. Apologies, Mr Puglielli. Minister, that has brought our time to an end for this portfolio.

Thank you very much for appearing before the committee this morning. The committee will follow up on any questions taken on notice in writing and responses are required within five working days of the committee's request.

The committee is going to take a very short break before beginning its consideration of the consumer affairs portfolio at 9:05 am.

I declare this hearing adjourned.

**Witnesses withdrew.**