

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2024–25 Budget Estimates

Melbourne – Thursday 16 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

WITNESSES

Jacinta Allan MP, Premier; and

Jeremi Moule, Secretary,

Brigid Sunderland, Deputy Secretary, Social Policy and Intergovernmental Relations,

Joshua Puls, Deputy Secretary, Cabinet, Legal and Governance,

Jason Loos, Deputy Secretary, Economic Policy and State Productivity, and

Jeroen Weimar, Deputy Secretary, Housing Statement Implementation, Department of Premier and Cabinet.

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

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

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

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

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

I welcome the Premier of Victoria the Honourable Jacinta Allan for the portfolio of Premier and officers from the Department of Premier and Cabinet. Premier, I am going to invite you to make an opening statement or presentation of no more than 10 minutes, after which time the committee members will ask you questions. Your time starts now.

Jacinta ALLAN: Thank you very much, Chair and committee members, for the opportunity to present to you this afternoon. Can I at the outset acknowledge the traditional owners of the land on which we are gathering and pay my respects to the Wurundjeri people. I am really delighted with the opportunity to give this presentation and also to get to the question and answer bit of the committee's proceedings.

Visual presentation.

Jacinta ALLAN: What I wanted to start with this afternoon is taking the committee through how strongly Victoria is performing in regard to jobs and investment in our state. We are seeing unemployment at a historically low 4 per cent, remaining at the lowest levels it has been for nearly 50 years. We are also seeing how jobs growth is continuing to grow very strongly. This comes off the back of the government's jobs plan, which we announced in the 2020–21 budget, where we set a goal of achieving 400,000 jobs by 2025. We have well and truly exceeded that. You will see throughout my presentation that I reference 560,000 new jobs that have been created since that time, but while you were in your proceedings this morning the latest monthly ABS stats came out, and that figure is now 574,000 jobs that have been created here in Victoria. That number sees us at the highest number of jobs in any state in Australia created over that period of time.

What is also important is that this jobs growth has been seen across a range of different groups. There are more women employed, youth unemployment is at a record low and rural and regional communities have also shared in that strong jobs growth. Then off the back of that our economy is also growing. I know the Treasurer no doubt will have taken the committee through some of these statistics this morning. I do not want to necessarily repeat everything the Treasurer said, other than to emphasise that our economy is growing. It is driven by business investment, public investment and population growth, and the business investment has been particularly strong in Victoria. Business investment grew by 13 per cent in the 2023 calendar year, the largest

increase of all of the states. Also, our ongoing pipeline of public and private construction projects and that population growth that I mentioned as well are seeing Deloitte Access Economics forecasting that Victoria's economy will outpace all other states over the next five years.

But also coming off that strong foundation, in setting this budget we have also been realistic about the challenges ahead. We know, and we are seeing this still continue to be an issue across the community, inflation remains high, and we are seeing where interest rates are a really hot topic across the community and how that combination has really impacted families and communities right across the state, with the increased cost of pretty much all of our daily living expenses, and that is also impacting on the Victorian economy. It also impacts on our delivery of projects, with the cost of construction having gone up by 22 per cent since 2021. We are seeing that off the back of the cost of materials, workforce shortages, global unrest and uncertainty. That does place pressure on a whole range of different sectors of our community and economy. But this is where, in setting this budget, we were determined to face up to these challenges and make a series of sensible and disciplined decisions to support families with the delivery of services and infrastructure into the future.

Also, I want to just touch for a moment on how not just some of those inflationary impacts are putting pressure on the cost of just about everything in our community and economy, it is also placing pressure on workforce shortages. I mentioned those really strong job numbers earlier, and I do not think any of us would complain about the unemployment rate being at a record 50-year low, but it is placing pressure on the availability of workers. In construction, for example, Infrastructure Australia estimates that Australia is about 229,000 construction workers short of what we need in terms of delivering a nationwide public infrastructure program. We are also seeing across our social service sectors that this is impacting the delivery of services. We are seeing nursing and teacher vacancies, for example, being at significantly higher levels than what they were prior to the pandemic, and this again is not a set of circumstances that are unique to Victoria; they are being experienced around the country.

That combination of factors – as I have mentioned, our low unemployment, high inflation, the global disruption and conflict and the ongoing impact of the pandemic – is presenting us with challenges. That is why, off the back of some advice that came from the International Monetary Fund about how we need to look at these challenges and look at how we deliver infrastructure projects at a more measured pace, we have taken the opportunity to moderate the delivery of some of our big projects and reforms, doing this in the context of giving the workforce time to build up and catch up and skill up to where we need it to be to deliver those reforms. But in doing that, I did want to emphasise – and you can see that from the chart on the slide in front of you – that in returning our capital program to what is the prepandemic level, that still maintains a very substantial and strong infrastructure pipeline that will continue to support jobs and the productive infrastructure our growing city and state needs into the future.

I might move quickly through this slide, given time, Chair, because I am pretty confident the Treasurer will have taken you through the fiscal strategy and how we are delivering on that strategy and have used this opportunity with the sensible and disciplined decisions we have made in this budget to implement a new fifth step, which sees that progressive reduction of net debt to GSP levels. So I might skip over that slide in the interests of time, because I did want to spend a moment or two talking about the strong initiatives in the budget that support Victorian families.

We have been firmly focused on supporting Victorian families in this year's budget, and that is why we have the initiative of, for example, the new school saving bonus, providing support to 700,000 students in government and non-government schools. The tripling of the access for kids to be able to access the glasses for kids program is also a really important initiative. It is a cost-of-living initiative, but it is also a great education initiative, so too is expanding the breakfast clubs so all schools – all schools – can be eligible to participate in the breakfast club programs. Then there are the Get Active Kids vouchers, because we know that being able to participate in sport and recreation activities is great for young people; it is also great for those sporting clubs. This builds on a range of existing initiatives that we already have in place across our schools. Smile Squads, free kinder and even initiatives like baby bundles and kinder bags and prep kits are all part of providing support to families, as is providing support across our education system, whether it is the investments we are making in this year's budget to deliver on that commitment to build 100 new schools across our growing areas; the investments in new school buildings and facilities in every corner of the state; or the support for more teachers in our schools, because of course new buildings are important but even more important is what goes on inside of them, with the support for new teachers and staff. Then there is the support for those other important

education sectors, like supporting free kinder and three-year-old kinder statewide; supporting more young people who want to complete their secondary education at TAFE, and this is a great way of providing an alternate pathway for young adults to complete their year 12 or equivalent studies; and then also more support services for young people in the school setting where they can access it more easily.

Health also has been a very big and important focus in this year's budget, where we have delivered the most significant investment in our health and hospital system on record, but we have also been investing year on year in our health and hospital system since we came to government. Our public hospital system now employs 5000 more doctors, 13,000 more nurses and almost 8000 more ancillary support workers than it did a decade ago, and that comes as a result of a sustained effort in investing in funding and growth of our hospital system. Of course that traversed the period of the pandemic, when we know that placed significant pressure on all of us but put particular pressure on our health system, where there were a lot of additional costs that arose as a result of the pandemic and pressures that came as a result of the pandemic.

The last couple of slides go to our investment that we are continuing to make in the Big Build, delivering productive transport infrastructure. The budget includes money to support the delivery of the day one operation of Metro Tunnel, which will happen next year and will be a particularly important time in the history of our state as it will be such a massive change and uplift to our running of public transport services.

There is more support for our regional roads particularly, with our funding for roads and road maintenance. And then finally we also have in this year's budget a focus on keeping Victorians safe, and particularly additional investments for women and children who are victims of family violence.

The CHAIR: Thank you very much, Premier. The first 17 minutes are going to go to Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Welcome, Premier. Premier, you talked about being realistic about costs and projects. You have also highlighted that there has been a 22 per cent increase in construction costs since 2021, but at the same time you are sticking to \$30 billion to \$34.5 billion for the first stage of SRL. How can that possibly be the case?

Jacinta ALLAN: The Suburban Rail Loop is a project that we simply cannot afford not to build, and there are key reasons why I say that. The business and investment case that was released in August 2021 – and if my memory serves me correctly, I presented a copy of that business case to this committee at a previous hearing.

Danny O'BRIEN: And it said \$30 billion to \$34.5 billion.

Jacinta ALLAN: And it also demonstrated that it had a cost-benefit ratio of between 1.4 and 1.7 for every dollar invested. That demonstrates that it is a project that we simply cannot afford not to build. And then in addition to that economic analysis on why the Suburban Rail Loop is so important, when you consider it in the context that Melbourne is going to be a city bigger than Sydney by the end of the decade – so we are going to be a city that has a significant –

Danny O'BRIEN: Sorry, Premier, I do not need spin on the project, I want an answer to the question on the cost. You have just said in your presentation – and it is in the budget papers – a 22 per cent increase in construction costs. Yet you are somehow saying that does not apply to the SRL.

Jacinta ALLAN: No. Your question –

Danny O'BRIEN: If you apply that to the SRL, you are looking at a cost now for the first stage, SRL East, of \$42 billion. Isn't that correct?

Jacinta ALLAN: The question I was answering is different to the question you have just put. If your question is why are we continuing to build the Suburban Rail Loop – that was your question.

Danny O'BRIEN: No, it was not.

Jacinta ALLAN: And the question why we are building a Suburban Rail Loop and can we afford to build the Suburban Rail Loop –

Danny O'BRIEN: No, that was not the question. That is the question you want me to ask. That is not the question I asked, Premier.

The CHAIR: Mr O'Brien, perhaps you would like to ask your question again.

Danny O'BRIEN: Well, I have asked it twice, and the Premier is answering a different one. I am not sure why.

The CHAIR: As a courtesy towards me, could you please ask your question again.

Danny O'BRIEN: The question is: Premier, how can you stand by the cost of the first stage of the SRL being \$34.5 billion at the same time you say construction costs have risen by 22 per cent since that business case was done? Wait till I come to the whole benefit–cost ratio, because clearly the costs have changed.

Jacinta ALLAN: I appreciate you telegraphing your future questions. In terms of answering the one that you have just asked, in terms of presenting a cost range for the Suburban Rail Loop, that cost range did not just appear in this year's budget papers, it has appeared in budget papers, if my memory serves me correctly, for the previous two years before this one. It is about recognising exactly that. This is some advice that is being provided to governments across the country from Infrastructure Australia around setting a range around the delivery particularly of projects like the Suburban Rail Loop that will be delivered across many, many years – many years. We have been up-front about that as well. This cost range also comes with a multiyear delivery. We are saying Suburban Rail Loop East will be completed in 2035. That is 11 years away. This is, as I said, based off advice from Infrastructure Australia: it is prudent to put a cost range around big projects, big transformational projects. And we have done this for other projects as well, but we are sticking to the Suburban Rail Loop.

Danny O'BRIEN: I get the cost range. That is not the question.

Jacinta ALLAN: The reason why we put a cost range around it is in recognising that over that period of time there will potentially be an escalation of costs. And we see that –

Danny O'BRIEN: Not potentially – you have said there is: 22 per cent since 2021.

The CHAIR: Mr O'Brien, the Premier is genuinely trying to answer your question.

Danny O'BRIEN: No, she is not, Chair. Obviously, you did not listen to the question either.

The CHAIR: Mr O'Brien, the Premier is trying to answer your question. It seems to me that you do not like the answer that she is giving to your question. She is genuinely trying to answer your question.

Danny O'BRIEN: No, she is not, Chair. Perhaps I will try it a different way. Premier, given the budget papers and your own presentation highlighted a 22 per cent increase in construction costs since 2021, do you now accept that based on the numbers in the SRL business and investment case the top-end cost is now at least \$42.1 billion?

Jacinta ALLAN: I certainly am not going to accept any numbers that have been drawn up on the back of a Liberal–National party envelope from a group of people who do not support the project.

Danny O'BRIEN: They are your budget papers.

Jacinta ALLAN: I am just not going to accept any numbers that you have put to me. In terms of that, I was answering your question about the relationship between the escalation of costs in the construction sector and the range that has been put in the budget papers for three years now around the delivery of the Suburban Rail Loop, and we have done that because it is in recognition of that exact fact. This is not a new phenomenon. There has historically always been – CPI, for example. You have to factor in cost escalation across any sector or any project year on year.

Danny O'BRIEN: But you have not done that – that is my question.

Jacinta ALLAN: But my answer is we have done that in this project, which is exactly why we have set the \$30 billion to \$34.5 billion range around the Suburban Rail Loop. We have done that based on the advice –

Danny O’Brien interjected.

Jacinta ALLAN: Chair, I would really appreciate the opportunity to answer the question.

The CHAIR: Thank you, Premier. Mr O’Brien, let me say this early on: please give the Premier a chance. She is genuinely trying to answer the question that you have asked.

Jacinta ALLAN: So to repeat –

Danny O’Brien: No, we do not need a repeat if it has already been answered. Premier, even on your own figures, if you are saying you have got a cost range there, even if we take the bottom end of that range – \$30 billion for SRL East – and apply a 22 per cent increase in construction costs for the last three years, that is \$36.6 billion. It is out of the range. Do you not accept that the cost has already expanded?

Jacinta ALLAN: What I will accept is that we are currently out to market for a range of different tenders for big components of project delivery, and indeed just last December we awarded the first of the major contracts – I think it was in the range of \$3.6 billion for the first of the tunnelling contracts, which will see tunnel boring machines commence in 2026. What I will not do, and I would have thought the Public Accounts and Estimates Committee would perhaps be on a unity ticket on this, is compromise the tender process for your political benefit by putting costs around the project. We are just not going to compromise a tender process.

What we will do is publish every year in BP4, as we have done this year and as we have done with previous projects. We will continually update, both at the time of the announcement, which we did in December of last year, and in BP4 the updated costs and investments. I would rather call them investments, because this is a transformational project, being able to deliver a train line to the largest university in the country – Monash University – that currently is not serviced by a train line. It needs to be, and it will be with the Suburban Rail Loop.

Danny O’Brien: Given the Commonwealth budget on Tuesday night for the second year running provided no new money for the Suburban Rail Loop, how does that impact your costings?

Jacinta ALLAN: Well, I am delighted that you have asked me a question about the federal budget, because I recall that in previous years I appeared before the committee it was the last thing Liberal–National representatives of this committee wanted to ask me about, because we were continually duded year upon year –

Danny O’Brien: I just want you to answer the question, Premier.

Jacinta ALLAN: I am just curious about your inconsistency. It is a very curious thing, your inconsistency when you ask about the federal budget. You did not want to ask about the federal budget at previous estimates hearings, because Victoria continually got duded, year upon year upon year, with funding allocations from the federal Liberal government. We saw a very different picture on Tuesday night from the federal budget. What we have also seen –

Danny O’Brien: On a point of order, Chair, on the question of relevance, the question was about the Suburban Rail Loop, and I would ask you to bring the Premier back to answering the question as to how much the government is relying on the federal government for this project.

Jacinta ALLAN: On the point of order, Chair, the question asked me directly about the federal budget as well as the Suburban Rail Loop, so I was indeed being very relevant to the question asked.

Danny O’Brien: You were not. Come back to the SRL, please.

The CHAIR: I am going to make a ruling on the point of order. I think the Premier was being relevant to the question that you asked. You did ask about the federal budget, Mr O’Brien. The Premier is just starting with her remarks. Please allow her an opportunity to answer your question.

Jacinta ALLAN: In terms of the federal budget, we were very pleased to receive support from the federal government for projects here in Victoria, and – you will note this from BP4 as well – the federal government have already provided \$2.2 billion to the Suburban Rail Loop. If I can provide the committee with a reference that the now Prime Minister made at the time of making that commitment, he said:

I can't think of a more exciting infrastructure project in the entire nation and that's why federal Labor will contribute an initial contribution of \$2.2 billion to this project.

I am happy for the benefit of the committee to provide you with that comment. I give you that comment in the context of answering your question, Mr O'Brien, around the support we are receiving from the federal Labor government, not just for infrastructure projects in this state but also for the Suburban Rail Loop. We have received an initial contribution from the federal Labor government, and as is appropriate with all projects, and having done a few projects now over a few years with a few different infrastructure ministers along the way, we have a process that is established with the federal government. Infrastructure Australia are looking at this project – there is a process associated with that. But what is important here is we have a partner in Canberra for this project. They have provided \$2.2 billion, which the Prime Minister has identified as an initial contribution. He has called it an 'exciting infrastructure project' not just for Victoria but for 'the entire nation', and we are going through the appropriate processes with the government in Canberra, which knows where Melbourne and Victoria are on a map. I can tell you that is pretty different to the infrastructure ministers I have dealt with in the past.

Danny O'BRIEN: When is the cut-off point for federal funding? When do you have to say: we are not getting it and we have to go ahead and find the money ourselves?

Jacinta ALLAN: Again, you will no doubt interrupt me and say I am not answering the question. What that misunderstands is the process of both how we are delivering this project and how we have packaged this project.

Danny O'BRIEN: Well, you cannot get to 2035 and then say, 'We're not going to go ahead because we haven't got any federal money.' You have got to have a point in time.

Mathew HILAKARI: On a point of order, I think we are able to ask questions. We are entitled to hear the answers to those questions. Witnesses should be given that opportunity –

Danny O'BRIEN: Mate, come on. Seriously?

Mathew HILAKARI: just like the Treasurer was.

Danny O'BRIEN: I just want an answer to the questions.

The CHAIR: I am going to rule on the point of order. The Premier is trying to answer your questions, Mr O'Brien. You are pre-empting and trying to put words into the Premier's mouth time and time again. Could you please just ask her a question –

Danny O'BRIEN: It takes 7 minutes to answer it.

The CHAIR: and afford her the opportunity to answer your question.

Danny O'BRIEN: This is a joke, Chair. Premier, when is the cut-off? When do you accept that there is no federal funding in it?

Jacinta ALLAN: Again, that is a hypothetical. You are assuming that there is no federal funding. There already is federal funding. There already is federal funding for this project – \$2.2 billion. And I tell you what: I am not going to give up the ghost like Mr O'Brien and Liberal–National politicians here in Victoria did when we were not getting our fair share of infrastructure projects from previous federal Liberal–National governments. We will keep on advocating, fighting, pushing the case for Victoria to receive its fair share. It is what we have done every single day, regardless of what government is in Canberra. We have done it repeatedly – year in, year out – and as I have pointed to, Tuesday's budget clearly demonstrated that the current federal government knows where Melbourne is and knows where Victoria is on a map and is prepared to back in important projects for our city and state.

Danny O'BRIEN: Leaving the argument on SRL aside, Premier, you will remember your predecessor in the last election when it came to hospitals and rail said the Old El Paso policy: why don't we have both? Given that this budget cans the Arden health precinct project, cans the Geelong fast rail project and puts the airport rail on the never-never, is it a fact that the Old El Paso policy of 'We can have everything' is dead because Labor cannot manage money?

Jacinta ALLAN: Chair, I really hope I have the opportunity to unpack each of these projects without interruption. Firstly, the Geelong fast rail project was a decision by the federal government to not proceed with the project following an independent review of the nation's infrastructure pipeline. The reason why that independent review was commissioned by the federal government into the nation's infrastructure pipeline is because it was stuffed full of failed projects put there by the former Liberal-National government that just were not able to be delivered. That is the Geelong fast rail project, so your characterisation of that project is incorrect in your question. Secondly, on airport – airport, as we have said repeatedly, is a project that has been delayed because of the frustrating negotiations that have stalled with the airport itself. We cannot deliver this project without the cooperation of the airport. That project, as a result of those frustrations with the negotiations and the demands from the airport, has been delayed, and it is only appropriate that we reflect that delay in these budget papers. That project is now going through an independent mediator process that is being led by the Commonwealth –

Danny O'BRIEN: We know all that, Premier.

Jacinta ALLAN: Well, your characterisation of these three projects and their intersection with the fiscal strategy of this state is simply incorrect. And that is why I am taking the opportunity to correct your incorrect statements. Finally, when it comes to the delivery of hospitals, we are going to deliver world-class hospital facilities to the same footprint and magnitude that we had committed to. What we have done, though, is taken the opportunity –

Danny O'Brien interjected.

The CHAIR: Mr O'Brien!

Jacinta ALLAN: And we are going to do that by taking the advice of our expert engineers, who have gone in and had a look –

Danny O'BRIEN: Which you knew about three years ago.

Jacinta ALLAN: What we did not have three years ago was test trains running through the Metro Tunnel. What we did not have three years ago was 18,000 kilometres of testing of trains that has been undertaken through the Metro Tunnel, which has given us the opportunity to look at some of the challenges that have now become apparent with the footprint and being able to build a hospital on the Arden site. Let us remember why we are having a conversation about the opportunity to build hospitals and homes at Arden and Parkville. It is because we are building the Metro Tunnel, and it is going to be open next year.

Danny O'BRIEN: Okay. Thank you, Premier.

Jacinta ALLAN: So we have the opportunity at Parkville to build exactly the same footprint of hospitals at the Parkville site whilst we also have the opportunity at Arden to free up space for more homes, and what has not changed over that period of time, because you asked about what has changed –

Danny O'BRIEN: Yes, come on.

Jacinta ALLAN: What has not changed over that period of time –

Danny O'Brien interjected.

The CHAIR: Mr O'Brien!

Jacinta ALLAN: What has not changed over that period of time is the connection of these two precincts by the Metro Tunnel. It will be something like a 4-minute train ride at the most between these two precincts.

Danny O'BRIEN: Thank you, Premier. You have answered the question. Premier, we are going ahead with the \$34.5 billion – or \$42 billion – Suburban Rail Loop and we have got a \$10 billion blowout on the North East Link, yet in the same budget you are deferring projects like Maryborough and Swan Hill hospitals and you have not funded the West Gippsland hospital that you promised. How is that fair for rural and regional Victoria when these billions of cost overruns are occurring in metro areas and yet we are not getting the services that we need in regional Victoria?

Jacinta ALLAN: I am going to absolutely reject outright your claim that we are not getting the services in regional Victoria. We most absolutely are –

Danny O'BRIEN: It is in your budget papers that those projects have been deferred or not funded.

Jacinta ALLAN: I was at the Maryborough hospital only a few short weeks ago, and I saw for myself –

Danny O'BRIEN: And it has been delayed.

Jacinta ALLAN: The construction work is happening right now.

Danny O'BRIEN: It is in your budget papers that it is being delayed.

Jacinta ALLAN: And the Swan Hill hospital – I tell you who never funded the Swan Hill hospital; the Liberal–Nationals government never funded it.

Danny O'BRIEN: No, no. I know I have got you when you turn to that old chestnut.

Jacinta ALLAN: Well, it is true, though – it is true. You are wanting to have a debate on facts. The Swan Hill hospital –

Danny O'BRIEN: Where is the money for the West Gippsland hospital?

Jacinta ALLAN: The West Gippsland hospital, again a project that has been commenced by a Labor government, is in planning, and when that planning is completed we will move to the construction phase of the project.

Danny O'BRIEN: We have got the money for the North East Link \$10 billion blowout, but we are not funding those projects.

The CHAIR: Thank you, Mr O'Brien. Your time is unfortunately up. We are going to go to Mr Galea.

Michael GALEA: Thank you, Chair. Thank you, Premier and officials, for joining us today. Premier, in your presentation you touched on the many and various strengths of the current state of the Victorian economy. It is particularly interesting to note too those updated ABS jobs figures of 574,000 new jobs created since September 2020. On that note and on budget paper 2, page 3, which discusses the strong financial management, can you outline the steps the government has taken to support job growth in the Victorian economy and how that has come about?

Jacinta ALLAN: Thanks for that question. As I flagged in my presentation earlier, we do have a strong economy, and we have seen strong jobs growth over that period of time. We will continue to remain focused on supporting more Victorians to find a job and stay in a job. As I said, that historically low unemployment rate – the lowest rates in nearly 50 years – is a good thing. It absolutely is a good thing, and it has been underpinned by that jobs plan that we released in November 2020, which laid out a pathway – what was then seen as an ambitious target of 400,000 jobs being created by 2025. Thanks to the strength of our economy here, the strength of businesses too across our state and, can I also say, the support they were provided during the most difficult times of the pandemic, we have not just achieved this goal, we have far exceeded it, with as at this morning 574,000 jobs having been created here in Victoria. That is around one in three of all jobs created in the country. Let us pause and think about that for a minute. It is not only strong for Victoria, it is strong for the nation as well. Also – and I mentioned this earlier, but I do think it is worth repeating, because as unemployment lowers there are often still some groups in our community who find it hard to access a job – we have seen that the share of working-age women in employment is now at around a record high and youth

unemployment at a record low. So key groups that have historically not shared in that strong labour market are participating now strongly in the labour market.

Also, the unemployment rate in regional cities and rural communities is at a historically low 3.7 per cent. We will come back to workforce challenges in a moment, but again, as someone who represents one of those great regional cities, this is a very, very strong and positive result for regional and rural communities. But also business investment – this is also a critical measure of the strength of our economy. Business investment has grown by 13 per cent in 2023, again the largest increase of all states, and also almost six percentage points higher than the growth across the rest of Australia. This certainly has not happened by accident.

We have been having a conversation already about productive infrastructure and the importance of productive infrastructure, not only to support transport connections into the future but about too the jobs it supports today. We have also just had a conversation about health infrastructure – again, it is not just about providing expanded and new world-class health facilities across the state, it is also providing an important pipeline of jobs. But also that expansion of our hospital system has seen – and I will repeat also these numbers that I gave earlier – 5000 more doctors, 13,000 more nurses and 8000 more ancillary support workers in our health system today compared to a decade ago. When we talk about people being able to access services, it is so critically important that you have that combination of the people and the infrastructure to deliver that expansion of services for people and communities across the state.

Michael GALEA: Thank you, Premier. And as you touched upon as well, with such strong jobs growth, there is the inverse of that, which is challenges in terms of the labour force, and that is not just in the private sector, of course, that is in the government as well. What sorts of ways has that made it harder for employers, including in some cases government, to hire people?

Jacinta ALLAN: Look, it is definitely a challenge, and again, I do not want to not credit that it is a good thing. It is a good thing to have more people in work. It is very, very important. It does mean, though, that there is the reality of that, and again there is a combination of factors for this. The pandemic was a really big one – a really, really big one – in terms of what that means in terms of workforce and supply shortages across the public sector, private sector and community sector as well. And this is not unique to Victoria; it is happening around the country. Those Infrastructure Australia numbers show that demand for workers is more than double the current infrastructure pipeline. We are 229,000 workers short of what we need. A lot of the work that our skills minister Gayle Tierney does through the Victorian skills plan also shows some key sectors like construction managers, electricians, plumbers and painting trades – again, it puts areas of supply that are in shortage, and that has an impact on the housing industry as well.

Also, when we look at those important social services sectors, they are also facing challenges with attracting workforce. Job vacancies in nursing, mental health and early childhood are all significantly higher than what they were before the pandemic. For example, early childhood teaching vacancies are 3.3 times higher than what they were in 2019. Registered nurse vacancies are 2.2 times higher than they were in 2019, and for nursing support and personal care workers they are 2.8 times higher than what they were in 2019. The mental health workforce: psychiatrist vacancies, 2½ times higher than in 2019, and psychologist vacancies, 2.6 times higher. Again, if I can repeat, this is not something that is unique to Victoria. New South Wales and other states are also facing these significant challenges, and that is why the significant emphasis and effort we put into supporting our workforce through a range of initiatives is particularly important.

Michael GALEA: Thank you, Premier. You have touched on initiatives. What is the government doing to address that issue?

Jacinta ALLAN: That is a really important question. There are two ways that we are responding to these workforce challenges. The first is what we are doing to invest in workforce initiatives at a universal level – that is, not only was saving TAFE and rebuilding TAFE and revitalising TAFE so important, free TAFE has now helped more than 170,000 Victorians to be able to access a training opportunity. We also – and this is again such a great initiative and so important to address those two key areas that are a state government's responsibility – have nursing and teaching scholarships. Being able to support teaching degrees and nursing degrees for young Victorians is just so critically important. And we have been supporting the recruitment and training, for example, of 17,000 nurses and investing \$32 million to encourage doctors to specialise in general

practice. This is something that is a little bit outside of traditional state government areas, but we recognise that access to a doctor is really, really important, and we have invested in that workforce as well.

On early childhood – and this is such a key priority area for the government with our big reform program, alongside our free kinder investment as well – we have invested already \$370 million for this workforce. That has gone to scholarships and traineeships but also to overseas recruitment to support more staff into this really important area.

Another area that is facing challenges for workforce and is in competition with other sectors and other parts of the country and the world is our clean energy space, and that is why, as part of bringing back the SEC and investing in renewable energy, the SEC centre of training excellence is really important. It is important not just to help train that workforce to have them ready to take on the jobs that will come but also in order to make that transition to cleaner, greener energy sources and supply we need the workforce to be able to do it.

There are a range of other examples that I could give you in terms of what we are doing to support, for example, vocational education in our schools. This is something for which I want to pay credit to the former education minister James Merlino, who transformed the VCE year so we now have the introduction of the VCE vocational major for our year 12s, giving a great alternative pathway to our kids in year 12.

We have also in this year's budget – looking at a couple of other key areas – \$16 million to deliver a new mental health graduate program, again given the mental health workforce is a real challenge in terms of how we embark on that transformational reform. This is continuing to support that workforce and is on top of the \$600 million we have already invested in the mental health workforce.

There is also that ongoing work. I have mentioned free TAFE already. Other initiatives have been supporting apprentices and trainees, particularly having those targets in the Major Projects Skills Guarantee in all of our projects. And this budget also includes \$11 million to continue support for apprentices, trainees and their employers to meet those workforce priorities, which is why, going back to – I think I referenced earlier – that skills plan, it is so important to have that analysis that is undertaken by the skills area at a statewide level and how then we can respond to that and work in partnership too with the private sector on the initiatives that address those shortages.

I did mention that there were two ways that we were addressing this. The second one is of course looking at understanding the realities of the world around us, understanding some of those pressures and challenges and how we can manage them accordingly within our own pipeline and within our own programs. We were just having some conversations about our capital program and what decisions we have made through this budget. I made mention earlier of the advice from the International Monetary Fund as well that now is the time to look at – as we geared up during the pandemic and a lot of investment went into the infrastructure pipeline really to keep people engaged and in employment during that period of time – how we now then need to recalibrate in terms of managing both some of those workforce issues but also the pressure on the supply of materials and resources, and that is also impacted by some of the global unrest and uncertainty that we have seen in recent years. That is why that very sensible decision to return our capital program back to those pre-pandemic levels is a way of managing those issues around some of the inflationary impacts and also workforce shortage constraints. But I do again want to emphasise that returning the infrastructure program, our capital program, to pre-pandemic levels still is maintaining a very strong pipeline – a very, very strong pipeline, as the chart can show you – and this is important to help us manage the forward pipeline.

Also, we are taking a similar approach through the rollout of Best Start, Best Life and in the mental health and wellbeing area. I mentioned earlier we have already invested \$370 million in attracting early childhood educators into the sector, but the advice we have is that to roll out further access to early childhood will require more than 11,000 extra educators and teachers – 11,000. So we need time. We need time to skill up this workforce, to attract this workforce, to build up this workforce, and that is why we are continuing with free kinder, we are continuing with the rollout of three-year-old kinder, we are continuing with the rollout of four-year-old – that pre-prep year – but are doing it in a more gradual way to align the rollout with the availability of the workforce. It is just a very pragmatic response to the challenge. And I note that the Municipal Association of Victoria has acknowledged that they are pleased that their advice has been heeded and that the future rollout will be more gradual and that this more measured approach will allow the best possible services to be provided

to our community. So I think, again, it is that sensible approach to get your alignment of these reforms with the workforce who are skilled up and ready to deliver it.

And then also it is a very similar approach that we are taking in the rollout of mental health and wellbeing locals. We have been implementing since 2021 the mental health royal commission reforms, rebuilding our mental health system from the ground up, and to date have already invested \$6 billion – \$6 billion – in that reform program. But it does not just require significant investment, it also needs significant workforce to match that investment. Just like we see in early childhood, this area requires an additional 2500 mental health workers, psychologists, psychiatrists, to be able to support the delivery of this reform as well. And so that is where we have made that decision, in delivering the reform package, to look at how we can calibrate accordingly the workforce supply with the rollout of mental health and wellbeing locals. Again I can acknowledge the great work of Pat McGorry, which he does every single day in this mental health area. He has said it is:

... the right thing to do. If you're going to do it, do it properly.

And to do it properly we need the workforce to be able to deliver that. So these are some examples of how we are responding in a really sensible way, a disciplined way, to those challenges that are around us and also giving time for Victorians to be skilled up to work in these really exciting opportunities into the future.

Michael GALEA: Thank you, Premier. On the broader subject there of the government's fiscal strategy, we also heard of course from Treasurer Tim Pallas this morning on this – budget paper 2, page 4, references that strategy. I would be keen to hear your perspective on how the government is progressing in achieving that strategy.

Jacinta ALLAN: I think the progress on our strategy – there is perhaps no better example of that than the latest ABS monthly unemployment data. All through our materials we have been referring to 560,000 jobs having been created since November 2020. Well, as at this morning we have to change that to 574,000 jobs that have been created, because the latest data shows that we have created more jobs. I think we are second this month only to Queensland in terms of the number of jobs that have been created, and also – and this is important from a growth and investment perspective – our economy is now estimated to be 11 per cent larger in real terms than it was during the pandemic. And if you think about that, how during the pandemic so many people were out of work, population rates went backwards, you had so much damage to communities and the economy during that period of time, to have come back and to be a bigger and stronger and more productive economy – that is really as a consequence of the work of everyone involved in having that focus on building to a post-pandemic economy.

Michael GALEA: Thank you, Premier.

The CHAIR: Thank you, Premier. We will go to Mrs McArthur.

Bev McARTHUR: Thank you, Chair. Could I call Deputy Secretary Weimar to the table, please?

The CHAIR: Mrs McArthur, that would be inappropriate. Mr Weimar is now the deputy secretary for housing. Can you please, before you make that request –

Bev McARTHUR: Sorry. He is on the list, from 2 to 4.45 pm: Mr Weimar, Deputy Secretary, Housing Statement Implementation. Could he come to the table, please?

Jacinta ALLAN: Jeroen, do you want to pop down here? I am sure Bev would appreciate being in your line of sight.

Bev McARTHUR: Thank you. Are we Commander Weimar or Mr Weimar these days?

Jeroen WEIMAR: Mr Weimar.

Bev McARTHUR: Mr Weimar? We have moved on from the pandemic.

Jacinta ALLAN: I think you have always been that, haven't you?

Jeroen WEIMAR: Always Mr Weimar, indeed. Yes.

Bev McARTHUR: You have moved on from the pandemic – and the comm games. You were the overseer of that operation as well, weren't you?

Jeroen WEIMAR: I was the CEO of Victoria 2026; that is right.

Bev McARTHUR: Yes, yes. That was \$600 million that we lost on that.

Michael GALEA: On a point of order, Chair, I would ask that Mrs McArthur ask questions relevant to Mr Weimar's responsibilities.

Bev McARTHUR: We are going to his fabulous reputation as the –

The CHAIR: Mrs McArthur, this is your time, and I know how much you value your time. Mrs McArthur, if you have a question that is relevant to Mr Weimar's portfolio, please ask it.

Bev McARTHUR: Well, Deputy Secretary, the Housing Industry Association has said that Victoria will see fewer than 51,000 new homes built this year and under 55,000 new homes for the next two years. Given this advice from industry, how will you meet your 80,000 a year homes target for which you are the implementation charge?

Mathew HILAKARI: Sorry, a point of order, can you please provide a budget reference for that?

Bev McARTHUR: Okay. Budget paper 3, page 76.

Jacinta ALLAN: On a point of order, Chair, could I just make it clear that the targets that Mrs McArthur is referring to are actually the government's targets, not Mr Weimar's targets. He will answer in that frame, not that they are his personal housing targets that have been set.

The CHAIR: Thank you, Premier.

Bev McARTHUR: Mr Weimar, are you involved in the implementation of this housing build?

Jeroen WEIMAR: Yes, Mrs McArthur. I have been on board for the last two months on a short-term contract to work across government and to work closely with industry around how we essentially galvanise the housing and construction industry – the commercial housing industry – to build more homes for Victorians. As you say, if you look at the housing and construction starts over the last five years, they have been dropping. We can of course talk about the experience of the construction industry through COVID, but we have certainly seen significant declines in housing completions over the last two or three years, and that has also led to the particularly acute housing crisis – housing supply crisis and affordability crisis – we see at this point in time.

I have inherited the government's housing statement, which was issued in September last year. There are 37 or so initiatives in that housing statement. I am very happy to go through the work we are doing on that across different parts of government. What I will say is, in my extensive conversations with industry, I think we all recognise the number of levers that government has that can contribute to increasing the number of homes being built in Victoria. A lot of progress is being made by industry. A lot of work is being done by government to use every single lever at our disposal, but ultimately we are there to enable industry to build more homes to ensure that Victorians can have a home in the places where they can live and be well.

Bev McARTHUR: So what is your housing target for this year, 2024–25?

Jacinta ALLAN: The government's housing target?

Jeroen WEIMAR: The government's housing target is to work towards 80,000 homes being built every year. We are now working with industry on the details of what are the various measures we have got to input to work towards that target.

Bev McARTHUR: How many have you built so far this year?

Jeroen WEIMAR: Well, personally I have not built any houses, Mrs McArthur. I am, unfortunately, a bureaucrat working across government.

Bev McARTHUR: But you are in charge of building 80,000 houses. Isn't that your job?

Jeroen WEIMAR: No, my role is to coordinate the work that is happening across multiple government department and public agencies to work with the housing industry to ensure that collectively we increase the number of homes being built in Victoria. There is a target there of getting towards 80,000 homes a year. That is the work we are doing. You will appreciate that with the average length of time – if I go through the whole process, with us rezoning land available for residential development, whether it be within growth suburbs or within Melbourne; with the work particularly in brownfield sites, decontamination of land, assembling land and making it ready for development; the work we are currently doing, particularly with government-owned sites, to procure and to work with developers on how we bring those sites forward for development; and then the work of actually getting construction done and for sale – this is not a fast process. So with respect –

Bev McARTHUR: Sorry, Deputy Secretary, if we are going to build 80,000 homes this year – we are nearly halfway through the year – how many have we built so far?

Jeroen WEIMAR: The records for last year, so the last set of ABS data that has been released publicly is around 55,000 homes being built last year, 2023. We continue to work with industry to release the land that we have available within government, to speed up our planning system between the state and local councils and to look at every single step along the way around how we can improve building regulations and to ensure that homes can get built. I do not have an accurate number month on month as to how many homes are being built. Ultimately this is a distributed industry. What I can say of course is that a number of measures have already been put into place. If I look at the changes we have made to the planning code to allow small homes or granny flats to be developed on properties, that has been successful and effective, and we are seeing significant take-up of those initiatives. If I look at the work we are doing around the development facilitation program, we have over 33,000 homes now in the pre-application stage coming forward and government is going through an accelerated planning approval pathway to ensure that those homes and those developers can come forward.

Bev McARTHUR: Deputy Secretary, the property council have said that 30 per cent of the cost of a house is involved in the government's taxes and charges. What are you learning from that consultation, where you are working with all these stakeholders in this housing building operation?

Jeroen WEIMAR: What I think we are learning from the conversation I am having with developers and with constructors is that number one the industry is still significantly processing all the challenges of the supply chain constraints during the COVID period, and we are still seeing around a 30 to 40 per cent increase in construction costs within the residential sector. We are still looking at some challenges around achieving the right combination of skills and workforce to develop the kinds of homes that we need. What we are now talking about is how we can work, particularly with local councils, to speed up the planning system. We know that in some developments, particularly within established urban areas, there can be significant delays around planning approvals, so government is looking at what it can do.

Bev McARTHUR: So it is local government's fault, do you think?

Jeroen WEIMAR: No, I am not saying that at all. I think what the developers are saying to me and what the builders are saying to me is that one of the elements that can cause delays is delays around planning approvals, and that is why we have introduced the development facilitation program, which allows significant residential developments, over \$50 million and over 10 per cent affordable housing, to be accelerated, to be given quicker decisions. As a result of that we are seeing some of those developments come forward more quickly. We also have I think at least 45 sites, although we find more every other week, of government-owned land that we are looking to bring forward into residential development. We have around 22 of those sites already underway, where we have construction on the sites – about five of those – and about 15 at various stages of contracting. So a lot has happened in a few months. A lot more needs to happen, and as you say, Mrs McArthur, it is a long process. The homes we commission today do not get built tomorrow.

Bev McARTHUR: Are there KPIs built into your salary to ensure that we do get a certain 80,000 houses built?

Jeremi MOULE: Mrs McArthur, if I could perhaps provide some clarification, the government's policy is to build 800,000 homes over 10 years. I think you would appreciate that a reform –

Bev McARTHUR: You said 800,000 over 10 years, isn't it?

Jacinta ALLAN: Yes.

Jeremi MOULE: Yes.

Bev McARTHUR: So 80,000.

Jeremi MOULE: It is not a commitment to build 80,000 a year, and I think you would appreciate that a reform program that the housing statement puts in place takes some time to implement reform and then lead to an acceleration in building.

Bev McARTHUR: Is that a correction?

Jeremi MOULE: It is a clarification.

Bev McARTHUR: Oh, a clarification.

Jeremi MOULE: The framing of your question was 80,000 a year. That is not the commitment. It is 800,000 over 10 years.

Bev McARTHUR: Well, the Deputy Secretary confirmed it.

Jacinta ALLAN: No, that is verballing the witness.

The CHAIR: No, that is entirely incorrect, Mrs McArthur. If you are listening to Mr Moule –

Danny O'BRIEN: Sorry, Chair, why are you intervening on the government's answer?

Bev McARTHUR: Excuse me, Chair, sorry, I have got the floor, not you. Okay, let us go to gas.

Jacinta ALLAN: Well, show some respect for our witnesses.

Bev McARTHUR: I do not think the Chair can comment on that question. Either she has a point of order or we have a question.

The CHAIR: Mrs McArthur, I will remind you not to try to put words into the mouths of witnesses. Mr Moule was just clarifying what Mr Weimar had said.

Jacinta ALLAN: Also, Chair, just to assist –

Bev McARTHUR: Perhaps I can ask the Secretary, then, about gas.

The CHAIR: If you have got a question to ask, please ask it.

Bev McARTHUR: Secretary, are you aware that about 80 per cent of Victorians have gas in their homes?

Jeremi MOULE: I do not have that figure in front of me, but if that is the figure that you are presenting to me, I will take it at face value, Mrs McArthur.

Bev McARTHUR: I am referring to budget paper 3, pages 29 and 30. You do not have that figure?

Jeremi MOULE: I do not have it immediately in front of me, but I am willing to take your word for it at this point, Mrs McArthur.

Bev McARTHUR: Excellent. The government's policy to ban gas in new premises is of serious concern to many people, especially in rural Victoria.

Jacinta ALLAN: Only those who have got access to gas in rural Victoria.

Bev McARTHUR: Yes. Well, we do in many areas, Premier.

Jacinta ALLAN: There are many areas that do not. I do not.

Bev McARTHUR: Well, there are many areas that do.

Jacinta ALLAN: There are many that do not – many, many that do not.

Bev McARTHUR: Out in the country to convert a house or to build a new home to be a fully electric home is a considerable cost, which many cannot afford. So enforcing this ban – how much do you think it is going to cost Victorians?

Jacinta ALLAN: For clarification, where is the evidence of that claim that it is more expensive, Mrs McArthur?

Bev McARTHUR: I can give you a case in point in Avoca, Premier, of a new build where you have to upgrade the connection from not the grid but just the power box down the end of the street to a house to make an all-electric home. And that does include a connection for your electric car. So people are going to have to get portable gas. Anyway –

Jacinta ALLAN: I thought we were talking about electric.

Bev McARTHUR: If you go to a house that is all electric, it costs an awful lot more to build the house, connect it to the powerline – Powercor only provide a certain amount of power to a house to start with – and you have to upgrade it considerably. It is extremely costly.

Jacinta ALLAN: You might have to write up your case study to test that out.

Bev McARTHUR: I will. I have actually probably sent it to the minister for energy.

The CHAIR: Mrs McArthur, can I just suggest you ask your question.

Bev McARTHUR: Premier, do you have gas in your home?

Jacinta ALLAN: As I just said, Mrs McArthur, no, I do not. And the reason why I do not is because I am in one of those rural areas of regional Victoria where for many of us gas is just not an option. It has been that way forevermore. I do not know, Mr O'Brien, if you have gas where you are or not.

Danny O'BRIEN: Both Mr Brumby and my predecessor Mr Ryan put lots of money in and connected lots of regional areas up, Premier.

Jacinta ALLAN: Yes, they did, but there were still lots that could not access gas. The only choice I have where I live is electric – and solar too, sorry, I should say. And I am on water tanks. Would you like to know anything else about my utilities connection? The phone connection is a bit patchy.

Danny O'BRIEN: Does it disappoint you that you do not have the choice?

Jacinta ALLAN: No, because it has never been a choice. Like vast parts of your electorate and vast parts of

Danny O'BRIEN: It is now not going to be for anyone building a new home, is it?

Jacinta ALLAN: Well, you see, I am quite delighted to have solar panels on my roof and to know that electricity prices in Victoria, based on AEMO's latest quarterly data, are the lowest in the country. Our Victorian default offer is delivering cheaper electricity prices. I am also very pleased to be connected to the electricity grid, which as we transition to renewable energy provides us with not just a cheaper source of energy but a more secure source of energy as well. Would you like to know anything else about my utilities connections? I would like the phone connection to be a bit better.

Bev McARTHUR: Sorry?

Jacinta ALLAN: I would like the phone connection to be a bit – wouldn't you? Would you like the phone connection to be better?

Bev McARTHUR: Premier, have you received any advice on the cost of requiring existing premises to move off gas?

Jacinta ALLAN: Did you say the cost of acquiring?

Bev McARTHUR: Requiring.

Jacinta ALLAN: Oh, requiring. I thought you asking us to acquire properties.

Bev McARTHUR: Requiring – existing premises. What is the cost for people? Have you got any advice on the cost of requiring existing premises to move off gas to electricity?

Jacinta ALLAN: I am sure the Minister for Energy and Resources is delighted at the telegraphing of her PAEC appearance. But we do know that converting an existing home from gas to all electric will save an average family \$1700 per year. Pop some rooftop solar on top of that and those total savings go up to \$2700 a year because you can add up to \$1000 that is saved from having rooftop solar. When we talk about these transitions we use an evidence-based approach that is based on challenges with supply, both in terms of the diminishing supply of gas – and it is not us saying this, Ms McArthur, it is the chief scientist saying this, and frankly that is where we will get our advice from on these important policy areas.

Also, we know that we must transition to renewable energy sources, and this is good for us in country Victoria, Ms McArthur, because it also means jobs. It means jobs in our community, jobs in the wind industry, jobs in the solar industry, the rollout of more batteries. This is important for those two – well, there are three reasons: it is jobs, it is security and it is renewable energy. That is why we are progressing down this path.

Bev McARTHUR: And how do you answer the people that cannot put in a complaint to anybody on a renewable project or even the transmission line projects because there is no way they can go to VCAT any longer, because of your change to the regulations?

Jacinta ALLAN: Well, that statement is incorrect, because there continues to be – I think you are referring to the planning processes that we announced a few months ago.

Bev McARTHUR: The new planning amendment scheme.

Jacinta ALLAN: That is not correct to say that the community cannot have their say.

Danny O'BRIEN: No, they cannot go to VCAT.

Bev McARTHUR: They cannot go to VCAT.

Jacinta ALLAN: They most absolutely can be part of the process – absolutely part of the process. But what we are seeing is that since 2015, more than one in five applications have ended up in VCAT. What that has done is that has added significant time and significant expense to projects, but also many of those were knocked out at VCAT, so those projects still went ahead. So what we are simply doing, like we have done with housing, is making sure our planning system is responding to the needs of our community. You cannot deny that farmers in our communities need to have access to renewable energy sources. You cannot deny that they need that. What do they need to get that? They need transmission wires to connect their farms, to connect their productive enterprises up to a secure, cheaper energy source. We are supporting and facilitating that.

Bev McARTHUR: So you would have the transmission lines crisscross the environment like a spider web against everybody's wishes?

The CHAIR: Apologies, Mrs McArthur. Your time is up. We have to go to –

Danny O'BRIEN: Chair, just a point of order.

Jacinta ALLAN: I am assuming this is not eating into my time.

Danny O'BRIEN: No, it is not eating into anyone's time; that is why I do it now. Just to seek a clarification, Chair, Mr Weimar said 80,000 new homes a year; the Secretary corrected him that it is 800,000 over 10 years. But I have just looked at the government's website which says about the housing statement it aims to deliver

80,000 new homes each year across the state. So I just wanted to clarify and offer the Secretary an opportunity to clarify which is the case. It is important, because if we are not delivering 80,000 a year, then we are not going to meet the target. It is vic.gov.au/housing-statement.

The CHAIR: Have you got that clarification, Mr Moule?

Jeremi MOULE: Mr O'Brien, the 800,000 target over 10 years is the ambition of the government. The reform work, I think you would appreciate, does not start on day one just because you plonk a statement on the table. That is a significant piece of work and it is certainly happening at pace right now. In year one, the notion that you could uplift immediately just by doing that, I think you would appreciate, is not achievable. But the target – the 800,000 –

Danny O'BRIEN: Okay. Perhaps the website needs to be corrected then, Secretary, because that is literally what it says: it aims to deliver 80,000 new homes each year across the state.

Jacinta ALLAN: I think we appreciate your research assistance. You have provided some voluntary research to the Department of Premier and Cabinet. We are grateful for that.

Danny O'BRIEN: Well, I am here to help, Premier. This government does not know whether it is Arthur or Martha, but we can help you. Good.

The CHAIR: Thank you, Mr O'Brien. We are moving on. We are going to Mr Tak.

Meng Heang TAK: Thank you, Chair, Premier and Secretary. Page 18 of budget paper 2 talks about how inflation is putting pressure on Victorian families. Premier, can you tell us how the government is helping families with easing their cost-of-living pressures?

Jacinta ALLAN: Thank you for your question. This is an important one because it is a question that is being asked in households right around the state and we know right around the country as well, because that combination of interest rate rises and inflationary pressures is really affecting particularly families and households. We have seen the cost of everything go up – transport, groceries, household bills – and we know that families are doing it tough, and that is why in framing this year's budget we have absolutely had an eye to how we can support families with some additional assistance, and I do note this is additional assistance on top of a lot of investments we already make right now in supporting Victorian families. That is why this budget includes tangible, practical, real support for families. It includes the introduction of a one-off \$400 school saving bonus to help families cover the costs of their schooling, and that is \$400 per student. I mentioned before we are tripling the access to the glasses for kids program. This is a terrific program helping more kids to be their best in the classroom simply because they can see much better as a result of having access to this program. We are expanding the school breakfast club program to every single school, and this will see 150 extra schools added next year, supporting 200,000 students, with all schools being able to join the program from June 2025. I know schools in my own area are really looking forward to joining that program. We talked earlier about the Get Active Kids program and how we are supporting them as well.

I mentioned the existing support we already provide to families across the state – Smile Squad, for example, the dental check-ups. Some of us with school-age kids have the kids come home with the orange toothbrushes and the toothpaste, and there is the little Smile Squad check-up that they have had. 82,000 students have benefited from these free dental check-ups and treatment. The free kinder reforms have saved 140,000 families \$2500 in fees per child each year. There are the baby bundles for newborn babies and their families, and the kinder kits and prep bags. I know the Member for Yan Yean and I had some great fun with some kinder kids at one of her local kinders earlier in the year. Then there is the ongoing program for school camps and excursions. So this is putting additional support in at the time when we feel that there are some additional pressures in families that we need to respond to.

Meng Heang TAK: Yes. Thank you, Premier. There are a whole heap of programs. If I could pick up on something that you mentioned around the school saving bonus, could you please tell us a bit more about the school saving bonus, how it works and how it helps families?

Jacinta ALLAN: I am really proud of this initiative to be supporting families at this point of time. As I said, it is a one-off support and it is in recognition of the circumstances of the time around the combination of the

cost-of-living pressures that families are experiencing. As we all get ready to get back to school there are those costs of uniforms, but also during the school year sending kids to camps and some of the other extracurricular activities can really add up and for some families really add up and put some pressure on those families. That is why we are providing this to families with children at a government school – all kids in government schools – and eligible families at non-government schools, and that definition is concession card holders and health care card holders in non-government schools. Each of those 700,000 students will receive a \$400 school saving bonus to help with these particular things. It is particularly targeted at uniforms, school camps, excursions and other sporting events. This is going to make a meaningful difference to families. I can give a couple of examples of that meaningful difference. A three-day grade 4 camp can cost approximately \$390. Year 9 camps across a five-day period can cost \$690 plus transport. So these one-off really special experiences for kids during their school lives do come with some additional costs, and this school saving bonus can be used for those really special experiences for kids. I have mentioned school uniforms as well. Many schools do a great job in supporting families with access to uniforms, but they can still have some additional costs, and the school saving bonus can be applied to school uniforms as well.

In terms of the bit of your question about how it is going to work, it is going to be provided in two ways. It will be, for families, credited to their school account. Those of us with school-age kids know that many schools run an account for families. A bit of a shout-out to our great admin staff and our school managers in our schools, who are already managing these sorts of programs every single day. This school saving bonus can be credited to the student's account to participate in those activities over the course of the year, or there will be a voucher to an accredited school uniform provider as well. Again, many schools have a relationship or an account with their local uniform provider who has the right logos and the right uniforms, and that voucher can be provided for those local uniform shops. It is important to advise families of this now, because anyone with a child starting prep or year 7 next year knows that enrolment has already started; the enrolment forms are already in and families are already starting to think about the 2025 school year. So we will be providing further advice to schools in term 3 about how this will roll out and then have it roll out to families in term 4 so they can then plan for the start of the 2025 school year. This is particularly important. A bit has been made of why we are providing it to every government school. 82 per cent of disadvantaged kids are in our government primary schools and 92 per cent are in our government secondary schools, so that is why all of the families in those schools are receiving that support, plus the students who are concession card holders in non-government schools as well. We have had strong support from various groups, but particularly if I can quote Gail McHardy, who has been a fabulous representative of Parents Victoria for many, many years, she said:

This new \$400 payment will be very welcome to families struggling with cost-of-living increases. The extra support for school costs will allow families to re-allocate money to other household expenses.

So that is I think a really strong example of the difference, as I said, the meaningful difference, that this is going to make to students in our schools across the state.

Meng Heang TAK: It certainly will be a busy time and an exciting time for families in my electorate. Premier, you also referred to the Get Active Kids program, another exciting program. Can you tell us a bit more about this initiative and why it is important and how it has helped young kids and their families?

Jacinta ALLAN: Yes. Sport and recreation activities are such an important part of growing up and our way of life, but again, for some families costs can be a barrier to participation. Particularly too if you look at it from the sporting organisations' perspective it is also important for them to have more and more particularly young people come and participate in their clubs. It is good and healthy for local sporting clubs to have growing numbers of participants. It also supports the volunteer efforts of those clubs. But as I said, we know that for many in our community cost is a barrier; cost can be a barrier to participation, and that is why in this year's budget we are investing \$6 million to extend the \$200 Get Active Kids vouchers. This has been running since 2021, and it has been really, really important. Sorry, we launched it in 2020; it has been operational since 2021. Since then we have had 150,000 vouchers provided to families across the state. There is an eligibility requirement about children aged up to 18 who are named on a Commonwealth health care card or pension concession card or a valid Medicare card as well, so there is that eligibility requirement for this program, but what it means is that eligible families can apply for vouchers of up to \$200 per child. So it is not per family, it is a per child allocation. This can go to some of the costs like upfront costs for memberships, registration fees, uniforms – again, you have got to have a uniform if you want to be on the court or on the field – and equipment across a whole range of sporting codes and recreation activities. Dance as well, for example, is an activity that is covered by the Get Active Kids vouchers.

I think what is also important is as a result of this program there are now more than 2000 registered providers across the state, so there are a lot of choices. It does not matter what sport – dance is covered, swimming, soccer, Mr McGowan will be pleased to know basketball is, netball – all the sports are eligible provided the club is registered with the program. We did some research, did an evaluation of this program recently, and got some really direct feedback from people who had received the vouchers. I think this speaks to the importance of a program like this. The feedback we received was that more than half of the recipients of the Get Active Kids vouchers said that their kids would not have been able to participate in their chosen sport, their favourite sport, without the voucher. So again, that speaks to the meaningful difference this really practical way of providing support to families can make. It is also about inclusion and making sure young kids and older kids – teenagers are eligible too, because it is up to 18 – do not miss out because of those cost barriers that are presented under this program.

I also mentioned how this is important for the sporting clubs. This has been one of the challenges coming through the pandemic and moving into a post-pandemic environment. We do know that many sporting clubs have seen a drop-off in participation both in those junior sporting levels, and also a corresponding drop-off in the number of people volunteering to be part of different sporting codes. Being able to keep young kids and families engaged with sport and removing those barriers, knowing that it makes a meaningful difference for families, has that double benefit of being able to also provide support to sporting organisations. I think all of us – I think we would be on a unity ticket on this one – agree that our sporting organisations are the lifeblood of so many parts of our community. This is, again, a practical way of providing that support.

Meng Heang TAK: Thank you, Premier. Budget paper 2, page 9, mentions further funding for the free kinder program. I am very excited about this, having my youngest daughter Sofia at kinder, and even better to have my wife actually returning to work as a kindergarten educator, at the same place.

Jacinta ALLAN: I am very glad you declared that!

Meng Heang TAK: I have to declare that perhaps, yes – it is well received. Premier, could you tell us a bit more about how free kinder continues to help families and especially working women?

Jacinta ALLAN: Yes. Thank you. You have kind of answered my question for me. Your personal example is a really strong reason why investing in early childhood has that double benefit of providing great early childhood education opportunities to our youngest learners. There is so much evidence and research around that shows us that the earlier young people engage with education, the better long-term life outcomes they have in terms of what they end up and go and do as an adult in their paid employment. Also, as the example of your wife demonstrates, able to support women to return to work, whether it is full time, part time or casual, depending on the family circumstances and other things that may need to be balanced within the family environment, certainly helps on that front.

I mentioned earlier how free kinder has saved 140,000 families \$2500 in fees. This is, again, another strong, practical way that we can provide cost-of-living relief and support for families across the state. Certainly with three- and four-year-old kinder, if you have got a few kids – depending on how many kids you have got – it can be a cost that adds up. Also the introduction and the continued rollout of universal three-year-old kinder reforms has continued that transformation of early childhood education. I know when my kids started three-year-old kinder, it was only a 3-hour program, so on Tuesday morning for three hours they went off to three-year-old kinder. They loved it, but it was all that was on offer. In 2020 we started to roll out that 15 hours of three-year-old kinder, and since then we have seen the number of kids enrolled in three-year-old kinder increase to around 65,000 children across the state. Again, increasing the accessibility, increasing the hours, really provides that opportunity for families to choose to start their young children into that education environment, and then it also benefits those families more broadly.

I mentioned the research before: 90 per cent of a child's brain develops before the age of five. Again, that speaks to why the early years really do matter, and it is why, alongside providing access and opportunities for families to access early childhood education and removing barriers by providing support through free kinder, investing in the workforce becomes very, very important as well, which is why the reference earlier to the \$390 million investment in the workforce becomes a significant part of the work we are doing in the early childhood sector, because it is about making sure we have got that ongoing workforce supply to help support our early childhood sector. Also, \$19 million in this budget is being invested in the Building Blocks grants,

which helps with some renovations and upgrades to kinders. As they continue to grow, they need more space and more play equipment, and the Building Blocks grants can help support that.

The CHAIR: Thank you, Premier. The committee is going to take a very short break for 10 minutes and come back at 3:30 pm sharp. I declare this hearing adjourned.

The committee will now resume its consideration of the portfolio of Premier and Cabinet. The next 17 minutes will go to Mr McGowan.

Nick McGOWAN: Go for it, Bev.

Bev McARTHUR: Premier, I am just going to clarify – I quoted an example of how much it is going to cost for a new house to become all electric in Avoca. My constituent has been quoted \$100,000 to upgrade the electrical connection for a modest all-electric three-bedroom home, and that would include stoves, heating, hot water – and they are even hoping in the future to have an EV charging station, but that \$100,000 does not include that. In order for this home to be made all electric, they would have to pay Powercor the privilege for upgrading Powercor's network. So that \$100,000 – that is what it would cost. They do not have to pay Powercor \$100,000, but there is a cost to Powercor – a considerable cost – on a \$380,000 build in a street in Avoca.

Jacinta ALLAN: Chair, I am happy to take that on notice –

The CHAIR: Thank you.

Jacinta ALLAN: and engage further with Mrs McArthur on gas and electric and stoves and –

Bev McARTHUR: The cost of building a house in the country, to upgrade the network.

Jacinta ALLAN: And of course you would love to live in the country.

Bev McARTHUR: Thank you.

Nick McGOWAN: Thank you, Premier. Can I just start with the school saving bonus of \$400. Whose idea was that?

Jacinta ALLAN: As in who would like to be the successful parent of the program – is that what you mean?

Nick McGOWAN: No. Is that –

Jacinta ALLAN: I am not going to name any particular individuals. Budget decision-making is a collective and collaborative process. As we were putting the budget together particularly at the start of this year and seeing the ongoing impacts on families of those cost-of-living pressures, we made a policy decision that we wanted to provide support. Then we unpacked it as to what was the best way of providing that support, and that is how we have landed on the school saving bonus.

Nick McGOWAN: And did you consider means-testing it in order to not miss any of those children who are in non-government schools?

Jacinta ALLAN: We did consider the best way to provide this support, and we looked at a range of different configurations. The one we have landed on, which is every family in government schools, was very much based on those figures I gave earlier, which I am happy to repeat – if you can just bear with me one moment.

Nick McGOWAN: So I think 82 per cent or something.

Jacinta ALLAN: Sorry, I think I might have said 82 before. It is actually 84 per cent of disadvantaged primary school-aged students attend government primary schools, and it is 92 per cent for secondary schools. So given that the greater proportionality of disadvantaged families are in government schools, we made the decision to provide it in a universal way in our government school system and then target it to healthcare card and concession card holders in non-government schools. We already have a differentiation for non-government schools, for example, for the Smile Squad. It goes to low fee paying schools. For our capital program, it goes to

low-fee schools. With this one, we have made that decision based on those numbers around kids in different school settings.

Nick McGOWAN: I know one of the concerns some of my principals have expressed to me in the electorate of Ringwood is that administrative burden potentially, particularly as you have identified around uniforms, because of course uniforms is something that is a third party. Obviously, you said before in an answer to a question that you are going to sort that out in the next few months. Do you envisage how that is going to occur in a practical way?

Jacinta ALLAN: Yes. We already have a structure, if you like, around how we want to distribute the support. What we are doing now that we have made the public-facing announcement is some more detailed implementation planning with schools themselves and getting directly some of the school managers and principals in to give us some advice. But we want to provide a voucher for school uniforms that can be redeemed at a uniform shop. As I was saying earlier, schools already have a relationship with uniform providers, and for the non-uniform-related items – so the camps, excursions, the sporting programs – it will be off your school account. Schools do this a little bit differently but most, again speaking from personal experience, you make a payment to the school, say, for kids going on a three-day – you know, country kids come down for urban camp for three days. The school would then say, ‘Do you choose to use your bonus against this camp?’ And if they say yes, it will just go directly credited to that.

Nick McGOWAN: Thank you, Premier. The power saving bonus, which obviously the government has spoken a lot about over the years, whose decision was to cut that, the \$250?

Jacinta ALLAN: It would be incorrect to describe that as a cut. I think we had a series of rounds.

Bev McARTHUR: A reallocation.

Jacinta ALLAN: No, no, no. I think we got to around four or five. Was it four rounds?

Jeremi MOULE: It was at least four.

Jacinta ALLAN: We had four rounds of the power saving bonus, but it was never a program that was designed in an ongoing way, so it would be incorrect to say it was cut.

Nick McGOWAN: I suppose the logical extension of this is: is there something else that it is going to be replaced by? When people ask me locally in Ringwood and Mitcham and Nunawading, what is going to replace that, if anything?

Jacinta ALLAN: There is of course the announcement on Tuesday night of the \$300 support from the Commonwealth government, so that is an example. I think the power saving bonus was \$250. So this is more than the previous \$250 that had been provided, but also what is already in place –

Bev McARTHUR: They can go all electric and add to the cost.

Jacinta ALLAN: Well, you could go all electric, Ms McArthur, and reduce your costs by \$2700, like I said before. You are leading the witness, Ms McArthur. You are leading the witness. It is a \$1700 saving if you go all electric and another \$1000 if you put solar panels on your roof. Then if you have got the Victorian default offer – well, \$211 cheaper again.

Nick McGOWAN: Perhaps, Premier, if I may assist. SES volunteers, we all appreciate greatly the value and the work they do, as I know you do as well, but their recurrent capital budget for this year was zero. There is 2023–24, and they are looking in addition obviously at the capital expenditure concern. They are obviously looking for regularity in terms of the way they are funded. In other states they are funded out of certain levies that apply. Is there any planning in the process for the SES and how we can fund them more reliably going forward?

Danny O’BRIEN: Excellent question.

Jacinta ALLAN: That is an excellent question. We have the fire services property levy that was introduced as a recommendation out of the 2009 Black Saturday royal commission, and each and every dollar of that goes

towards our fire services. I think the SES, for those of us particularly again in regional and interface areas, have long spoken to us about a keenness, which you are articulating, about having a similar funding support. I think what we have also seen over the passage of time since 2009 – again following the recommendations – our emergency management system is very, very different today to what it was in those devastating fires. We have, if you like, an all-agencies, all-response model, and I do want to credit Mr O'Brien's former employer the former minister for emergency services Peter Ryan, who oversaw the initial implementation of that model. We see now that with every single natural disaster we have this incredibly strong integrated all-agency response. Depending on the size and scale of the disaster, it is run out of the state control centre, where all the agencies come together. They are all co-located, and what we see centrally, importantly, is replicated on the ground. So with the recent storm – that just extraordinary storm event, wind event, that we saw a couple of months ago, which did so much damage across the state – for example, I visited the SES unit in Emerald. Again, there was the SES there, but so too there were the orange uniforms, there were the blue uniforms of the CFA. And then – Mr O'Brien will know – when I was in Mirboo North there were also the green uniforms of Forest Fire Management Victoria. So all of –

Danny O'BRIEN: I thought you were going to announce funding for their Mirboo North fire station there for a second.

Jacinta ALLAN: Well, give my regards to the team there. They looked after us very well. So –

Danny O'BRIEN: No, a cheque would be better, but anyway –

Jacinta ALLAN: I understand that. But my point is – I guess I am really having a policy discussion with you. It will be up to your interpretations whether I am answering your question to your effect, but it really is an interesting policy question. We have this funding mechanism for our fire agencies, and the emergency services now operate in such a different way to what they did when that was first introduced.

Nick McGOWAN: I know the SES in both Maroondah and Whitehorse would very much appreciate some progress on that fund, as I am sure you are alluding to.

Jacinta ALLAN: And I should say, sorry, we did provide – you mentioned there was no money in the budget. There was –

Nick McGOWAN: That is for, specifically, recurrent capital budget.

Jacinta ALLAN: Oh, recurrent. Yes, I understand – because there is \$7 million for some facilities and training. But I take on board your point about ongoing recurrent arrangements.

Nick McGOWAN: Mental health is obviously an issue that affects all of us. But the delay – I will be favourable there and call it the delayed rollout. There was one due to be commencing in Ringwood around about now, in fact, previously. Now that has been extended. These are the 35 local mental health – let us call them hubs – facilities.

Jacinta ALLAN: Sorry, I just missed that last bit.

Nick McGOWAN: The local mental health facilities that were supposed to be rolled out – 35 of them being delayed.

Jacinta ALLAN: Yes. This goes to the comments I was making earlier around the workforce challenges. Since the royal commission report was handed to the government – and we are implementing all of the recommendations – we have invested \$6 billion in transforming our mental health system. Work is currently underway on 90 per cent of those royal commission recommendations, and there has been a huge additional investment in acute mental health beds and additional services and also some governance arrangements that needed to be reformed and new legislation supporting the work of services on the ground. And then there is also the \$600 million we have invested in supporting the workforce, because you do not deliver these reforms without people.

On that point, just in regard to that element of the royal commission recommendations of the mental health and wellbeing hubs, we have had to re-phase, if you like, or graduate the rollout of those remaining hubs in line with the workforce. That is why this year's budget also has \$16 million for a new mental health graduate

program, because we need 2500 more mental health workers. And I think we would all understand that that is a particular skill set that you need to work in this area, and as a consequence of that we have made that decision to graduate the rollout. The rest of the royal commission reforms continue to be rolled out and continue to be worked on, but we have had to make that decision at this point in time because of those workforce constraints. I referred earlier to Pat McGorry's comments in terms of getting it right with the rollout, and getting it right does mean we need to calibrate the workforce to the service reforms.

Nick McGOWAN: Thank you, Premier. Secretary, just very quickly, can you tell me how much the department spent on Facebook – the Premier's Facebook page. It is a bit of a perennial question, so it would be remiss of me not to ask it.

Jeremi MOULE: It is a perennial question. For the year to date to the end of February, expenditure on Meta, which is the form in which we receive the account, is \$49,055.

Nick McGOWAN: And the cost for ministerial staff – it is another perennial question, but we all love it – for 2023–24 and for 2022–23, if you can?

Jeremi MOULE: Sorry, 2022–23?

Nick McGOWAN: 2023–24 and then the 2024–25 budget.

Jeremi MOULE: I will answer this in the form that I have answered it previously, Mr McGowan. In terms of FTE: in the Premier's office, 79 for 2022–23 at a cost of \$15.3 million; 194 in ministerial offices at a cost of \$32.5 million; and 19 in the Leader of the Opposition's office at a cost of \$2.6 million. For the year to date, to 31 March: the Premier's office, 78 at a cost of \$12.1 million; ministerial offices, 191 at a cost of \$26.5 million; and the Leader of the Opposition's, 16 at a cost of \$2.3 million. That was the year to date to 31 March.

Nick McGOWAN: Thank you very much. I might throw a quick question to the Premier about the Ringwood East train station and whether we can have a toilet there – a public toilet at Ringwood.

Jacinta ALLAN: Sorry, can you just repeat that? I missed that.

Nick McGOWAN: The Ringwood East train station, whether we can have a public toilet there.

Jacinta ALLAN: Oh, I have seen this. This is where we are removing our level crossing and building a brand new station, and you would like a toilet.

Nick McGOWAN: That is true, Premier. That is all I am asking for. It does not seem to be too much.

Jacinta ALLAN: Can I take that one on notice?

Nick McGOWAN: Thank you.

Jacinta ALLAN: In my former job I might have been able to answer that, but –

Nick McGOWAN: I would love a stadium for Ringwood Secondary College as well if it is possible.

Jacinta ALLAN: Anything else?

Nick McGOWAN: A two-court stadium for Ringwood Secondary College.

Jacinta ALLAN: Two courts? Well, given it is –

Nick McGOWAN: They do qualify under the guidelines, but I can take this up with the education minister.

Jacinta ALLAN: Okay.

A member interjected.

Jacinta ALLAN: Mirboo North? Yes.

Nick McGOWAN: Minister, on a more serious question – although that was serious, but we will talk about that later perhaps –

Jacinta ALLAN: I know.

Nick McGOWAN: I noticed that in terms of women's policy there appears to be what looks like a cut in funding – I cannot quite explain it myself – of \$300,000 from 2023–24 to 2024–25. It is budget paper 3, page 116.

Jacinta ALLAN: Sorry, budget paper 3, page 116?

Nick McGOWAN: Yes, budget paper 3, page 116, and it is 'Women's policy'. It started off at \$18.7 million – and admittedly I need glasses – and now it is down to \$18.4 million.

Jacinta ALLAN: So \$300,000?

Nick McGOWAN: Yes.

Jacinta ALLAN: That sounds like they have possibly dropped one staff member.

Nick McGOWAN: Okay.

Jacinta ALLAN: Can I take that one on notice and come back to you?

Nick McGOWAN: You certainly can; yes, of course. Similarly in respect to budget paper 3, page 116 – and I promise I will invest in glasses next year – table 2.8, 'Family violence service delivery', the budget there was \$622.5 million, the revised was \$777.1 million, which is a considerable amount more, and that is positive. But the budget going forward is \$748 million, so it seems to be a cut – based on the revised admittedly, but nonetheless there seems to have been quite a demand over the last financial year. Do we know what that is attributable to?

Jacinta ALLAN: If you are referring to a claim made following budget day that there was a \$29 million cut to family violence services, that is not correct. All programs in this space are lapsing – and this is a committee that is literate on lapsing programs. All those programs will be funded into the next year, and then we have added to that with the \$211 million that I mentioned earlier to build on those family violence royal commission recommendations with a particular focus on the Respectful Relationships program also continuing. So I hope that gives you an assurance that there has not been a cut to this portfolio area.

Nick McGOWAN: Awesome. Premier, Maroondah Hospital – any chance that that will begin construction in the next 12 to 18 months?

Jacinta ALLAN: If I cannot answer this now, you will also have the health minister, so I will make sure she comes to this committee. You said Maroondah Hospital, didn't you?

Nick McGOWAN: Yes. Perhaps while you are looking for that, can I ask also, I get a lot of feedback from principals about the Victorian School Building Authority –

Jacinta ALLAN: Oh, of course it is called Queen Elizabeth on my list –

Nick McGOWAN: We can change that. It is a typo, obviously!

Jacinta ALLAN: You want to change it back, do you?

Nick McGOWAN: Yes, please.

Jacinta ALLAN: Okay.

Nick McGOWAN: Can we agree on that?

Jacinta ALLAN: Maybe.

Nick McGOWAN: Okay. Thank you, Premier.

Jacinta ALLAN: No, do not take that as a yes; I will take your view on board. I still cannot find QE2 on this anyway.

Nick McGOWAN: If I may, while you are looking at that – do you mind taking that notice?

Jacinta ALLAN: Sure.

Nick McGOWAN: On the Victorian School Building Authority, on a serious note, many principals are talking about how they themselves can do it for much less than –

Jacinta ALLAN: Do you mean the school building authority?

Nick McGOWAN: The school building authority. They complain very much about how they can do it for less. Often they are required to sub, and it seems – sorry to go over my time, but –

Jacinta ALLAN: I will get the Deputy Premier to come ready with an answer to that. I may have also received some similar feedback. We will get the Deputy Premier to come back on that.

Nick McGOWAN: Thank you.

The CHAIR: Thank you, Deputy Chair. We will go to Ms Kathage.

Lauren KATHAGE: Thank you, Chair. Thank you, Premier, and officials. We have just been hearing from Mr McGowan about family violence in budget paper 2, but I want to have a look at the same topic in budget paper 2, if we could, page 15 of budget paper 2, talking about the funding to prevent and respond to family violence. What is that funding going to? What support is the government providing there?

Jacinta ALLAN: Thank you for this question. This policy area is an incredibly important one every year, but as we have seen over the course of this year, whether it is at the hands of an intimate partner or a former partner or in some cases a complete stranger, too many women have been killed already this year. I think the number is a woman every four or five days has lost their life this year, and we have seen too the really deep concern from so many people in the community – women, men, and children too – about the right for women to live safely and freely, to live without fear, to live without violence, and most importantly to live with respect in our community.

In looking at some of the recent figures on this, women and girls are disproportionately victims of family violence. It is astonishing. These figures are not necessarily new to us, but they continue to be of great concern. One in three women over the age of 15 has experienced physical violence and one in four has experienced physical or sexual violence at the hand of a current or former partner. When we pause and think of those numbers and just even look around the room, that is a really high rate, and it touches every room, every workplace, around every part of our community around the state and around the country. That is why building on previous work – and we should all collectively feel very proud of the work Victoria has led across the nation following the family violence royal commission. The royal commission commenced in 2015. It was handed to government in 2016, and eight years on, all 227 recommendations have been implemented. The investment now, which includes this year's budget, brings it to \$4 billion that has been invested in a whole range of different interlocking areas of the royal commission. The royal commission did not just focus on one part of the system that needed to change; it focused on system change, and it also focused on prevention and cultural change that needed to be brought about.

Whether it is the rollout of the Orange Doors, the work of Respect Victoria or the Respectful Relationships in schools, we are seeing now how we have a system that works together so much stronger than it did before. We have also had some really important initiatives around stronger family violence and child information sharing, which is really important, and also taking the focus to information sharing about the perpetrator – not about the woman, about the perpetrator – understanding the different sectors and the different datasets that sit around the perpetrator. But we do know that there continues to be so much work to do. We knew that already, and what we have seen over the course of this year just reminds us that this is work and reform that needs to continue.

This year's budget provides \$211 million – I have mentioned Respectful Relationships already; \$42 million for perpetrator case managers, and these are perpetrator case managers, but they are designed to keep victims safe; \$30 million to operate refuges and emergency accommodation; additional support for case management; targeted and dedicated support for Aboriginal women and families – again, this is a part of our community that is disproportionately affected, and they need support; and also some financial counselling services. As the government and I have previously indicated, this will not be the end of the work we do. We have got a lot of work happening right now with ministers across government about what we can continue to do to support and strengthen women's safety in our community.

Lauren KATHAGE: Thank you, Premier. You were mentioning the Respectful Relationships program. Why is it important to continue supporting that one?

Jacinta ALLAN: I think Respectful Relationships is almost more important now than when it was first introduced, and I say this in the context that when the family violence royal commission was handed down in 2016, it had very little reference to technology or social media and how that influences the lives of young people – well, all of us, really, but particularly the influence it is having on young people today. Many of us had the opportunity earlier this week to attend an event here in Parliament with Rosie Batty, where she was launching her book *Hope*. It is remarkable that Rosie Batty, following the murder of her son Luke, has titled her book *Hope*, and she talks with great hope. In a conversation with her following the event she spoke about her determination to see Respectful Relationships both be a recommendation in the royal commission and to see it implemented by government. I was able in turn to share with her how I have seen the Respectful Relationships program make a big difference, because it is in my own kids' school. My kids' school was an early adopter of the program, and it means it is not just something that happens once a term – it is every day, every week, the Respectful Relationships program, but also the values and the cultural change it brings is being taught in our primary school. That is why the Respectful Relationships program is one of our funded initiatives in this year's budget, and it was also why Rosie was so determined to see it as part of the reforms with our royal commission.

Already Respectful Relationships has supported 1950 schools and over 40,000 principals, teachers and school-based staff are participating in professional learning, because it is not just our kids, at an early age teaching our kids respect, but also giving them those tools of resilience and how to address some of the bullying behaviour in our schools is really important. We also need to support our teachers and staff so they in turn can support students in their school environment. That is why that professional learning is so incredibly important, because it is about embedding a cultural change, and schools are a good way to do that, a really important way. So are many sporting clubs – there are many sporting organisations that also have various programs around respect and calling out family violence. But the Respectful Relationships program has been incredibly important to building a multigenerational cultural change that we need to address this culture we have in our society where we have an ongoing problem with respect. It is a quote I think of Malcolm Turnbull's – let me hope that I repeat it correctly; it is not all violence starts with respect? I am not going to be able to remember it correctly now – all respect – anyway, but the point is that the more we learn about respect the more we can be a better, stronger community.

This is why also, following the national cabinet meeting we had a couple of weeks ago that was dedicated and targeted to the issue of women's safety around the country alongside a range of other actions and initiatives that came out of that national cabinet meeting, it is having the federal government have that focus on technology and social media and the role that it is playing in terms of a culture of disrespect for some. We are seeing this unfortunately play out more recently in some of our schools, so it shows that we have to keep up our efforts. There is a role for all of us; there is definitely a role for government to lead and invest, but certainly too driving this cultural change will require an ongoing effort from all of us. And Jeremi has just given me the quote – 'All violence against women begins with disrespecting women.'

The CHAIR: Thank you.

Jacinta ALLAN: Thank you.

Lauren KATHAGE: Premier, you are absolutely right about the whole community effort, and I am really proud that the Yarrambat Junior Football Club in my electorate off their own bat are organising a special round for women and respect for women. So I think you are absolutely right, and the community is taking it up.

You mentioned towards the start of your answer about the central information point. So what is that, and why is funding for that important in this bigger picture?

Jacinta ALLAN: This again was a key recommendation, because the royal commission found that information was not at that point in time being routinely or systematically shared within the family violence system. It also spoke about that we had many, many excellent organisations and service providers who were supporting women and children who were working in this space, but they did not have around them a system that was sharing data and sharing information, and that included with those service agencies, with Victoria Police, with the justice system. That is where the recommendation out of the royal commission was to build and to establish what is called the central information point, and this provides frontline practitioners with up-to-date information to assess and manage family violence risk. What it is, as I said, is a multiagency service. It collects and shares relevant information – I have mentioned VicPol, Magistrates' Court, Corrections Vic and also child protection, because I think that is an important agency that we should also remember works very much on our front line, and those other frontline family violence practitioners. It is designed to provide a better systematic response to keep women and children safe. It also helps inform a risk management assessment.

Last Friday I had a very strong discussion with a number of the women's safety agencies in my own community of Bendigo, organisations I have known for a very long time, and they spoke about the importance of this. These are people who have worked in the system for 30-odd years, and they spoke about this being a really, really important change, both in terms of a safety perspective but also from being able to risk assess, because not every family, not every perpetrator – there needs to be a response that is calibrated to the risk that is being presented, because then too that is how you really start to identify the high-risk and serious offenders in this space. It also has shifted the focus from victim-survivors to being about the perpetrator and their history and their pattern of behaviour, so again it shifts that focus to where it needs to be.

What we are seeing is that governments from around the country are coming and talking to us here in Victoria, and we welcome it – our doors are absolutely open to jurisdictions around the country, and various jurisdictions are at various stages with the work they are doing. Western Australia has just assessed the CIP and has also now adopted the model for rollout there. This was a conversation too at national cabinet, where one of the outcomes of national cabinet – we have got a forward work plan, if you like, that we have to come back with over the course of the year – is for our systems, because the internal jurisdictional systems have to talk to better to each other, which we are doing through CIP, but also they need to speak to each other across the nation because of the movement of people. We have got to make sure that there is an interjurisdictional response as well.

There was an evaluation of CIP undertaken last year, and it did find that it was very effective. It found it was very effective and an important way to do what it needs to do in terms of collecting information and undertaking that risk assessment. It also integrates with some other system reforms, and I particularly want to mention MARAM, the multi-agency risk assessment and management framework, which also maps and sets out the different responsibilities of different workforces in again identifying, assessing, doing that risk assessment work and then managing risk across the system. These are absolutely nation-leading system changes that we are now seeing are being picked up by other jurisdictions. Also, as part of that work I mentioned before that we are doing in terms of what more we need to do, we are certainly continuing to look at the system and information sharing and data reform as part of that ongoing work that we need to do.

Lauren KATHAGE: Thank you, Premier. I guess with that ecosystem of support, there is funding in the budget for legal services. How are those funded legal services going to support people who have experienced family violence?

Jacinta ALLAN: Thank you. It is not talked about as much, but the legal service system plays a very important role in supporting victims of family violence, and that is why the budget has provided \$28.1 million to the community legal sector to continue that really important work. They also do play an important early intervention role. Many of us engage with our local CLCs, and I am sure this is a group again that is very literate in the work of community legal centres. It is also the work they do in helping to have issues resolved more quickly before they escalate. So again, it goes to that risk framework and the risk assessment that needs to be done, because the further and deeper it is into a justice system response, the more difficult and the more entrenched it is, and there is an expense with that as well.

CLCs provide free legal education assistance for people, particularly with a focus on people from disadvantaged backgrounds, to deliver that support. Also, we know that responding to and supporting victims of family violence has become core business for our CLCs. Indeed 38 per cent of people accessing assistance from CLCs last year were experiencing or at risk from family violence, so that is a substantial part of the people in our community that they are working with, and they also provide assistance in helping victim-survivors secure family violence intervention orders, which we know is also an important tool that we have.

If I can give you some examples, some of the programs that this year's funding will support include some health-justice partnerships. We are supporting Ballarat & Grampians Community Legal Service and Eastern Community Legal Centre to continue partnerships with maternal child health services. If I can just pause for a minute and make an observation about how fabulous maternal and child health services are, it is a universal service platform that I think has great potential to be able to be built on in terms of identifying families who might be doing it a bit tough. There are some challenges, and how we can strengthen that sector is important. A way of doing that is through the CLCs, which are offering legal services to women attending maternal and child health clinics to help resolve some of their family law matters at earlier points before they are getting into crisis. I am just conscious of time, but that is just one example of so many others where our community legal centres do tremendous work in supporting all of our community but in this instance with a particular focus on family violence.

Lauren KATHAGE: Thank you. And I think property law is also important for people.

Jacinta ALLAN: Yes.

The CHAIR: We are going to go to lucky last but very patient Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Thank you, Premier and guests, for joining us. I might just begin with budget paper 3 with regard to the Department of Families, Fairness and Housing output summary. There is the 'Housing assistance' line item. Housing assistance output includes the continuation of the affordable housing rental scheme. With regard to rentals, we saw recently that Anglicare's rental affordability snapshot found that across our state there were no properties that met the affordability criteria for single people receiving youth allowance or JobSeeker – that is no rental options for over 200,000 Victorians. There was one property in Victoria which would have been affordable for someone on the disability support pension, but that was in a small regional town far from services. So again, that is hundreds of thousands of Victorians with effectively no option. With various forms of effective rent controls in place in cities right across the world, why, Premier, has your government still continued to allow, in terms of the amount paid, unlimited rent rises?

Jacinta ALLAN: I think I have answered this question at least twice in the Legislative Assembly from your colleagues. Do not get me wrong, I am very happy to answer your question today. I believe it has been asked on many other occasions, so I will be giving the same answer. It is because the evidence tells us that the mechanism that the Greens political party is calling for in terms of a rent capping mechanism – the evidence internationally has demonstrated to us that it does not work. It does not work. I would have thought there may have been a unity ticket with us in terms of having evidence-based policy settings.

Danny O'Brien interjected.

Jacinta ALLAN: We will take that one offline, Mr O'Brien. I think if we want to have an evidence-based policy discussion, it does astound me that the Greens political party continues to advocate for a mechanism that has been proven to not achieve the outcome you are seeking. I think the outcome we are all seeking is to be able to provide more access for renters to more rental properties – and more rental properties that are affordable. The most effective way to address rental affordability is to build more properties, to make more properties available, and that is certainly a feature of the housing statement and the work we are doing. Sadly, too often we have been thwarted on various occasions by you and your colleagues in building more properties, but we do know that these examples of rent control, or rent capping, whatever you want to call it, discourage investment in housing. They discourage exactly the outcome we need to achieve, which is increasing rental supply. They also have an impact on reducing the quality of rentals, because there is not that mechanism in place for the property owners to continue to invest in the maintenance and upkeep of those properties. They also have the impact in distorting the housing market.

I am not sure how many more times this question will be asked and the same answer will be given, but I would hope we can move on from having a debate about an approach that has been proven to not work and start joining together and work on mechanisms that do work. Those mechanisms that do work go to building more homes. They also go to recognising that there are, as you identify, people in rental stress, and that is why we have provided the rental stress support package for people experiencing rental stress. We are going to be establishing Rental Dispute Resolution Victoria, and of course these initiatives in the housing statement also come off the 130 reforms to strengthen rental rights that were introduced some years ago. One of the changes that we have brought about is limiting a rent increase to once in a 12-month cycle. I would be delighted if there was an opportunity for the Greens political party to join with us in working on evidence-based policies that work in supporting more renters to have an opportunity to get access to a property that they can afford.

Aiv PUGLIELLI: Thank you, Premier. I appreciate you going through some of the other measures that are in place in our state. With regard to many renters who are really struggling right now, I think a lot of them are not ready to just move on from the idea of direct government intervention to make sure that they can afford to keep a roof over their head. The idea of distortion of the current market to many renters would possibly be quite a good thing. People who cannot afford to pay their rent right now – I think we need to be considering stronger action than we currently seeing, but nonetheless I do appreciate the candour of your response and your desire to work together on this issue.

Jacinta ALLAN: Well, can I just be clear: if there are people in rental stress right now, we have the rental stress supports available there. Let us be clear: if there are people experiencing rental stress right now, there is a rental stress support package. We were just talking about community legal centres and the support they provide. That is one place that people can turn to to access support, financial counselling and advocacy. Also, for renters who are under that rental pressure, we have already moved to limit the number of rent rises. We have got the portable bonds that can move between properties. So let us make sure that we are providing information to renters that is accurate and not disingenuous, because they are under enough stress as it is. Let us not add to that stress by sharing information that is not correct.

Aiv PUGLIELLI: Thanks for that, Premier. Moving forward to discuss broader issues relating to housing: with regard to the social housing build rate, budget performance standards, page 47, the department's performance statement shows that while 2448 homes –

Jacinta ALLAN: Sorry, can you just give us that budget paper reference again?

Aiv PUGLIELLI: Yes, sure: budget performance standards, page 47.

Jacinta ALLAN: BP3?

Aiv PUGLIELLI: BPS, page 47. I do not know what number that is for you, but performance standards. Do you have that there?

Jacinta ALLAN: I am going to take it as BP3.

Aiv PUGLIELLI: All good. Sorry about that.

Jacinta ALLAN: That is okay.

Aiv PUGLIELLI: That performance statement shows that while 2448 homes were built last year, the total number of social homes only went up by 1554. So one would infer from that that the government then effectively demolished or sold off 1296 social homes last year while the social housing wait list of course is remaining enormous and more are being priced out of that private market into effectively homelessness. Moving at this rate, in those kinds of proportions, projections I have seen are that it would take this government 31 years to clear the current housing waitlist. So with that in mind, how do you intend to see our state meet its social housing targets if we are almost knocking down as many homes as we are building?

Jacinta ALLAN: Well, I will ask the Minister for Housing, at her appearance, to address that, because I am not going to accept on face value your claim that we are demolishing more housing than we are building. I think we will let the Minister for Housing address that when she appears before the committee. But what I will say is: we are investing \$6.3 billion through our Big Housing Build. We currently have 9200 homes that either

have been built or are under construction, and there are many, many more to come. This investment, I would put to you, is a recognition that we know the government needs to do more. We recognised some time ago that we needed to build more social and affordable homes for more Victorians. As a result of that investment and that pipeline, it has also given an opportunity for different providers to partner with us to provide particular support. I was in, I think it was, Mount Waverley or Glen Waverley –

Nick McGOWAN: Glen Waverley.

Jacinta ALLAN: I might get to one of your former candidates in a minute. I am going to get to whichever seat Asher Judah ran for, where he campaigned against the housing development. I think it was Glen Waverley. Anyway, that is a good example, because not only was it an under-utilised site, with the investment from the Big Housing Build we have partnered with a community housing provider for social and affordable housing that is targeted to women over the age of 55, which is the single fastest growing group in our community who are experiencing homelessness. In Ballarat, in Delacombe, we are working with providers there investing in I think it was 15 housing units that are supporting people with a disability. They have not only got a roof over their head, they have got access to support services to help them participate in the community and participate in the workforce. These are the sorts of examples of where government investment can drive additional benefit by having the certainty of the investment and the certainty of the partnership. In terms of those other references, as I said, I will get the Minister for Housing to come back.

Aiv PUGLIELLI: Thank you. I appreciate that, Premier. With respect to the comments that you have just made, that need to increase and that sense of urgency for social housing stock to provide that service to so many who need it, would you consider increasing your current targets?

Jacinta ALLAN: As in these Big Housing Build targets?

Aiv PUGLIELLI: Your social housing build targets.

Jacinta ALLAN: The targets are set by the funding that we have allocated, so if you are asking me to pre-empt a future government funding decision, I am not going to do that here today, because we have just handed down a budget.

Aiv PUGLIELLI: No, I understand, Premier. Thank you. Perhaps to move on to quite a significant local issue to where we are right now in relation to the medically supervised injecting room decision, in budget paper 3 on page 46 there is a line item for ‘Harm reduction initiatives’. You and others in your government quite understandably have continued to stand by the life-saving work that the medically supervised injecting room in North Richmond offers, so I ask: why has that same service and that same care not been offered to people who use injectable drugs in other parts of Victoria?

Jacinta ALLAN: Again, this is a question that has been asked and answered, but I am very happy to answer it again today. You are correct, and I appreciate that you have acknowledged that as we provide a statewide response to people who use drugs the provision of a medically supervised injecting facility is part of that statewide set of services. It is an important part of our statewide set of services, and that is why when we recently released our statewide action plan we also included a response to the Ryan review that went to a number of recommendations about how we can strengthen the services delivered through the North Richmond site, so I just want to be really clear about that.

However, if your question is referencing the decision around not proceeding with a second site in the CBD of Melbourne, that came about as a consequence of for a number of years now a suitable site had not been identified. I may assume you have read the report from Ken Lay where he identified that in having a site suitable in the CBD it needed to both balance out the needs of people who use drugs but also the broader issues around the CBD. Again when presented with Ken Lay’s work and his report and his really huge amount of work and other advice that was provided to the government, we had to make a choice: do we push on for another four years and try and find a site or do we make the decision now to proceed with a statewide plan because this is a statewide problem? And that was the path we took, because people in my community in central Victoria need additional support. People across the state need support. Ninety per cent of all heroin-related overdoses happen outside of the CBD, so this is a statewide challenge that needs a statewide response, which is why, in responding to both the Lay report and the Ryan review, we released our statewide action plan that has in it a range of supports for people who use drugs here in the city. If you talk about the area we are in,

establishing the health hub at Flinders Street is going to be incredibly important. It is going to be a community health hub to provide community health services to the community, but it is also going to be a place where we will undertake the trial of hydromorphone, which is an incredibly important emerging treatment for people with opioid addiction.

Also, one of the issues that has been identified in the Ken Lay report and also by experts across the state is the diminishing access to pharmacotherapy, another really critical treatment for people who use drugs, which is why as part of our action plan I think it was \$30 million – forgive me if I have got that figure wrong. No, it is 30. It was \$8 million for 30 – sorry, the Minister for Mental Health nearly got a surprise there. \$8.4 million to increase pharmacotherapy at 30 locations. Then – if I could just finish on this one, because I appreciate you have got other questions – the rollout of more naloxone machines to be able to give access to that incredible treatment to people who have experienced an overdose. These are just some examples of why we have made the decision to continue to support the medically supervised injecting facility in North Richmond but at the same time take a statewide response to people who use drugs and their families.

Aiv PUGLIELLI: Thank you, Premier. I do appreciate you taking the time to go through a range of different measures just then with regard to harm reduction broadly across the state. As you do indicate, it is a statewide issue. Nonetheless, as you have just noted, when one looks at the 90 per cent use of injectable drugs outside the Melbourne CBD what one then infers is that 10 per cent is occurring in the Melbourne CBD. So therefore there is this continued push, this evidence-based call from many in the sector, to see an establishment of a supervised injecting facility in Melbourne, but as my question indicated, this idea of these being rolled out more broadly across the state when and where they are needed based on the evidence. I appreciate that you have referred to several reviews, which is of course relevant to what we are talking about.

As is always the case with this issue, as is noted in the reviews, it is difficult trying to find a place that meets the needs of the community members who require this lifesaving care but also the surrounding community members, but that is always the case. I would have assumed that saving the lives of the people in the Melbourne CBD in that very direct sense, that access to resuscitation and the support and care that our supervised injecting facilities offer, that that need of those community members – the opportunity to be resuscitated, to be offered those treatments – outweighs the concerns of traders in nearby streets. I would have thought that the priority of your government would have been saving those lives in the very direct sense. So I suppose my question is: how is it that you can support safer injecting in one place, being North Richmond, and not another?

Jacinta ALLAN: In answering this question I may crib a little bit of my colleague's time, because there was a lot in that question and I just want to take a moment or two, if I can, Chair, to crib a little bit of my colleague's time in answering it.

Danny O'BRIEN: Playing favourites now.

Jacinta ALLAN: It all depends on the question, Danny. Can I be really clear: this statewide action plan is a package that is going to save lives. It is absolutely going to save lives, because we are responding to a statewide problem. I just want to again reiterate that it remains government policy that a medically supervised injecting facility is part of the suite of supports, the range of supports, that are provided to people who use drugs, and their families. But to say that this package will not save lives, I put to you, is absolutely not correct, because we have seen – again taking an evidence approach – access to pharmacotherapy, access to naloxone and what in the future will be access to hydromorphone. They are absolutely lifesaving treatments, and they will also be available to people here in the CBD. What will also be available to people here in the CBD will be access to the health hub. The health hub will provide other services as well to provide support for people who use drugs, but other people as well who may want to go and access a community health service.

I just want to be absolutely clear: we had support for people who use drugs front and centre as we considered our response to the Lay report. We made the decision that, given a suitable site had not been identified, we could push on for another four years, because that is how long it has been since it was first identified since a second site was first discussed in the CBD, or we could take action now. That is the decision we have taken, and the taking action now includes a range of new treatments and existing treatments that we know save lives.

The CHAIR: Thank you, Premier.

Aiv PUGLIELLI: Just a point of order, Chair – I do not want to extend us any longer. It has just been put to the committee that I have said the government’s plan will not save lives. I just want to correct that. The transcript will show that that is not what I have said. I just want that to be on the record. Thank you.

The CHAIR: Thank you, Mr Puglielli. We will go to Mr Hilakari.

Mathew HILAKARI: I recognise your deep interest in this, and I too am deeply interested, so you were not taking up any of my time just then. It is a really important subject.

Jacinta ALLAN: Excellent. Thank you. I appreciate the committee’s assistance.

Mathew HILAKARI: I certainly want to take us to rural and regional Victoria, something that we both have a deep interest in as well. I will take you in the first instance to page 13, budget paper 2, which talks about the commitment that this government has to regional Victoria, and I would just like you to expand upon that.

Jacinta ALLAN: I am a bit disturbed – Ms McArthur seems to be looking forward to this answer. She is smiling and gearing up over there with great glee to participate in this answer.

Danny O’BRIEN: We cannot wait to hear the spin, and we hope you invite us to interject. The Chair loves that.

Jacinta ALLAN: When did you become so cynical? When did this happen? You never used to be like this.

Members interjecting.

Jacinta ALLAN: We will invoke the mercy rule. One of your colleagues needs –

Members interjecting.

Jacinta ALLAN: I may ask for an extension of time from the committee to extend my hearing, because I could talk for some time about how this government is passionately committed to and supporting rural and regional Victoria, and this budget absolutely continues that ongoing support. I am going to tell a story – can I tell a quick story in answering this question, about the difference Labor governments have made investing in regional and rural Victoria. I was on holidays in Gippsland. I love visiting Gippsland, and I was on holidays in East Gippsland.

Bev McARTHUR: Did they check your passport?

Jacinta ALLAN: No, I do not need one. I visit there regularly. And I got stuck at a level crossing in Bairnsdale, and when I got stuck at the level crossing in Bairnsdale, what went past was one of our new VLocity trains. That would only have happened because it took a Labor government to open the Bairnsdale line – you were never caught at a level crossing in the 90s, because the line was closed. We had to reopen it and build a brand-new stabling facility at Bairnsdale so we could house the brand-new VLocity –

Danny O’Brien interjected.

Jacinta ALLAN: Well, there is a statement – so we could house the VLocity trains. So getting stuck at that level crossing in Bairnsdale could only happen under a Labor government, because we reopened the line, built the VLocity trains and built the stabling. You would think the local member would say thank you – or one of the local members would say thank you.

Members interjecting.

Jacinta ALLAN: And that is an example of how this budget –

Danny O’BRIEN: Do you want to talk about Regional Rail Revival? It has still got a TBC on it, Minister.

Jacinta ALLAN: This budget –

Danny O’BRIEN: You are talking about rail in Gippsland –

The CHAIR: Order!

Danny O'BRIEN: \$31 billion blowout, this budget –

Jacinta ALLAN: Oh, goodness. It takes Labor governments to continue to invest in regional Victoria, and it comes off that very strong foundation that that little anecdote demonstrates, whether it is upgrading every regional passenger line, building better hospitals or building more schools. We have got the low – incredibly low – unemployment rates in regional Victoria, and that is why this budget continues that support.

And another terrific example in the hospital space is the funding to Latrobe Regional Hospital. I was down at Latrobe Regional Hospital opening stage 3, and you can only have stage 3 if you have built stages 1 and 2, and you can only have stage 1, 2 and 3 of Latrobe Regional Hospital because we brought that hospital back from the failed privatisation experiment of the former Liberal–National government. And what we are seeing as part of this budget is \$117 million to expand the facilities and the services, and why is this important? Because regional people deserve to have access to quality hospital care close to where they live. The way you do that is you build the facilities to expand the services to attract the healthcare staff that can then operate from places like the Latrobe Valley regional hospital, and that is an excellent example of the work that will continue to invest in to support our regional communities.

What we will also continue to do is invest in our sporting infrastructure in regional communities. But I also wanted to touch very briefly on a great program that is rolling out right now, and I have got an Ararat anecdote for you, Mrs McArthur, if you would like me to tell you an Ararat anecdote.

Bev McARTHUR: I cannot wait.

Nick McGOWAN: Starting to feel left out really.

Jacinta ALLAN: Well, you have got your toilet request in. The Regional Worker Accommodation Fund – a \$150 million fund that is being delivered by the Minister for Regional Development, and she may well talk to this at her hearing when she appears before this committee. The Regional Worker Accommodation Fund addresses two issues in one. Businesses in regional Victoria, particularly in some of our, I would suggest, smaller country towns – not so much the bigger cities but some of the smaller towns – are finding it a challenge to be able to attract workers to their business.

Bev McARTHUR: Housing.

Jacinta ALLAN: One of the constraints is the workforce not having a house to live in, and that is why the Regional Worker Accommodation Fund is a \$150 million fund that will provide grants where you can partner with businesses or councils to be able to build accommodation for workers. The example I was going to give, Mrs McArthur – is it the abattoir in Ararat that bought the pub? I got told an anecdote where, to address one of the workforce shortages, a business went and bought the local pub so they could have somewhere for the workers to live in.

Bev McARTHUR: Well, Midfield bought one in Warrnambool – bought a motel.

Jacinta ALLAN: There you go, maybe it was Warrnambool. It is Warrnambool I should be thinking of.

Mathew HILAKARI: Such a success all across the state.

Bev McARTHUR: Yes, Ararat did.

Jacinta ALLAN: There you go, Ararat did. So that is an example of how this is a program –

Bev McARTHUR: That is how desperate the businesses have got – they have to buy a hotel or a motel.

Jacinta ALLAN: Well, Mrs McArthur, I look forward to you sharing the details of this program to businesses in your community and across the state, because this is a good, practical example of how we can provide support to address those two issues. I am not sure, how are we going for –

Danny O'BRIEN: I can ask some questions if you prefer.

Bev McARTHUR: We can help out.

The CHAIR: We have got plenty of time to proceed.

Mathew HILAKARI: No, no, it is okay. I have got more to go. I have donated enough today.

Bev McARTHUR: We can help out with rural and regional Victoria.

Danny O'BRIEN: You could do Gippsland regional rail revival, why that has been delayed again.

Mathew HILAKARI: The community that I represent has a great affiliation with regional Victoria because we produce 10 per cent of Victoria's vegetables, so all the lettuce, the broccoli, the cauliflower that is on your plate here. I thought I might take the tone back a little bit at this moment. We had some storms recently across Werribee South, which is a great agricultural part of Victoria, and those floods and storms of course have been going on across regional Victoria and particularly having really deep impacts. I will take you to budget paper 3, page 9 if that suits, and I would just like to hear about how we are supporting across the state some of those communities affected by floods and storms.

Jacinta ALLAN: Thank you. This is an important question, because what we saw in that December through to February–March period was a series of natural disasters. We had floods, we had fires, we had storm damage in different parts of the state. Indeed in February on the same day we had fires out in the western part of the state around Dadswells Bridge and then Pomonal. I know the Member for Gippsland South knows this well – we had that terrible storm damage that affected many parts of the state, but the starkness of the damage at Mirboo North was illustrative of the impact that that extreme wind and weather event had on many parts of the state. So that is why there is funding in this budget to support communities who were impacted by those disasters, and we spoke earlier too about additional support to our emergency services, be they CFA or the SES. I do also want to include a reference to Forest Fire Management Victoria, because they also provide a really important part of that emergency response that we see around the state.

Again, we have gone into anecdote hour, but my memory in terms of how all the different agencies work together – when we were in Mirboo North and going around the town and seeing the damage, there were SES volunteers who had been working around the clock from Chiltern and Tallangatta. They had travelled such a long way to come and volunteer their support to a community, a small town, that really got smashed up from those massive storm events. So that is why there is the support we need to provide to the communities through that recovery phase, and, just for information, there were 1500 payments paid directly to Victorians. They are the immediate relief grants. I know from my own community the very, very small town of Goornong almost got washed away in the flooding event of mid-January.

Certainly those immediate payments are just so important when you have got a lot going on in terms of assessing damage and impact. It is so very, very important. Also, there was the funding – we needed to do that statewide coordinated clean-up and get on with that very, very, very quickly. There were things like waiving the waste levy fees for affected areas, support for local councils – and if I can give an acknowledgement to local government, who also are very much at the front line. These natural disasters impacted some of our smallest councils. The South Gippsland shire –

Danny O'BRIEN: They did a very good job.

Jacinta ALLAN: They did a great job. The Rural City of Ararat, Northern Grampians and Horsham rural council in that Pomonal and Dadswells Bridge area also played a really important role in supporting communities. One of the important elements of this work and this funding is that the recovery and rebuilding effort does not stop. If you consider Pomonal – Pomonal is a beautiful little town in the Grampians – about half the town was burnt out. They have got a big recovery job ahead of them, and we will continue that through the establishment of Emergency Recovery Victoria. They are a really important agency in terms of walking beside communities through the recovery and the rebuilding phase as well. That comes on top of that emergency response that you were asking about earlier.

Mathew HILAKARI: And just in relation to our emergency workers and volunteers, if we give them good support, they will keep coming back and doing this terrific work on behalf of Victorians. How does the budget speak to supporting those people?

Jacinta ALLAN: We do provide support in this budget, with \$185 million to support our emergency services. There is \$34 million in funding for 15 new CFA trucks and five new FRV ladder trucks. Also, there is information – I hope everyone has got the VicEmergency app on their phones.

Mathew HILAKARI: Yes.

Jacinta ALLAN: Excellent, thank you. Very good. There is \$9.4 million for emergency information and warnings through our app and also support for the State Control Centre. I mentioned before just how critical and central that centre is to providing that incredibly well coordinated response across the state. VICSES – we were talking about that earlier. There is \$7 million, which I think we talked about earlier, but I take the point about ongoing support for Life Saving Victoria and support for forest firefighters as well. But there is an area I did want to flag with the committee that we are having conversations with the federal government about, and that is making sure that the telecommunication providers are addressing the issue of the 3G phase-out. That started with one of the providers and is expected to be rolled out over the course of this year. I think it is important that the Commonwealth has established a working group on this issue. Our Minister for Government Services is having discussions with her federal and state colleagues about this. We need to make sure that as the telecommunications companies change the way they provide services – and this is not just a rural issue; I am sure for outer-suburban communities as well this would be an issue. We need to make sure that this transition away from 3G to 4 and 5 – and I heard the other day there might even be 6G. Someone who knows these things might be able to tell me that.

Mathew HILAKARI: We are not ready for 6 yet, are we?

Jacinta ALLAN: I do not know; I would just like a G! And that is the issue, right? It is about making sure that this transition is smooth, because we know that country communities particularly rely on access to good telecommunications. We saw that in a time of emergency – but also just to operate their lives and their businesses. So we will be continuing to have strong conversations with the federal government on that matter.

Mathew HILAKARI: Great. That is fantastic. Just in the little time we have remaining, I would like to take you to regional Victorian schools and budget paper 2, page 14. I would love to hear about the wonderful work we are doing there, because we are building schools right across the state.

Jacinta ALLAN: We are, and I was just looking. We are upgrading and modernising Beechworth Secondary College, Camp Hill Primary School, Cobden tech, Eildon Primary and Paynesville Primary – is Paynesville you?

Danny O'BRIEN: No.

Jacinta ALLAN: Okay, I have got my bearings wrong. Pinewood Primary, Swan Hill North Primary and Traralgon (Kosciusko Street) Primary School are just some of the schools that are sharing in that statewide investment I referred to earlier in terms of modernising and upgrading –

Danny O'BRIEN: Sale College is the one you are after. That is the one you missed. You could have done Foster Primary. It is a lot of cheaper, but you could have done that as well.

Jacinta ALLAN: Anything else?

Danny O'BRIEN: Leongatha you promised to do and you have not done.

Jacinta ALLAN: Very good. Of course country kids are going to also access those broader programs, and the breakfast club program particularly is going to be very, very important.

The CHAIR: Thank you very much, Premier and Mr Hilakari. That brings us to the end of our session today.

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

I do want to take a moment to say that this afternoon some of the evidence that has been provided gives me an opportunity to remind anyone watching that if you are experiencing family violence, help is available for you, and that is from 1800 RESPECT. You can phone them on 1800 737 732, or if it is too unsafe to call, you can also send a text message for assistance to 1800 RESPECT. Please remember, if you are in immediate danger, call 000.

The committee is going to take a break before beginning its consideration of the precincts portfolio at 5 pm.

I declare this hearing adjourned.

Witnesses withdrew.