

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2024–25 Budget Estimates

Melbourne – Friday 17 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

Danny Pearson MP, Minister for WorkSafe and the TAC; and

Chris Barrett, Secretary,

Camille Kingston, Deputy Secretary, Commercial,

Tracey Slatter, Chief Executive Officer, Transport Accident Commission, Department of Treasury and Finance, and

Joe Calafiore, Chief Executive Officer, WorkSafe Victoria.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please 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 by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

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

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

I welcome the Minister for WorkSafe and the TAC the Honourable Danny Pearson, as well as officials from DTF. Minister, I am going to invite you to make an opening statement of no more than 5 minutes, after which time committee members will ask you questions. Your time starts now.

Danny PEARSON: Thank you, Chair, and thank you, committee members, for the opportunity to appear before you today. To begin I would like to acknowledge the traditional owners of the land on which we are meeting. I pay my respects to elders past and present, and I extend that respect to Aboriginal and Torres Strait Islander peoples that may be joining us today.

Visual presentation.

Danny PEARSON: I would like to start by giving you a snapshot of the TAC portfolio. In 2022–23 the TAC provided \$1.63 billion in funding for support, services and compensation to help 45,779 injured Victorians get their lives back on track following a transport accident. The TAC continued its investment in improved outcomes in 2022–23, resulting in 69.9 per cent of less seriously injured clients returning to work, 950 of the TAC's most seriously injured clients returning to work and 1172 common-law settlements resolved in record time.

The TAC continues to offer a range of initiatives to support clients affected by transport accidents. Some examples include the TAC's partnership with Amber Community, which offers free counselling services to more than 3000 people who have been injured on our roads, have lost a loved one or have been impacted by road trauma in other ways. Amber Community also conducts education sessions across the state, reaching more than 5000 people every year through their programs aimed at helping prevent road trauma. There is return-to-work support for rapid recovery for the less seriously injured clients, and the TAC's small grants programs support community-led projects and improve the lives and independence of Victorians following a transport accident.

The TAC's inclusion and diversity framework and its four-year gender equality action plan launched in 2022–23. These initiatives aim to ensure TAC staff and those they come into contact with will feel included, supported and empowered to speak up: MyPlan, a modern platform containing insights about TAC clients with

serious injuries and complex needs; the zero-to-30-day pilot program for clients at risk of a delay of return to work; and finally, the TAC surgery service charter to make the surgery request processes easier for TAC clients to navigate.

TAC also has a number of grant opportunities available each year. As part of its multifaceted approach to road safety, TAC directly engages with the community via grants and partnerships as a platform for the delivery of public education. In 2023, in addition to the \$240,000 awarded for community-based projects, the TAC invested \$2.4 million across its road safety grant and local government grant programs to address local road safety issues; \$600,000 to 251 local football and netball clubs to educate players and members on dangers associated with speed, drink and drug driving, fatigue and distractions; and \$588,243 for value-based healthcare innovation projects.

Turning now to the TAC's financial performance, in 2022–23 the TAC recorded an operating profit after tax of \$1.657 billion, compared to the previous financial year's profit of \$1.5 billion. TAC's performance for insurance operations for 2022–23 was a record positive of \$1.895 billion, compared to \$942 million the previous financial year. TAC also recorded an insurance funding ratio result of 160.1 per cent, compared to 148.6 per cent the previous financial year. The TAC remains in a sound financial position.

Moving on to WorkSafe, in the occupational health and safety space Victoria has led the way in protecting workers from deadly silicosis. From 1 July of this year Victorian employers will no longer be permitted to carry out work involving the manufacturing, supply, processing or installation of engineered stone benchtops, slabs or panels. Until the ban takes effect, Victoria's existing regulations on exposure to crystalline silica dust and working with engineered stone will continue to protect workers. The Commonwealth government is working towards an importation ban that would effectively make it illegal to import engineered stone products into Australia. Every worker deserves to come home safe to their families and loved ones every day.

WorkSafe's compliance and enforcement activity continues to play a critical role in reducing injuries, illnesses and deaths in Victorian workplaces. In 2022–23 WorkSafe conducted more than 44,000 workplace visits and issued more than 10,000 improvement notices. This is a 20 per cent increase on the previous year. In particular WorkSafe continues to prioritise efforts to reduce workplace injuries and fatalities in agriculture and construction, where sadly, we see the most workplace deaths each year. In agriculture WorkSafe engages with the farming industry to ensure systems and practices are established to prevent fatalities and serious injuries. WorkSafe's *Agriculture Strategy 2020–23* was extended to 2024 and demonstrates WorkSafe's commitment to continually playing a lead role in preventing fatalities and promoting healthy, safe working environments for people working in the agricultural industry. In construction WorkSafe ran a statewide blitz in February this year to address falls from heights with a targeted campaign supported by initiatives to educate Victorian construction employers about the risks associated with working from heights and the prevention controls that must be in place. We are also committed to preventing workplace psychological hazards and injuries. In 2022–23 –

The CHAIR: Thank you, Minister. I am going to go to Mr O'Brien for the first 7 minutes.

Danny O'BRIEN: Thank you, Chair. Good afternoon, Minister. Could I ask Mr Calafiore to come to the table. While he is doing so, I have a couple of questions for you, Minister. Will you rule out any dividends being taken from WorkSafe over the forward estimates?

Danny PEARSON: Yes.

Danny O'BRIEN: Has the independent inquiry into the operation and viability of the WorkCover scheme commenced?

Danny PEARSON: No.

Danny O'BRIEN: When will it commence, when will it be completed and when will its findings be revealed?

Danny PEARSON: We have given an undertaking that that inquiry will report by the end of the year. We are in the process of working on the terms of reference and finding a suitable, appropriate person to head that inquiry, and that work is ongoing.

Danny O'BRIEN: When will it be actually up and running?

Danny PEARSON: Soon. I do not have a definitive date, but it is my expectation that it will be established as soon as we can identify and secure the services of an appropriate person and that we work on finalising those terms of reference. The work is undergoing, and we have indicated that that inquiry needs to commence and conclude this year. That is separate to the statutory requirement for an inquiry to occur in the 2027 calendar year, by which point we will have three years worth of data points in order to assess the efficacy of the modernisation reforms that were passed by the Parliament this year.

Danny O'BRIEN: Have you already given an undertaking that all the inquiry's findings will be released publicly, and if not, will you do so?

Danny PEARSON: I might take that on notice, if I may, Mr O'Brien. I do not want to mislead the committee. I think that it was an undertaking that I gave at the time of the modernisation reforms to come through. Let me come back to you. It would be my expectation that this is about trying to provide the community with some level of confidence as to why the government felt the need to embark upon the modernisation of the scheme – because the scheme was fundamentally broken.

Danny O'BRIEN: Mr Calafiore, last year employers across the board had a 42 per cent increase in premium. What is the total premium collected to date for this financial year?

Joe CALAFIORE: The total premium collected to date – I would not have a specific number on me at the moment – would be approaching the vicinity of \$3 billion.

Danny O'BRIEN: It was \$3.25 billion last year. Would you expect it to be more or less?

Joe CALAFIORE: It would be more, by virtue of the fact that each year the number of workers and the number of businesses are expanding. So just by virtue of normal business growth, that take would increase.

Danny O'BRIEN: What is the expected premium collection for this year?

Joe CALAFIORE: The expected premium collection would be in the vicinity of \$4.5 billion.

Danny O'BRIEN: \$3.5 billion. Okay. How many employees at WorkSafe are currently on WorkCover?

Joe CALAFIORE: How many staff members of the authority currently have an accepted claim? We currently have 30 workers that have an accepted –

Danny O'BRIEN: Sorry?

Joe CALAFIORE: Sorry, Mr O'Brien. We currently have 30 staff members with an accepted claim.

Danny O'BRIEN: Okay. Can you tell me what percentage of those are on physical versus mental injury claims?

Joe CALAFIORE: I believe we have 16 with a physical injury and 14 with a mental injury.

Danny O'BRIEN: Okay. Thank you. Has Return to Work Victoria been fully established?

Joe CALAFIORE: It has. Return to Work Victoria is now up and running. It is being led by a very experienced claims executive by the name of Mr Jason Lardelli. Jason has got over 25 years experience in working with five different schemes, both in New Zealand and in Australia. So we are up and running. We are in the market hiring for our leadership group. We also have commenced two pilot programs, so they are out in the market at the moment. One is a support line aimed at people in your small to medium type of enterprises that would not have access to your normal employee assistance programs that perhaps you would if you worked for a large company, and the second pilot is a program aimed at assisting employers in current and updated knowledge about mentally healthy workplaces.

Danny O'BRIEN: How many people are currently working at Return to Work Victoria?

Joe CALAFIORE: Return to Work Victoria is a business unit within the Victorian WorkCover Authority, and it would be approximately 350 staff.

Danny O'BRIEN: 350?

Joe CALAFIORE: Yes.

Danny O'BRIEN: Have they been reallocated from within WorkSafe, or are they entirely new appointments?

Joe CALAFIORE: No. On the establishment of Return to Work Victoria we had staff members in many fragmented and disparate sections of the business, and they have all now been brought together under one coordinated banner. So the vast majority of those staff would be existing employees.

Danny O'BRIEN: Okay.

Danny PEARSON: The government indicated that we are providing \$50 million worth of funding over three years to look at those targeted pilots and interventions. The advisory committee of Return to Work Victoria is a subset of the advisory committee of WorkCover. It is chaired by the chair of WorkSafe. What we want to do is we want to be able to work with business and employer representative organisations in order to trial and pilot different interventions to try and prevent injuries happening in the first place, but also when injuries do occur, getting people back to work as soon as possible.

Danny O'BRIEN: Can I just confirm, Mr Calafiore: is that 350 full-time equivalent or head count?

Joe CALAFIORE: Let me think about that for a moment. No, I think it would be head count.

Danny O'BRIEN: Head count. Do you anticipate recruiting any further staff for that role?

Joe CALAFIORE: We are actually out in market at the moment. So Mr Lardelli is the executive of Return to Work Victoria, and we have gone out for an external competitive process also for the four senior leaders of that business unit.

Danny O'BRIEN: Okay. So they will be the only other externals coming in?

Joe CALAFIORE: I would say for the moment. Like any business unit within WorkSafe, we are constantly evaluating where we have our resources and the alignment to our statutory objectives, but for the moment that would be my understanding.

Danny O'BRIEN: Okay. Minister, there are at least a dozen Victorian health services operating with significant deficits, and the rise in WorkCover premiums is a large factor. Have any of those health services made an appeal either to you directly or to WorkSafe for a reprieve so that they do not fold?

Danny PEARSON: Look, I am not aware of any health service that has approached me for a reprieve on their WorkCover premium. I mean, they may have approached WorkCover directly, but let us be clear about it

Danny O'BRIEN: Mr Calafiore, have any contacted WorkSafe directly, do you know?

Joe CALAFIORE: I have not received any personal representations, no.

Danny O'BRIEN: Okay. Thank you.

The CHAIR: Thank you, Mr O'Brien. We will go straight to Mr Galea.

Michael GALEA: Thank you, Chair. Thank you, Minister, Secretary and officials for joining us. Minister, I know that reducing the number of psychosocial hazards and mental health injuries has been a very big focus of you through this portfolio. There is an output initiative, 'Psychological health regulations – public sector planning and implementation', which is listed in budget paper 3, table 1.23. I wonder if you can talk a little bit about what is being done and what this initiative will do to reduce mental health injuries.

Danny PEARSON: Thank you for your question, Mr Galea. The Allan Labor government remains committed to establishing psychological health regulations in Victoria. We know that government as an employer must do more to prevent psychological hazards and mental injuries in the public sector. The reality is that I think that if you look at the public sector, a lot of those client-facing roles can be incredibly challenging and difficult, and whether it is a teacher, a paramedic, a child protection worker, a prison officer or a sworn member of Victoria Police, they all can be challenging roles. Certainly I am incredibly proud to chair the occupational health and safety public sector leadership group, which involves trade union representatives as well as the secretaries of departments, and we meet together on a regular basis to be able to start to think about what is working and what is not working and what some of the interventions are that we can try and do to try and find ways of getting people back to work. Given the increase in mental injuries we are seeing right across the public sector, our focus this past year has been on how we can best support government departments and agencies to effectively prevent mental injuries, particularly in the lead-up to the establishment of the psychological health regulations. So that is why this budget provides an investment of \$2.1 million over three years to support public sector departments to proactively prevent risks associated with psychological hazards and to progressively strengthen workplace health and safety regulations.

Public sector departments and agencies, like any other employer, have a responsibility to provide and maintain a working environment that is safe and without risks to health, including psychological health. We know we have more work to do to improve mental health and wellbeing in public sector workplaces, which is why this budget provides funding to get additional activities underway as soon as possible. So the funding will drive targeted public sector efforts through improving prevention approaches to psychological risks and put focus on efforts to foster mentally healthy workplaces. It will also contribute to progressing the psychological health regulations, including supporting departments to prepare for anticipated changes on the horizon, like any other employer.

I do think as we start to go down this path we have got to get better at having those targeted early interventions. When I came before you last year I talked about how we need to look at mental health injuries and indeed all physical injuries from the context of the first hundred days. Previously I think the way in which – if you think about it for a moment, if I hurt my shoulder or my elbow at work, I will go to the GP or I will go to the hospital. I will get physical treatment, I might be referred on to a psychologist, and there are different decision points along the way, but you have got that sort of sporadic engagement. It usually works – generally works – for a physical injury. Mental health injuries are not like that, and that is why we have got to get better at having a far more targeted approach, having an earlier focus and an earlier approach, and I think that we all have got a role to play in terms of particularly leaders in the public sector to collaborate, to work together, to identify what might work and what might not work. For example, if you think about it, it might be that an intervention that might work for a corrections officer or cohort might not necessarily work if you are a teacher, but we need to understand what is working and what is not working, and we need to try to collaborate and work together, because we cannot afford not to. We cannot afford a situation where injured workers get sicker and sicker the longer they are on this scheme. We have got to find ways where we can have those interventions and get people back to work, because it is just much better for them.

Michael GALEA: Thank you, Minister. You mentioned those psychological health regulations as well. I am curious to hear your thoughts: what should Victorian employers be doing to reduce psychological hazards for their workers, and how do those regulations interfere with that? Do they have a role to play with that as well?

Danny PEARSON: Sure, yes. Every Victorian deserves to be safe at work. Right now, employers have obligations under the OH&S Act to provide a working environment for their employees that is safe and without risk to health, including psychological health, so far as reasonably practical. To do this an employer is required to identify, assess and control risks to health or safety arising from hazards. This has been a longstanding pillar of Victoria's OH&S framework, and WorkSafe does not hesitate to take action against employers who put the health and safety of workers at risk. Psychosocial hazards are a serious OH&S risk, and we know they can be just as harmful to workers' safety and wellbeing as physical hazards. Psychosocial hazards can include work-related violence, stress, bullying, fatigue and gendered violence, such as sexual harassment. So to better clarify the existing obligations and to provide additional support to employers in fulfilling their obligations, the government has committed to introducing psychological health regulations, and that work is currently underway.

Michael GALEA: Thank you, Minister. What measures or tools does WorkSafe have to support employees to reduce psychological hazards for their workers?

Danny PEARSON: As I said at the start, this remains a priority of mine and a priority of the Allan Labor government. That is why we are implementing all the recommendations from the Royal Commission into Victoria's Mental Health System. A great example of that is the Victorian mentally healthy workplaces framework, which has been developed by the Allan government in response to recommendation 16 of the royal commission, part of which involves delivering a statewide framework to support mentally healthy workplaces. In addition to the framework, WorkSafe also provides tools and support to employers to maintain mentally healthy workplaces. WorkSafe's mental health strategy provides an evidence-based framework for WorkSafe to support employers in establishing mentally healthy workplaces and in assisting workers with mental injuries to recover and return to work. WorkSafe has also established WorkWell to support businesses of all sizes with tools to address work-related factors that impact mental health and promote good practice. Some of the program includes: a WorkWell toolkit, which is a free online tool to help employers prevent mental injuries; a WorkWell mental health improvement fund to invest in programs that support Victorian workers at greater risk of mental injury; and the WorkWell learning networks, connecting experts with employers to share knowledge.

The CHAIR: Thank you, Minister.

Danny PEARSON: Thank you.

Michael GALEA: Thank you, Chair.

The CHAIR: We are going to go to the Deputy Chair. Apologies, Mrs McArthur.

Bev McARTHUR: Thank you, Chair. Minister, I will go to budget paper 5, page 20: the TAC has become a milking cow for the government. Why is \$2.4 billion being placed into consolidated revenue rather than being reinvested into road safety initiatives and fixing black spots?

Danny PEARSON: Thank you for your question, Mrs McArthur. Probably what I would say at the outset is that while I am the minister responsible for the TAC, issues around road maintenance, black spot funding and road safety initiatives sit with Minister Horne, who I believe will be with you next week. My responsibilities occur from the moment a person is injured, and I have got overall financial responsibility for the TAC. I think in terms –

Bev McARTHUR: Shouldn't you be protecting the funds of the TAC for those injured workers, though, rather than letting the government put it into consolidated revenue? If you are responsible for the TAC, shouldn't you be looking after their money?

Danny PEARSON: What I would say is that payments to government have been a feature of the TAC scheme since it was established. Those capital repatriations and capital dividends have been regularly provided by the TAC to governments of all persuasions, Mrs McArthur. So what I would say is that in line –

Bev McARTHUR: I am just interested in your persuasion at the moment, Minister.

Danny PEARSON: What I would say is that, as evidenced by my presentation at the start, the TAC is incredibly well run. The IFR, which is a measure of its financial capacity, is well above the upper bound or the preferred range of around 160 per cent, indicating it is in a very strong financial position, and the reality is that the IFR is projected to remain within that preferred range, right across the forward estimates.

Bev McARTHUR: Minister, the TAC is forecast to provide a \$1.5 billion grant payment to the government in 2027–28. Are you confident that this payment can be met with no impact on road safety initiatives?

Danny PEARSON: In relation to those road safety issues that you are alluding to, Mrs McArthur, they are best addressed by the responsible minister, being Minister Horne, who I believe will be coming before you next week.

Danny O'BRIEN: It is the TAC's responsibility. You are the minister for the TAC.

Danny PEARSON: I am the minister for TAC. I am not the Minister for Roads and Road Safety.

Bev McARTHUR: What, you can just let the government take money from your operation?

Danny PEARSON: What I would say is that it has been custom and practice over successive governments – really I think since the inception of the TAC – to take those dividends or those grants, and the TAC has shown that it has got the capacity to make those payments, because the IFR is at the upper range. I just reiterate what I said earlier: it is a really well run organisation. The IFR is projected to remain within the preferred range across the forward estimates.

Bev McARTHUR: But the key safety criteria of the TAC is to make sure we have safer roads and prevent road traumas. Shouldn't all the money that they accumulate be spent on that?

Danny PEARSON: Again, what I would say, Mrs McArthur, is that those questions are best directed to the portfolio minister, who is Minister Horne, who will be before you next week. If it assists the committee, let me put it in these terms: I have got responsibility for road trauma injuries from the moment they occur –

Bev McARTHUR: Exactly, Minister. We want every dollar spent on road trauma and road safety, Minister.

Danny PEARSON: What I would say is that the financial capacity of the TAC is such that we will be able to honour all of our obligations and all liabilities across the forward estimates and make these payments, because the IFR is above the preferred range.

Bev McARTHUR: You have spent \$6 million on road safety partnerships but in particular \$800,000 for the AFL. How does the government measure the success of these partnerships?

Danny PEARSON: On those questions I think it is about trying to find ways in which you can engage with those partners to get out that message. I am really proud of the fact that WorkSafe sponsors netball, and I think if you go into regional and rural communities, the football club and the netball club are really at the heart of many of those communities. I do not have to tell either you, Mrs McArthur, or you, Mr O'Brien, these observations. You understand it.

Danny O'BRIEN: We understand that, Minister. The question is about how you measure –

Bev McARTHUR: How do you measure it? We all like feel-good – but how do you measure it?

Danny PEARSON: Well, I think it would be about trying to make sure we get those messages out there into those communities to provide that level of active engagement with those cohorts. I think the reality is that for men at footy clubs – primarily it is men at footy clubs, but I know now increasingly it is more women too – providing the ability to have those messages delivered in that safe environment, with that peer-to-peer support, is incredibly important in relation to trying to shift those moods and attitudes.

Danny O'BRIEN: The principle is agreed with, Minister. The question I guess is: does the TAC have a specific measurement metric that looks at 'Has that spending, that advertising and that promotion actually been successful in either changing driver attitudes or reducing road trauma?'

Danny PEARSON: I might ask the CEO of the TAC to provide some commentary. I might ask Tracy Slatter, who is the CEO of the TAC, to come up about that. What I would say on that is that it is difficult to know, because if you –

Bev McARTHUR: We are running out of time, Minister. Perhaps the CEO could give us the cost-benefit analysis of those millions spent.

Tracey SLATTER: Thank you for the question. All of the commercial contracts that we have for those sponsorships contain value-for-money propositions and criteria for the assessment, and for the example you provided about the AFL, that reaches over 1000 football and netball clubs throughout Victoria, which provides incredible reach for those road safety messages to football and netball clubs right throughout Victoria.

Bev McARTHUR: Has it translated into less road trauma? Can you measure that?

The CHAIR: Apologies, Mrs McArthur, we are out of time. We are going to go straight to Mr Tak.

Meng Heang TAK: Thank you, Chair. Assistant Treasurer, in your presentation you talked about the establishment of Return to Work Victoria. Can you please walk the committee through what the core functions of Return to Work Victoria are?

Danny PEARSON: Yes. Thank you, Mr Tak. Return to Work Victoria will be focusing on promoting the effective occupational rehabilitation of injured workers and encouraging employers to provide suitable job opportunities for workers who have been injured, as well as identifying innovative injury prevention and return-to-work strategies. Again, tapping into that knowledge and experience, both within the trade union movement but also with employers, I think is going to play a really important role in trying to identify what is working. The newly created executive functions of Return to Work Victoria include delivery operations, which will be focusing on ensuring all injured workers are supported through best practice claims management processes and procedures that lead to effective and financially viable outcomes; partners and providers, which will be encompassing agent performance and relationships, premiums and self-insurance as well as health and recovery; performance and operational strategy, which will be setting the direction of the scheme's performance to ensure the modernised legislation is embedded and sustained; as well as enablement, which will be providing return-to-work innovations, business services and enablement and scheme reform functions.

Again, I come back to my earlier observations, Mr Tak, and I think that particularly from a mental injury perspective, we just need to be more hands on and we need to be more active. We need to be able to try and find ways where we have got those targeted interventions early. We are all politicians and we are all parliamentarians, and we are all familiar with 100-day plans. We need to have that 100-day plan approach to injured workers at the time they are injured to try and divert them away, because increasingly once people find themselves in the long tail – that is when they have been on benefits beyond 130 weeks – their ability to get back to work is significantly compromised. Usually by that point in time they have lost contact with their workmates, their employer has terminated their employment and they are increasingly isolated and vulnerable. I sincerely believe, I just know, that if we can have more of that targeted intervention upstream, providing those wraparound services and that support to those injured workers earlier on that journey, we will improve the outcomes, because the reality is if you end up in this scheme, more likely than not your mental health outcomes will decline significantly more than if you have got the dignity of work.

Meng Heang TAK: Following on, what are some of WorkSafe's existing return-to-work initiatives?

Danny PEARSON: We have currently got two return-to-work initiatives that have resulted in those positive return-to-work outcomes. The new employment service is a program to help injured Victorian workers find new employment, as well as the WISE scheme, the WorkSafe incentive scheme for employers, which provides financial incentives for employers to take on a new employee and facilitate their return to work following a workplace injury. That is, again, particularly important. If you have got a situation where somebody has had their employment terminated and they are just sitting at home, finding a way where they can have the opportunity of going back to work – it might not necessarily be in the job that they did previously but in a comparable sort of role – can work really well. I know certainly when I spoke with an agent once he told me that teachers who no longer teach make really good trainers in organisational development. It is sometimes finding those ways where you can get opportunities for those skills to be refined, focused and targeted in another employment setting.

The new employment service is provided by an occupational rehabilitation provider, approved by WorkSafe, to help injured workers find safe and ongoing work with a new employer when they are unable to return to sustainable work with their pre-injury employer. This can be in circumstances where the worker can no longer perform their pre-injury role because of physical or other limitations following their injury. With WISE, a wage subsidy of up to \$26,000 is paid to an employer who offers new employment to an injured worker for 8 hours per week or more. Today, almost 3000 injured workers have returned to work with employer support as part of that WISE program, which is great. If you just think, \$26,000 is not a lot of money compared to the cost to the scheme of somebody being on benefits for the rest of their life. You know, at least 8 hours – like, that is a good start, because you want to get somebody back in harness and back used to working. Hopefully that gives them the opportunity of developing those connections with colleagues, and they can start to build up that rapport, that engagement and that connectivity with a new workplace.

Meng Heang TAK: That is such a good initiative, Minister. Can you take us through what the new pilots are that Return to Work Victoria will also deliver?

Danny PEARSON: In addition to existing return-to-work initiatives, and Mr Calafiore touched on this earlier, two pilots are currently being scoped and will be delivered by Return to Work Victoria, in line with public tender processes, in the second half of this year. That includes a worker support hotline where workers can access early intervention and mental health support for work-related issues as well as a mentally healthy workplaces readiness initiative where small- and medium-sized businesses can access tailored support to build their capacity to create mentally healthy workplaces. Again, this is all about that prevention piece and it is all about the early intervention. Just think about it for a moment – how many workers are currently receiving benefits, but if they had only been able to talk to somebody at the point in time when the injury first started to manifest, it may have been avoided and averted? The way in which the scheme was previously constructed – you know, costing business a bomb, injured workers getting sicker – the government had to put in \$1.3 billion to stabilise it. It just was not making sense. So these initiatives I think are going to be really helpful.

Return to Work Victoria has launched a formal request for information for the two pilots, asking organisations with that appropriate experience to provide an overview of their current and planned capability, and once the pilot program is up and running Return to Work Victoria will undertake an annual review to evaluate those pilots to ensure they are delivering outcomes for workers and employers. This is something I am incredibly proud of because I know it is going to save lives, I know it is going to deliver better outcomes for injured workers and I know fundamentally it is absolutely the right thing to do, Mr Tak.

Meng Heang TAK: Thank you.

The CHAIR: Thank you, Mr Tak. We are going to go to the Deputy Chair.

Nick McGOWAN: Thank you. Thank you, Minister. Perhaps I will ask Tracey to come back to the desk while I ask you a question, Minister.

Danny PEARSON: Sure.

Nick McGOWAN: I recall last year we were talking about the IFR and you were looking to try and bring it to the midway point. And I can see in your slideshow today that obviously it has gone in the opposite direction somewhat – it is upward of 160, it was 148 I think last year. Are you concerned by that trend – because obviously the taking of dividends does not assist you in your goal to try and bring it back to the midpoint.

Danny PEARSON: Again, it is the earlier comments I made – the TAC is in an incredibly strong financial position. You do have to try and make provision for future liabilities. And the reality is that every year we have the TAC charge on motorists and vehicle users, and that helps to provide that level of financial stability for the organisation and enables it to be able to deal with issues that will arise from time to time and claims management. That money needs to be invested and a return given, but you have got to have an eye to the future and you have got to try and get a sense as to making sure that you have got that sufficient financial capacity to meet those obligations that might fall due. Obviously where you have got those monies invested for that long time, you have got the capacity to increase the financial reserves of the organisation to meet those liabilities.

But, look, from my perspective the TAC is in a very strong position. Tracey has come along relatively recently as the CEO, having previously been at Barwon. She is doing a great job and the TAC is in a really strong position, which is why I was able to give the assurances to Mrs McArthur earlier that we will be able to meet our obligations to road trauma victims as well as provide those dividends to government across the forward estimates. But, Tracey, you might want to add to that.

Nick McGOWAN: Thank you, Minister. Tracey, thank you for coming back. Just to pick up where my colleague left off, I suppose the concern is around the \$800,000 but also for the grants program to the value of \$600,000. What we are keen to understand is: are we getting value for money? Is there a causal relationship between the money you are spending and the outcome – because of course year to date the five-year average for road toll the moment is 99, from memory. Well, we are north of that already, so it is not great. What is not working? Or are the programs working and it is just that we need to do other things?

Tracey SLATTER: I think just to clarify, I can answer the question about value for money here, but questions related to road safety, as the minister said earlier –

Nick McGOWAN: Sure. Yes, I will park those.

Tracey SLATTER: We work very hard to make sure that those sponsorships and partnerships and advertising work that we do attain value for money. It is very important that we get reach out into the community, particularly given that unlike many years ago when TAC ads first came on board, lots of people were sitting around watching free-to-air television at night, which is no longer the case. So getting reach into the community through different target audiences through different channels is a value for money exercise, and the TAC does of course have criteria for assessing that.

Nick McGOWAN: My staff talk to me all the time about reach with Facebook, and I am yet to be convinced that – reach ought not be a measure of success, because reach does not mean you actually have any causal relationship. It just means that you are reaching someone, and that is really where our concern rests. The millions of dollars that the TAC are spending in their advertising – and perhaps you can enlighten me as to the annual amount we spend on TAC advertising, the full gamut – what evidence is there that any of it is actually reducing incidents, casualties, deaths?

Danny PEARSON: I will let Tracey add to my answer, but if I may, Deputy Chair, I think part of the challenge is with anything like this, there would undoubtedly be Victorians who would have lost their lives on Victorian roads but for the fact that somebody said to them at the bar at the footy club on a Friday night, ‘Listen, you’ve had 10; I’m calling you a taxi and you’re going home,’ right? That person is still alive and with us today. They would not have been but for that intervention. So to some extent it is difficult to measure a hypothetical of what could have happened but for an intervention. We do not see those interventions, but I think in terms of the work that we are doing – certainly in terms of the football clubs and the netball clubs and getting those messages out there, it plays a really important role. But I will let Tracey add to that.

Tracey SLATTER: As I said earlier, it is not only about reach. Each of the campaigns and the activities that are undertaken have their own criteria, and they also have their own evaluation methods. While reach is one aspect of that of course, for example, recall is an important aspect, and we also measure through the monitoring research that we do changes in driver behaviour every year. So there is a range of mechanisms that are used to ensure that we are targeting those funds in the most efficient and effective way to get the message out, particularly to those who most need to receive it.

Nick McGOWAN: And do you do any annual audit of that sort of relationship that you have in terms of ensuring that you are getting value for money?

Tracey SLATTER: Yes, it is assessed in a range of different ways, so there are multiple different evaluation methods.

Nick McGOWAN: I have a bit of an odd question, really, here. I was just looking before at ‘female’, so the gender breakdown of incidents, and there is a new category – well, I guess it is new; I do not know. It is ‘unknown’, and there are four in the ‘unknown’, and that indicates a change of 400 per cent. What is the unknown?

Danny PEARSON: I would assume it would be people who have not disclosed their gender identity, Deputy Chair. That would be my guess.

Nick McGOWAN: I do not think it is a question of disclosure. I think when an incident occurs, it is a matter, obviously, for the coroner or for an authority to determine. I just do not know what that means.

Tracey SLATTER: There may be circumstances where the police or the coroner are unable to identify the gender.

Nick McGOWAN: Wire rope barriers, Tracey – what is happening with that program? Is that happening still, or is it dead in the water?

Danny PEARSON: Again, I think that is probably more appropriately directed to the Minister for Roads and Road Safety, but I am conscious –

Bev McARTHUR: It was funded by the TAC.

Danny PEARSON: Yes, but again, I am not trying to harp on the general orders, Mrs McArthur. It is probably more appropriate for Minister Horne when she is before you next week.

Danny O'BRIEN: Is the TAC funding any more wire rope barrier programs? That is the question.

Tracey SLATTER: Through the safer roads program, a partnership between DTP and the TAC, we will deliver vital road safety improvements. Under the \$1.7 billion investment, to date \$1.5 billion has been spent, and there is another \$200 million to be spent on that program.

Bev McARTHUR: On wire rope barriers?

Tracey SLATTER: Yes –

Danny O'BRIEN: Over what timeframe, Minister?

The CHAIR: Apologies, Mr O'Brien. We are now going to go to Ms Kathage.

Lauren KATHAGE: Thank you, Chair. I was noticing page 84, BP3 talks about the Asbestos Council of Victoria and the Gippsland Asbestos Related Disease Support Inc, and I have seen their office there in Moe down in Gippsland. Can you tell me – we are providing support to them, and their focus is on supporting people with silica-related diseases, so what is the government doing to prevent workers from needing those sorts of services?

Danny PEARSON: Thank you, Mrs Kathage. Look, silicosis, it is just a terrible disease. It is debilitating. It is caused by breathing in deadly crystalline silica products. Throughout our country we are seeing more workers in stonemason, construction, mining and quarrying industries, often from culturally and linguistically diverse backgrounds, contracting this life-changing disease.

Since 2011 there have been over 500 WorkCover claims lodged by workers with silicosis, and it has a devastating impact on workers suffering from it and their families. Its impact on a worker's ability to work and their physical and psychological health and quality of life can be profound. That is why in Victoria we have led the way to protect workers against deadly crystalline silica exposure by already having the toughest regulations in place, including a ban on dry cutting and the first licensing scheme in the country. WorkSafe conducts regular silica-related visits, issues notices and will prosecute where appropriate in order to ensure the employers are adhering to their OH&S obligations and are not putting their workers at risk. Just this year WorkSafe inspectors have already conducted around 300 silica-related visits to keep Victorian workers safe.

Despite our robust regulatory regime and the proactive work of WorkSafe's inspectors, through the important work of Safe Work Australia we now know there is absolutely no way to safely work with engineered stone; even with the best protective measures, workers can still be exposed to crystalline silica dust when working with engineered stone products. That is why the Allan Labor government has acted quickly and will be a national leader in banning all work involving manufacturing, supplying, processing or installing engineered stone benchtops, panels or slabs from 1 July this year. The reality is that there is no safe level where this product can be used, and too many Victorian workers have lost their lives or are suffering the debilitating impact of silicosis because of these products.

Lauren KATHAGE: Thank you. That is sort of the prevention piece. What about support for workers who have, unfortunately, contracted this?

Danny PEARSON: What we have done, just in response to the rise, is to provide more of that health and financial support for workers and their families affected by these devastating conditions. We are conducting early health screening for Victorian workers in the stonemason industry through the Alfred occupational respiratory clinic. I met a guy who was in his late 30s who had spent 18 years in a job as a stonemason – loved his job. I have done lung function tests before. I saw him do a lung function test; he had virtually no capacity. You look at it and you think, 'It's just awful.' I watched my father-in-law die from having worked in the Burnley Tunnel. You see the way these diseases strip you of your independence and your dignity. It is just terrible. That is why when this came up as an issue I thought to myself, 'Look, we've just got to keep pushing forward.' I mean, obviously we had done some great work previously, when Jill Hennessy held the portfolio, by introducing these plans, and Ingrid carried on with it after Jill left. But for me it is just like, 'Well, the evidence shows there's no safe level where you can use these products.'

The Alfred occupational respiratory clinic do some great work in this space. In October last year we announced a three-year extension of that partnership between WorkSafe and the Alfred to deliver Australia's only dedicated public health occupational respiratory clinic. That provides a diagnostic tool and specialist services not really available to GPs to increase that chance of early identification. What it means is that workers in the stonemason industry are able to undergo an initial free screening at the clinic where they will leave with their health outcome and a management plan all within a day, taking away much of that stress of waiting for a diagnosis. Given the high proportion of CALD workers in the stonemason industry, the clinic also provides translation and interpreting services. Since its launch in August 2021 almost 600 workers in the stonemason industry have been referred to AORC for a comprehensive health assessment and treatment plan.

Just in relation to some of the WorkCover reforms, in 2022 we made changes to legislation to provide more support for workers and families affected by this deadly disease. These changes recognise the progressive and ongoing nature of the diseases and mean workers do not need to prove their injury has stabilised in order to access those lump-sum payments. Workers or their dependants can also claim compensation without proving their silica-related disease resulted from their employment.

I do want to give a shout out to my good friend and colleague Minister Shing for her advocacy for GARDS. I am pleased that the budget provides critical funding to continue support for the important services of the Asbestos Council of Victoria as well as Gippsland Asbestos Related Diseases Support, which provides that level of delivery for the Gippsland community, which I am sure would be known by Mr O'Brien. We know the devastating impact that asbestos-related diseases in particular have had on Gippsland, with its community being more affected by asbestos than anywhere else in Victoria. That is why I am really pleased this budget will invest \$560,000 to ensure the Asbestos Council of Victoria/GARDS can continue its important work in helping the victims of asbestosis and silicosis for their families.

This is really important work and something that Harriet has been incredibly passionate about. She has pushed really hard. I am really pleased that we have been able to deliver this under this budget, because I know it is going to make a profound difference down in the valley and in Gippsland.

Lauren KATHAGE: Thank you. Back to the prevention: how will we operationalise that ban on engineered stone?

Danny PEARSON: From 1 July there will be that complete ban. There will be no more transitional periods. I do not want to see a single Victorian worker lose their life by having some transitional ban just so somebody can have a benchtop – it is just not worth it. We are not wasting any time whatsoever in getting on with keeping workers safe, because we know that engineered stone kills, and that means no-one will be able to work with engineered stone benchtops, panels or slabs even if your contract was entered into before that date. Work is already underway to amend Victoria's OH&S regulations, and WorkSafe is working closely with key stakeholders to give effect to this ban by 1 July. Repairs, minor modifications, removals and disposal of engineered benchtops will be permitted.

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

Aiv PUGLIELLI: Thank you, Chair. Good afternoon.

Danny PEARSON: Good afternoon.

Aiv PUGLIELLI: I would just like to begin with some questions for the department. In the committee inquiry for the workplace injury rehabilitation and compensation amendment Bill the department indicated that there was a high and low end of the financial impacts. From the modelling undertaken, what will the range of savings to the budget be from limiting mental health claims?

Danny PEARSON: I know you have directed this to the department, Mr Puglielli. What I would say just on this particular point is that it is not savings to government; it is about stabilising the scheme. I think it is about trying to provide that level of stabilisation to the scheme, which was our key motivator. It is about just trying to make sure that we could ensure that the scheme was modernised and fit for purpose.

Aiv PUGLIELLI: I appreciate what you are putting to me. Can a figure be provided?

Chris BARRETT: That was actually what I was struggling with, Mr Puglielli, which was the savings. That is not the way –

Aiv PUGLIELLI: It is not the framing which has been in place.

Chris BARRETT: Yes.

Aiv PUGLIELLI: Are you able to provide that on notice, however?

Chris BARRETT: But could you rephrase – just remind me.

Aiv PUGLIELLI: What would the range of savings in the budgetary sense be from limiting mental health claims to the scheme?

Danny PEARSON: We have made a series of changes to the scheme. The issue here is that with these reforms, the scheme is not going to be fixed in five months. I want to be clear about this. It is a five-year slog to get this right. All that we will be doing will be, first of all, (1) making sure that no further calls are made on the state in relation to stabilising the scheme and (2) making sure that the IFR trends above 100 per cent. I think across the next five years it will be above 100, but, for example, going to the Deputy Chair's question earlier, we are not going to see WorkCover with an IFR of 160 in five years. Like, this is just about trying to stabilise the scheme and it is about, as I said earlier, providing those early interventions and targeted support to injured workers so they do not end up in the long tail.

Aiv PUGLIELLI: I appreciate that. That has been well canvassed. Perhaps just further, and this may be a similar response, I imagine, but in terms of budgetary effectively savings or that impact on the budget –

Danny PEARSON: They are not savings. I want to be clear about this. This is not some savings grab to put into the general government sector; this is making sure that we have got a viable workers compensation scheme that does not collapse.

Aiv PUGLIELLI: I appreciate that intent –

Danny PEARSON: It is not savings.

Aiv PUGLIELLI: Nonetheless, funds are being shifted in the change. That is an inevitable fact of change.

Danny PEARSON: It is about stabilisation of the scheme so that we do not have the scheme go broke. That is what we are doing, and that is what we did through these reforms. I know you do not like the reforms. I know you do not like modernisation, Mr Puglielli, but what I would say to you is that these reforms were modest, and this will take five years of hard work. I have got five years of hard work in front of me to make sure we can get the scheme in a position where it will not collapse.

Aiv PUGLIELLI: Thank you, Minister. Just in the remainder of my time, for the stress and burnout hotline that has been proposed, how much is that going to cost?

Danny PEARSON: Well, I might get Mr Calafiore to add to my answer. What I would say is we have provided \$50 million for return-to-work funding initiatives. I think in my answer I provided you earlier I advised that we were out to market to test that. I do not think it would be appropriate to signal in this forum how much we are allocating for that, lest it cause a lack of commercial advantage to the state, but I am not sure whether Mr Calafiore may wish to add to that.

Joe CALAFIORE: No. As the minister has correctly indicated, because this is the commencement of public tender processes, it will really depend on the amount of capacity and the choices that will be made, but we deliberately do not have figures out in the marketplace as part of those processes.

Aiv PUGLIELLI: Sure. Thank you, Chair. That is my time.

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

Mathew HILAKARI: Thank you, Minister. I refer to your presentation on TAC client support, and I am hoping you can elaborate a bit further on some of those initiatives that will support injured Victorians.

Danny PEARSON: Yes, thank you. The TAC is committed to providing Victorians injured in transport accidents with tailored support and care to recover and gain their independence as soon as possible. Last year we provided \$1.63 billion in supports and benefits to 45,779 Victorians injured in transport accidents, and this includes funding our clients' medical expenses as well as income and return to work support, for example. The TAC is committed to innovation in client services and always looking into better ways Victorians impacted by transport accidents can be supported. In the past few years the TAC has undergone significant modernisation and introduced enhanced services to make it easier for TAC clients to get the treatment and services they need to get their lives back on track.

I mentioned a number of these new initiatives that the TAC has introduced to improve its service offering in the presentation earlier, and they include developing a zero- to 30-day return-to-work pilot, launching its first surgery service charter, introducing an inclusion and diversity framework and launching its four-year gender equality action plan. MyPlan has also been introduced, which ensures tailored support to TAC clients through personalised support plans.

One thing I did very early on when I was given the great privilege of holding this portfolio was at an event we had. There are cooking classes that are available for injured drivers, and there was a woman I met. It was incredibly sad. She is now in her 40s. She lives with mum. She was in her 20s, grew up in a small rural town north of Melbourne and was out driving in another small rural town – or she was in a car; I do not think she was driving – and had a significant acquired brain injury in her 20s. She has spent the last 20 years at home with mum. So the TAC funds this program, and it is about getting road trauma victims who have got an interest in cooking to get out of home and learn to cook. You see this woman in her mid-40s – it is awful, just awful – but once you get injured, you are in the scheme and you have got those supports, and so these sorts of interventions are really helpful. Certainly I think for the woman involved this was something she loved doing, but that stuff is just really hard.

Mathew HILAKARI: That is great engagement with other people, because when you are really injured it is often – and you have talked about some of that loss of connection to communities – a really difficult thing.

I might just take you to one part of your presentation, the surgery service charter. I am just hoping you can expand on what that is and how that improves people's lives.

Danny PEARSON: This first surgery service charter sets out the standards, timeframes and communication that clients and providers can expect during the surgery request process. It has been developed in consultation with the Australian Lawyers Alliance and the Law Institute of Victoria, and the charter sets out the standards, timeframes and communication that clients and providers can expect during their surgery request process. It was developed to ensure the surgery request process can be as stress free as possible for TAC clients in order for them to be able to focus on their recovery and rehabilitation. The charter complements the TAC's industry-leading legal protocols by helping to speed up compensation claims, payments and ultimately the post-accident recovery of their clients. It ensures surgery requests are reasonable and that our responses are in keeping with our obligations under the Transport Accident Act 1986, and the charter is part of a larger piece of work to improve the TAC surgery decision timeframes. TAC is also piloting a new surgery request form that allows surgeons to submit their requests online, capturing all the information the TAC needs in order to make a decision as quickly as possible.

Mathew HILAKARI: Just alongside that in your presentation was the zero-to-30-day pilot. I am just hoping you can update us on how that pilot is going and what some of the paths to it are.

Danny PEARSON: Thank you. Approximately one-third of TAC clients who lodge a claim each year need both time off work and income support. The TAC plays a really important role in assisting these clients to return to meaningful employment as quickly as possible. To improve return-to-work outcomes, the TAC has launched a pilot called the zero-to-30-day pilot program. Developed through best practice research, insights from industry peers and a test-and-learn approach, this pilot program aims to ensure clients at risk of a delayed return to work are supported via a recovery pathway that is aligned and tailored to their individual needs. Central to this pilot is an early screening process that helps to better predict return-to-work outcomes and recovery pathways. The ability to identify positive return-to-work outcomes allows the TAC to develop care pathways that are best suited for each individual client's journey. I think in this case it really is about trying to listen and work very carefully with clients. Going back to the earlier case of the cooking classes, it was not like

you were dragoning every sort of seriously injured motorist who is on benefits into a cooking class. It is about working with individual clients, understanding what their needs are and making sure that you can provide something to them that is befitting, that suits their needs and addresses their concerns.

Mathew HILAKARI: I take you to another part of your presentation, which talked about 6000 personalised care plans created through MyPlan. What is MyPlan, and how does that work?

Danny PEARSON: MyPlan was introduced in order to give TAC clients better choice and control over their injury recovery. This is a modern platform which contains unprecedented insights about the TAC's clients and serious injuries and complex needs. It is a single source of information which fosters a greater understanding of the TAC clients. This was launched back in September 2022. As you indicated, I think over 6000 of these plans have been created. It includes 1592 MyPlans for the TAC's most seriously injured independent clients. Through MyPlan the TAC aims to improve client outcomes and better align service delivery with evolving community expectations for people with complex needs and serious injuries. This contemporary approach to case management and person-centred planning will support clients to maximise their social and economic participation in valued life roles. The MyPlan model focuses on the clients' priorities, their strengths and their needs. A completed MyPlan is a record of a client's health, vocational and participation goals; all TAC-approved services and supports the client needs to achieve those goals; and the work being done by the treating team, the client, their informal supports and the TAC to support the achievement of these goals.

Mathew HILAKARI: Thank you.

The CHAIR: Thank you, Minister.

Minister, department officials, your time has come to an end for this session. Thank you very much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is now going to take a break before beginning its consideration of the transport infrastructure portfolio at 2 pm.

I declare this hearing adjourned.

Witnesses withdrew.