

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2021–22 Budget Estimates

Melbourne—Wednesday, 16 June 2021

MEMBERS

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr James Newbury

Mr Danny O’Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor

WITNESSES

Mr Danny Pearson, MP, Minister for Government Services,

Mr Jeremi Moule, Secretary,

Ms Vivien Allimonos, Deputy Secretary, Cabinet, Communications and Corporate, and Acting Chief Executive Officer, Digital Victoria, and

Ms Jo de Morton, Chief Executive Officer, Service Victoria, Department of Premier and Cabinet.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee and welcome back Minister Pearson, this time for consideration of the government services portfolio. We invite you to make a 5-minute opening statement, and this will be followed by questions from the committee. Thank you.

Visual presentation.

Mr PEARSON: Thank you, Chair, and to begin with I would like to acknowledge the traditional owners of the land on which we are meeting, the Wurundjeri people of the Kulin nation, and I pay my respects to elders past, present and emerging and any other First Nations people with us today.

COVID-19 has accelerated citizen and government use of technology. Increasingly the government expects seamless, agile and intuitive digital services to be delivered right to a person's device whenever and wherever they need it. That is why the Victorian government is building on existing investments, providing a further \$180 million in this budget to continue with this government's digital transformation, including \$66.9 million to support Service Victoria's delivery of new and existing digital transactions; \$50.8 million to modernise systems and uplift Victoria's cybersecurity capability, ensuring we can detect and respond to increasing cyber risks; \$29.2 million to continue our single digital presence work, making it easier for Victorians to find the information and services they need; and a combined \$34 million to support a range of essential data and digital initiatives, including funding for analytics to improve community consultation, shape policy and service delivery and support innovation.

Service Victoria is making it easier for Victorians to get things done, with government offering modern digital services designed around people's needs. It has played a critical role in the government's COVID-19 response and recovery efforts, allowing us to develop digital solutions in time. Whereas once the design and rollout of digital services would have taken months to develop, through Service Victoria we have been able to roll out solutions in weeks, if not days. This includes the border permit applications system and applications for regional travel vouchers, which have encouraged much-needed tourism into local communities. We are also supporting businesses and organisations to record attendance at their venues and events via the Victorian government's free QR code service. The check-in feature developed by Service Victoria is quick and easy to use and last week was number one on the app store. All customer-facing industries that are required to keep electronic records under public health directions must use the government's QR code service. This decision comes after some months of using a hybrid check-in system that allowed third-party developers to connect to the government's visitation API. This change gives government ready access to aggregate data and increased oversight over data storage and retention protocols of Service Victoria's application and also allows government to make updates to that app more quickly and easily when required by the public health advice.

Using one application is also helping to improve business and community compliance, with a single product that is easily recognisable and simple to use. As of 10 June close to 167 000 businesses have registered for the government's free QR service and Victorians have logged more than 57 million check-ins. Public health advice is paramount, and that is why we have made this change. It will ensure contact tracers can contact people more quickly and easily when exposure sites are identified. It is also important to note that the Service Victoria application is only mandated for record-keeping purposes under the CHO's directions. Other applications may continue to be used by businesses for their internal processes, such as rostering, or for services, such as electronic menus used by hospitality businesses.

Digital Victoria is enabling great service delivery, and we are seeing that with Service Victoria. Its focus is on helping citizens to better interact with government and enhancing the digital capability of the Victorian public

sector to meet community expectations. Fundamentally, Digital Victoria's role is to provide the strong leadership needed to shape Victoria's digital future. In April this year Digital Victoria was formally established as a group within the Department of Premier and Cabinet, consolidating teams and functions including data analytics, cybersecurity, digital strategy and service design. Digital Victoria has three key areas of focus: to improve Victoria's experience with government, to enhance the efficiency of the Victorian public service and to support the local digital economy. Digital Victoria has the right people in place with digital expertise that spans a range of disciplines. Our next step is to recruit for a permanent CEO to help drive our strategic priorities. The recruitment process is now underway. The right technology approaches have also been established with a range of whole-of-Victorian government platforms in place, such as the API capability program, single digital presence and Insights Victoria. Digital Victoria is creating a culture of collaboration and partnership across government that will allow us to deliver more personalised services to our citizens.

This budget invests an additional \$29.2 million to continue the rollout of our Single Digital Presence program. This is an open-source publishing platform designed to make the digital user experience consistent, consolidated and simple to navigate. I will leave my comments there, Chair.

The CHAIR: Thank you, Minister. Mr Richardson.

Mr RICHARDSON: Thank you, Chair. And thank you, Minister, for joining us, again, on the topic of government services. I want to take you to budget paper 3, page 102. Last year you provided the committee with evidence about the government's \$195.9 million investment to establish Digital Victoria. I note that the government is continuing that investment, and it is outlined in those budget papers, providing \$61 million to Service Victoria. Aside from the use of the QR code check-in feature, are you able to elaborate any further for the committee's benefit on how this substantial investment will benefit Victorians?

Mr PEARSON: Thank you, Mr Richardson. Look, we established Service Victoria, the state's dedicated customer service agency, to make it easier for Victorians to get things done with government by offering modern services designed around people's needs. Service Victoria will help to change the way citizens engage with the government, and we are seeing more Victorians engaging with the Service Victoria platform than ever before. Victorians want more of their government transactions available to them through the convenience of their own device, and that is why we are investing an additional \$66.9 million in Service Victoria to ensure Victorians can transact with government where they want and when they want. It is simple to use, based on human-centred design, and it is quick too. You can pay your car rego in less than 40 seconds, and the time it takes people to get jobs done has been cut by around a quarter, so Victorians spend less time on hold and standing in queues. If I can use this anecdote, I recently renewed my fishing licence because I want to take my kids fishing. I did it on my phone; it was done in 30 seconds. It is just really straightforward and easy.

Currently, Mr Richardson, there are 48 online services available through Service Victoria—from applying for a working with children check or a solar panel rebate or, as I said, keeping your fishing licence in a digital wallet. Bringing government services together into the one place makes sense, which is why we have added business licensing to the platform. The government will streamline the business licensing application process so that business owners can worry less about their requirements and more about bouncing back. We have listened to small business owners who say that red tape is frustrating, time consuming and takes too much effort that they could otherwise be putting into growing their business. For example, a restaurant owner would save time through a simpler and easier process for renewing their food and outdoor seating licences. We have commenced this work with the first release of a new navigational tool which is helping small food businesses find out what licences and permits they need.

This initiative will support Service Victoria to create new online application processes to reduce the time taken for approvals so that businesses are operating sooner, restoring jobs and generating economic activity across the state. Small business owners will be able to create business profile accounts to make it faster and simpler to interact with different government departments and local councils, enabling the auto online filling of online applications, reducing the time churn on paperwork. This business account will be expanded later in the year with functionality that gives business owners timely updates and alerts to their phone and inbox, helping them track in real time the status of various applications and permits. Helping small business owners get things done easily online means less people in a queue, which in turn benefits those people who prefer to do business in person.

This past year the government has provided many grants to support Victorians and our small businesses to get through to the other side of the pandemic. I know for many grant applications it can be a daunting task, and through Service Victoria we are working to make it simpler for Victorians to apply for grants. Streamlining and simplifying applications through this trusted platform is the very first step. Service Victoria has demonstrated its ability to administer government payments through the regional and metro voucher system—for example, tens of thousands of \$200 metro vouchers were allocated in less than 5 minutes. As you can appreciate, Mr Richardson, there was a lot of traffic on the platform at any one given time, and the platform handled that level of volume and there were no issues.

Now, we want to make it easier for Victorians to apply for Victorian grants, and as the Minister for Creative Industries I hear firsthand about how difficult some creative workers and organisations find grant applications. So funding provided in this budget will allow Service Victoria to use their high-tech platform to make it simple and quick for Victorians to apply for and access grants, rebates and financial support from government, helping to create jobs and boost the economy. So it is a great platform, and it is a really important digital investment the government is making now that I think will play a key and pivotal role in terms of improving the citizen experience.

I think with these things you want to drive up the volumes. More citizens engaging with this platform means that we get the ability to refine our offering, and when we start to refine our offering it will enhance the citizen experience, which will make citizens want to engage more with the platform, so it becomes a virtuous cycle. I think this is something that is going to be a really important investment that will be of benefit for future generations in Victoria because it is going to play such a key role in terms of managing that citizen interface.

Mr RICHARDSON: We have seen a lot of that innovation occurring in a relatively short period of time with some of those platforms and apps that you talked about, and the number—around 67 million QR code check-ins—is extraordinary. I want to take you to the point of value. You would be aware of the Auditor-General's recent report into Service Victoria, Minister. What is the government doing to get more value out of Service Victoria?

Mr PEARSON: As I indicated, we have got at the moment about 48 existing online services operating on the platform. The VAGO report found that Service Victoria has improved the customer experience through the service it delivers and noted that customer satisfaction is above 96 per cent. What we have done in more recent times has been the introduction of the free QR check-in service, which, again, is providing a really important role in terms of enabling people to check in. It is a digital visitation record. I heard it described as almost like a social safety belt. It is a way we can try to understand where people are and where they are moving in the event that there is an outbreak. We are rolling out a free kiosk check-in service for businesses to support visitors to their venues who might have older phones or no phones at all or might not be technically savvy. More than 2.8 million Victorians have downloaded the app. As I indicated earlier, 57 million check-ins have taken place as of 10 June.

In relation to the travel application system, which went live in just two and a half days, and a total of 40 000 regional vouchers were snapped up in just 13 minutes during the 20 January release, with a peak load of 9000 in 1 minute. So that is a pretty high volume, and the platform really stood up.

Including the COVID-related transactions being delivered by Service Victoria, as at 30 April we have seen the average cost per transaction reduced to \$1.47, and we will continue to see a reduction as more services come online. So you have got that initial outlay, that initial investment, but as more transactions start to occur, the unit cost price starts to drop. We are different. I think Service NSW started their journey 10 years ago, so they have got a really large physical shopfront presence as well as the app. We have had a real focus on the app, and I think from an efficiency point of view and as a cost per transaction you will see that number drop accordingly.

Service Victoria was also the first state government agency in Victoria to create a 100-point ID check entirely on a mobile phone, and over 60 000 Victorians have saved the time and effort of standing in line to verify their identity. This technology is supporting agencies to process the working with children checks and NDIS worker screening, and innovations like this are again making it simple and easy for Victorians to use.

Again, Mr Richardson, I would say that we want to try and make sure that we get more people using the platform. More experience that the team at Service Victoria have in terms of servicing Victorians will improve and enhance the citizen experience, which will then make people want to use it more.

I am pleased in relation to the VAGO report that it found that Service Victoria has demonstrated its ability to build and utilise its technology. Through Service Victoria the government has access to modern digital IT capabilities, including software engineers, developers and solution architects. They are highly skilled capabilities which now form a core part of our public service capability. These are skills of a modern public service, and I would say that they are now core skills, as the pandemic has shown the importance of having teams with the right skills to very quickly roll out new transactions to support the government's COVID response and recovery efforts.

A key aspect of the Service Victoria model is that we have created a repeatable, scalable digital platform and technical solution which makes it cheaper and quicker to roll out new transactions on behalf of agencies. Whether it be supporting an emergency response or business licensing or payment systems, Service Victoria now has the backing capability to roll out more digital services for Victoria. We have managed to build a modern enterprise-grade platform using cloud technology, and the funding provided in this budget will support Service Victoria to use their suite of re-usable components such as digital identity verification, bank-grade payments, an AI chatbot and a modern mobile app with wallet and touchless technologies to support more agencies to provide better, safer and faster digital transactions for Victorians.

Mr RICHARDSON: Thank you, Minister.

The CHAIR: Thank you, Mr Richardson. Mr Newbury.

Mr NEWBURY: Thank you, Chair. Minister, the Premier last year in October said Victoria's QR code system would be the best in the country. Fourteen months into the pandemic, why did it take so long for Victoria to mandate use of the QR code system?

Mr PEARSON: Yes. I think it is probably worthwhile just to give you a bit of background and context on this question, Mr Newbury. Many businesses at the time of the lockdown engaged with and appointed private sector QR code providers to provide that offering for check-in purposes. Certainly my view at the time was that I felt that it was important that that innovation not be stifled, and I thought that the establishment of the API would enable us to be able to access data from those private QR code providers in the event that there was an outbreak. That was sort of, I think, the original reasoning behind it. I think that what we have learned is that the benefit of having a mandated solution is that it is easier to upgrade more quickly Service Victoria than a hybrid system for contact tracing purposes. I think the public health advice on this was that it would be better to have a uniform system than to have Service Victoria and a number of private providers.

Mr NEWBURY: So the health advice at the time was a uniform system, but your view was that allowing innovation to occur was the best course at that time?

Mr PEARSON: No, no, no. We have always followed the health advice. I think that the advice at the time was that we had a number of businesses that had gone out and engaged their own private QR code providers, and I think the view was, 'They've entered into those contracts in good faith. They're trying to stick by contract tracing. They're trying to do the right things. Let them do that. We'll have the Service Victoria app as an alternative, and we'll look at having an API to be able to have the private QR code providers interface with contact tracing and Health'. Imagine if you and your partner took your child to a park, and you are at one end of the park and your partner is at the other end of the park. The API is like the child relaying messages between, back and forth. And so at the time we thought that there would be a benefit, in the event that there was an outbreak, in being able to access that data point through a private QR code provider and to relay that back to contact tracing in Health. We thought that would suffice. But I think what subsequently happened was that because the Service Victoria app has synergies and benefits in terms of updating the app it was determined that that would be a preferable outcome, and that was the reason why it was mandated.

Mr NEWBURY: Okay. Noting that in WA the police have had the capacity to access QR code data and the government there has had to rush through—well, has announced that they intend to rush through—legislation, do the police have access to QR code data in Victoria?

Mr PEARSON: My advice is that Victoria Police has not accessed this data.

Mr NEWBURY: I did not ask that. Do they have access?

Mr PEARSON: I am attempting to answer your question, Mr Newbury. My advice is that Victoria Police have not accessed this data to date. In relation to Service Victoria, Service Victoria has a record of people's name and their number. That information is passed on to the Department of Health, and the Department of Health are able to match that name and number with their location. Now, in the event that police wish to subpoena that or seek a court order to access that data, then that would be something that would be dealt with through the normal processes. I think what I would say, though, is that in terms of the data that we retain, we only retain it for 28 days. As you would appreciate, Mr Newbury, the life cycle of the virus is around about 14 days, so we only keep data for 28 days unless there is an outbreak, in which case that data is held for longer.

Mr NEWBURY: So, Minister, in short, the police have the capacity to seek legal access through the department to that data. Secretary, have you—

Mr PEARSON: Sorry, Mr Newbury, just a point of clarification: I think that would be a matter for the courts. The police would need to determine whether they thought that accessing this information would be relevant to a police investigation. They would have to seek a warrant, as I understand, from the courts in order to access that information. The courts would have to determine that, but there is no—

Mr NEWBURY: So the loophole exists in Victoria is what you are saying?

Mr PEARSON: No. I would not describe our judicial system as a loophole, Mr Newbury. What I would say to you is that there is the capacity for Victoria Police to seek a warrant to access that information. That would have to be a matter for the courts, but also, as the respondent agency, the Department of Health would need to ascertain that.

Mr NEWBURY: I think it would be fair to say that that contradicts the public messaging.

Secretary, have you provided any advice to the minister as to whether or not there are other entities which could therefore have access? So, for example, could a law firm seek access when they are seeking to substantiate an alibi?

Mr MOULE: Thank you, Mr Newbury. I might ask Ms de Morton to supplement this, because she is quite familiar with the Act under which Service Victoria operates. Service Victoria operates to the highest standards of data protection within Victoria. There are some mechanisms under which police, through the judicial system, could seek a warrant to access data that is held by any government department, but the—

Mr NEWBURY: Before going to Ms de Morton, can I ask: have you considered rushing legislation in Victoria to close the same loophole that exists here, as WA has done?

Mr MOULE: I would make the same point that Minister Pearson made to you, Mr Newbury: there is no loophole. There is a system under which police can seek warrants for information—

Mr NEWBURY: I think Victorians are now pretty concerned—

The CHAIR: Mr Newbury, could you allow the Secretary to complete his answer before you interrupt?

Mr NEWBURY: Thank you, Labor Chair.

Mr MOULE: As I said, Mr Newbury, I think it is—

The CHAIR: Thank you, Mr Newbury. Mr Limbrick.

Mr LIMBRICK: Thank you, Chair, and thank you, Minister and team, again. I would like to also ask some questions about the QR code check-in and the data security. What other departments or areas have access to this data? For example, does the behavioural insights team in DPC have access to this data?

Mr PEARSON: Look, I think, Mr Limbrick—and I might get Ms de Morton to supplement my answer—in relation to the data that is collected, how it has been characterised to me is it is almost a bit like it is an envelope

in a physical sense. Service Victoria gets an envelope. In there are peoples' names and numbers. That is passed on to the Department of Health and it is matched up to physical locations and it is used on a reactive basis in the event that there is an outbreak. So there is not that opportunity where it is just basically being bandied around. The other point to make is that if we are looking at privacy and security more broadly, Service Victoria uses the data encryption standard AES 256, which makes it virtually impenetrable. So using a very powerful supercomputer, it will take roughly 27 337 893 trillion trillion trillion trillion years of brute force to hack open the encryption. So it is a really, really safe app. The data is retained for those 28 days—unless there has been an outbreak and you need to try and track where people have been beyond that—and it is routinely deleted, but it is there for contact tracing purposes. I will just get Ms de Morton to supplement my answers, Mr Limbrick.

Ms de MORTON: We carefully designed the scheme to keep the data separate deliberately. So the first step is that the customer will fill in their check-in data on their phone. A copy of their name and their phone number and their location ID, but not the actual location, goes to Service Victoria. So we cannot say where that person has been from the data that is in our system, and the minister has already described the encryption that is on the Service Victoria system. The only thing we can do is count how many things go into the envelope, so we can tell you the number of check-ins but we cannot tell you the data that was checked in.

Separately, Department of Health have an encrypted secure API link into that system. If they have an outbreak, they can ask for the location ID, and it will return the data only to Department of Health. So the ability to put those two things together is limited to the contact tracing team, and it was designed that way deliberately.

Mr LIMBRICK: Thank you. And on the issue of data retention, you said that it is only held for 28 days, but my understanding—I have worked in the IT industry for a long time—is databases are backed up, lots of databases have journalling systems, so the data never really goes away. Like, what sort of safeguards are there to ensure that the data is actually destroyed and gone and not sitting on a backup server somewhere forever or in a journal database or something like this? Like, what sort of assurances are there that the data is actually gone forever after 28 days?

Mr PEARSON: I might ask Ms de Morton to answer that—if you are able to.

Ms de MORTON: Yes. I mean, the data is deleted out of those systems in 28 days, and the backups are not kept longer than that. In terms of any greater detail, I can get back to you with the detail on that.

Mr LIMBRICK: So in the future we are never going to see this data turn up again from an old backup system or something like that? It is gone forever.

Ms de MORTON: Not from Service Victoria's systems. But I do need to clarify that if Department of Health have requested the match in the way that I described earlier, then that data is passed to Department of Health, who use it for their contact tracing purposes—but not from Service Victoria's systems.

Mr LIMBRICK: Okay. Thank you. With the contact tracing team, though, they also do things like look at behaviours and things like this. Like, is that part of this, or is it only used in the case that there is an outbreak, or are they using it to track overall movement activity, or do they do that through other means?

Mr PEARSON: I might get the Secretary to supplement my answer, but look, this is purely for contact tracing purposes, and the data is accessed if there is an outbreak. That is what it is designed for, that is what it is used for, and that has been our focus to date. And I would imagine that would remain to be so, because we have got those legislative instruments that sit around the use of Service Vic.

Mr LIMBRICK: Thank you.

The CHAIR: Thank you, Mr Limbrick. And thank you, Minister. That concludes the time we have available for consideration of the government services portfolio. The committee will follow up on any questions taken on notice in writing, and responses will be required within 10 working days of the committee's request. The committee will take a short break before resuming with the consideration of the creative industries portfolio. Thank you all for your attendance today.

Witnesses withdrew.