

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2014–15

Melbourne — 20 May 2014

Members

Mr N. Angus

Ms J. Garrett

Mr D. Morris

Mr D. R. J. O'Brien

Mr C. Ondarchie

Mr M. Pakula

Mr R. Scott

Chair: Mr D. Morris

Deputy Chair: Mr M. Pakula

Staff

Executive Officer: Ms V. Cheong

Witnesses

Mr D. Drum, Minister for Veterans' Affairs,

Mr J. Hanney, Deputy Secretary, Intergovernmental Relations and Citizenship Group, and

Mr J. Puls, Director, Veterans' Affairs, Department of Premier and Cabinet.

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

The CHAIR — We resume the estimates hearings and move to the portfolio of veterans' affairs. I welcome back the minister and, from the Department of Premier and Cabinet, Deputy Secretary, Intergovernmental Relations and Citizenship Group, Justin Hanney, and the Director Of Veterans' Affairs, Mr Joshua Puls. The minister now has an opportunity for a brief presentation of no more than 5 minutes on the budget estimates for the veterans' affairs portfolio.

Overheads shown.

Mr DRUM — Thank you, Chair. As the Victorian community, we owe a great debt to our veterans for their service to our country and for the sacrifices that they have made over the past century in conflicts around the world. Our government has committed to honouring their service and sacrifice, not just on Anzac Day and Remembrance Day but on every day of the year. Perhaps most importantly we are committed to passing this knowledge on to the next and future generations to ensure that the service and sacrifice of our veterans is never forgotten. We do this through programs including the Premier's Spirit of Anzac Prize and in 2015 by providing 80 Victorian secondary school students and 18 chaperones with the opportunity to attend the Anzac Day dawn service at Gallipoli on 25 April 2015.

We are also seeking to engage the wider community in commemorating the service and sacrifice of our World War I veterans through a comprehensive program being implemented to commemorate the Anzac centenary. In relation to commemoration at the shrine, the government's commitment to deliver the \$45 million Galleries of Remembrance project at the shrine is close to delivery and is at the heart of our very commitment to commemorate the service and sacrifice of Victoria's veterans. I will say more about this shortly. The government has also allocated additional funding of \$71 000 to the RSL to facilitate increased attendance at the Anzac Day dawn service. This is on top of the \$80 000 per annum we have provided for some time.

We also supported a special event at Government House, attended by around 450 Korean War veterans, to mark the 60th anniversary of the ceasefire on the Korean Peninsula. We have made 40 grants with a total of almost \$400 000 to communities to restore their local war memorials, avenues of honour and honour boards and a further 18 grants from the Veterans Fund to commemorate veterans' service in local communities.

In relation to veterans' wellbeing, funding totalling \$492 506 has been delivered from the Anzac Day Proceeds Fund for 25 projects to improve the wellbeing of our veterans on behalf of the veterans council. Work is also continuing on the veterans accommodation project, which is expected to see five individual units available for use by veterans by the end of 2015.

With the Premier's Spirit of Anzac Prize, the 2013–14 Premier's Spirit of Anzac Prize attracted a record 472 entries from 85 schools across Victoria. The prize plays an important role in keeping the memories of veterans' service and sacrifice alive across the generations. Since it was established in 2004, the prize has attracted more than 2000 entries.

The Shrine of Remembrance: the \$45 million Galleries of Remembrance is the centrepiece of the government's commemoration of the service of our veterans, in particular the Anzac centenary. The project will include a new education and dedicated exhibition space, which will provide significantly enhanced capacity to facilitate visitations by students and the wider community. The galleries project is now well advanced and will be completed by Remembrance Day. The government is continuing to work with the commonwealth to secure a \$22.5 million contribution for this important project. The lifeboat *Devanha*, a key component of the new exhibition, was installed in its new home at the Shrine of Remembrance on 4 May this year.

For the calendar year ending 31 December 2013, visitations to the shrine exceeded 700 000. For the calendar year ending 31 December 2013, more than 50 000 students participated in the shrine's education programs, either online or via the outreach program. On 24 April 2014, the Minister for Planning announced that the government had, following consultation with the cities of Melbourne, Port Phillip and Stonnington and the shrine trustees, developed and introduced new planning controls that will protect the integrity of the shrine vista. These controls mandate limits on the height and locations of nearby buildings that will ensure that the view and the backdrop of the shrine is preserved.

Through the Victorian Anzac Centenary Committee we have developed and delivered an embarkation project marking the departure of troops from Melbourne, centred around the HMAT *Orviato*. The project seeks to encourage Victorians to make connections with those from their community who served in World War I. The

Victorian Anzac Centenary Committee is chaired by former Premier Ted Baillieu and includes the member for Ballarat West, Sharon Knight, as a representative of the opposition. Key ex-service organisations, a former Premier's Spirit of Anzac Prize recipient and a younger veteran are also on the committee. As part of the Anzac centenary communication strategy we are also engaging with social media over Twitter and Facebook, with posts going out every day.

In relation to emerging priorities, in the 2014 state budget the government has allocated an additional \$6 million over four years for a range of commemorative initiatives, including an Anzac centenary community information and engagement program to engage Victorian communities about the Anzac centenary; supporting the attendance of 80 secondary school students and 18 chaperones at the dawn service in Gallipoli; upgrading the facilities and visitor experience at Point Nepean, where the first shots were fired of World War I; support for the first shot commemorative ceremony at Point Nepean on 5 August this year; and a significant event in August 2014 at the Melbourne Town Hall to commemorate the mass meeting in 1914 to support the war effort.

All these events, as well as the opening of the Galleries of Remembrance, will be in addition to the ongoing work in the veterans affairs portfolio to give effect to the government commitment to support Victorian veterans and to honour their service and sacrifice.

The CHAIR — Thank you, Minister. We have until 1 p.m. for questions. Again, I will start. Could you outline to the committee the initiatives in the veterans affairs portfolio which will contribute to the growth of Victorian jobs, both in the coming year and over the forward estimates?

Mr DRUM — Thank you, Chair. In the veterans affairs portfolio we are making a major investment in the state's infrastructure through the Galleries of Remembrance project at the Shrine of Remembrance. The Galleries of Remembrance is a \$45 million construction project which is expanding the space available at the Shrine of Remembrance. The project converts the 1600-square-metre undercroft space at the shrine to permanent exhibition space and provides an education centre, an auditorium and public and staff facilities in a new southern extension. Building works commenced in early 2013 and are due to finish before August 2014, the centenary of the start of World War I. I am pleased to report to the committee that they are being completed on time and within budget.

The amount of work that is being done at the shrine on this project is phenomenal. I have taken a close interest in this project and visited the site many times. I have also been very proud to see how many jobs have been created as part of this project. That is before the full economic effect of the galleries in the areas of tourism to the state begins to take its toll as well. The government's original commitment was to fund half of this project and to seek the other half from the commonwealth government, given that the shrine is a memorial of truly national significance. Despite the ongoing efforts by the Victorian government, neither the current commonwealth government nor its predecessor have made any real commitment to this major project. We are continuing to lobby hard for a commonwealth contribution.

In the interests of getting the project finished and as a sign of our commitment to this development, as the Minister for Major Projects has already informed the committee, the government has made the second allocation of \$22.5 million available — that is, the full funding for the project. However, we are continuing to seek a half contribution from the commonwealth. We believe that this is only right and proper for a national icon like the Shrine of Remembrance.

Earlier this month I was pleased to join the Premier and Minister Hodggett to welcome the *Devanha* Gallipoli landing boat to its new home at the shrine after its journey from the Australian War Memorial in Canberra. The *Devanha* will be the centrepiece of a new purpose-built exhibition currently being developed, which I look forward to opening later this year.

In relation to vista controls, I am very proud to say that the government has established planning guidelines to prevent high-rise buildings from overshadowing the shrine. The Shrine of Remembrance is Victoria's largest and most visited war memorial. It is a special place where all Victorians can reflect on our war history and on the service and sacrifice of our veterans. I am aware that the shrine trustees have been concerned for some time about the adequacy of local government planning provisions to protect the shrine vista and the areas surrounding the shrine from encroachment by high-rise development.

After a period of consultation with the shrine trustees and the cities of Melbourne, Stonnington and Port Phillip, the Minister for Planning recently announced the introduction of new planning controls that will permanently ensure that the shrine is protected from being overshadowed by adjoining development. It is important that the integrity and the significance of the shrine design, setting and uninterrupted views are preserved to provide opportunities for reflection and solemn public ceremonies, such as those that we see on Anzac Day.

Mr PAKULA — Minister, I note that your presentation made reference to veterans' wellbeing, and you went through some projects. But last week we saw \$47 million in cuts by the federal government to veterans, including annual reviews of veterans who receive the veterans incapacity payment, a tightening of dental and allied health provider fees for services provided to veterans and other cuts. I am wondering if you can take the committee through what steps you have taken to ensure that Victorian government services for veterans are able to fill any gap that has been left by the cuts made by the commonwealth.

Mr O'BRIEN — On a point of order, this is the Victorian budget estimates, not the commonwealth budget estimates.

Mr PAKULA — I am not asking about the commonwealth budget estimates; I am asking what steps the Victorian government can take to fill the gap left by the cuts in the commonwealth budget.

The CHAIR — I will allow the question, but it seems to me that the only thing the portfolios have in common is the link to veterans. The two portfolios are in fact quite different, but I will allow the minister to respond if he chooses.

Mr DRUM — I can tell the member — and I am sure the member is very much aware, as the committee is very much aware — that in the main, and vastly in the main, the welfare of the veterans with their support packages is the domain of the federal government. I am sure the committee is very much aware of that.

In relation to some of the cutbacks from the federal government announced last week, I do know that one of those announcements referred to concessions in relation to some of the cutbacks that Mr Pakula mentioned. I think it is worth putting on the record that the Premier of Victoria, Denis Naphine, has already indicated that those cuts would be absorbed by the Victorian government. It is a significant event just in one particular area alone that the Victorian government has indicated that it is going to step up and cover any cutbacks to those concessions that may be affected across the broader community, and it is anticipated that the veterans would be very much caught up in that as well.

In relation to veterans' welfare in general, the Victorian government recognises the important role that veterans have played in serving and defending our nation, and our government is committed to taking action to care for the health and wellbeing of our veterans. We do this through a variety of ways, including veterans information forums, grants programs and through our election commitments to provide crisis accommodation for our veterans. In relation to crisis accommodation for our veterans, the veterans accommodation project is an example where the government has listened carefully to the ex-service community, who have described the need for short-term to medium-term accommodation for veterans who find themselves in some kind of crisis.

The Victorian Veterans Council has been working with a registered housing association and the ex-service community to develop a proposal which has now been submitted to the Victorian Property Fund for expanding the supply of specialist housing to low-income or disadvantaged veterans and/or their dependents. Unfortunately this project has been slower to get going than we would have liked. I am advised that the accommodation offerings were to be a part of a larger inner city residential development and that this development has had significant delays — something totally out of our control.

During that time, it also became clear that the needs of the veterans community had in fact changed somewhat, and that is what the veterans council were telling us, so I am pleased to say that my predecessor, Hugh Delahunty, and the veterans council have worked together to get this project back on track, to find another appropriate provider and a site and to ensure that we are developing a project that will address the real and present needs of the veterans community, especially younger veterans, based on the advice of the Victorian Veterans Council. The chair of the veterans council is regularly updating me on the progress of this project.

In relation to veterans information forums, supporting veterans welfare is not just a one-off investment; it is part of the annual work of the portfolio, and in partnership with the Victorian Veterans Council we conduct a series

of veterans information forums held across Victoria. These forums provide ex-servicepeople and their families with information about the benefits and services offered by all tiers of government. They are conducted by the Victorian Veterans Council and are run in partnership with the commonwealth Department of Veterans Affairs and a range of federal, state and local government organisations. This financial year successful forums have been held at Ringwood and Geelong, with over 145 people attending the one in Geelong alone, and as we speak more than 80 people are attending a forum in East Keilor today. The next forum will be held in Mildura in early June.

Through the sharing of information, veterans obtain an understanding of their entitlements provided by the federal government and other benefits and services available to them in Victoria such as health and aged-care services, pensions, mental wellbeing initiatives and community safety. These forums assist veterans to maintain their good health and independence. The Victorian Veterans Council also provides information at the forums on various government initiatives and grant programs.

Mr PAKULA — I actually do not recall asking about any of that, but never mind. Minister, you indicated in part of your answer that the state government had absorbed some of the concession changes made by the commonwealth, so indeed there is an impact on the Victorian budget consequential to the commonwealth government's decisions in this area. Since the federal budget has been handed down, what dialogue have you engaged in with your federal counterpart in order to minimise the impact on the Victorian budget of the decisions that are in the commonwealth budget?

Mr DRUM — I am sure the member is very much aware of the ongoing conversations that are taking place as we speak in relation to a whole range of issues that are part of the commonwealth budget. As you saw, the Premier has met with the other premiers as recently as Sunday, and those conversations are ongoing. It is also very much in the Premier's mind to have further conversations with the Prime Minister regarding specific reductions.

As I have said, one of those reductions, which has been identified already, is in the area of concessions, and this is an area that was addressed immediately by the Victorian Premier, where Denis Napthine has said that he is going to pick up the additional cost of the concessions immediately so that there will be no loss of benefits to any veterans or any other person who is currently receiving concessions in the state of Victoria as a result of what was announced in the federal budget last Tuesday night.

Mr ANGUS — Minister, I refer you to budget paper 3, page 45, and I ask if you can please inform the committee of the government's work regarding the World War I centenary commemorations?

Mr DRUM — The centenary of the First World War, 2014–18, will be a significant international commemorative event. For Australians, the landing of Australian troops at Anzac Cove in 1915 is one of the most defining moments in our history. The centenary of Anzac presents a unique opportunity for the entire Australian community to be involved in activities honouring those who served during World War I, not to mention the service of today's veterans.

The Victorian government is committed to ensuring the Anzac centenary is commemorated in a fitting manner, inclusive of all Victorians. Our planning to support Victoria's preparations for the centenary has included the establishment of the Victorian Anzac Centenary Committee. As members of the committee will be aware, the Premier appointed the Honourable Ted Baillieu, MP, to chair this committee. Mr Baillieu has been joined by the member for Ballarat West, Ms Sharon Knight, MP; the state president of the RSL, Major-General David McLachlan; the chair of the Shrine trustees, Air Vice Marshal Chris Spence; the chair of the veterans council, Rear Admiral John Lord; Mr Mark Duckworth, representing the Department of Premier and Cabinet; Ms Claire Chisholm, a former Premier's Spirit of Anzac Prize student; and Mr Greg Williams, a young Afghanistan veteran and serving Victorian police officer.

At the centre of our commitment to commemorate the Anzac centenary is the \$45 million Galleries of Remembrance project that I have spoken about previously. An Anzac commemorative naming project, in partnership with the Office of Geographic Names — this project was piloted in five Victorian councils and has seen 39 new roads named after Victorian veterans and civilians who served during wartime, including a new suburb in Ballarat named Lucas. Grants are available for councils to research and collate databases of commemorative names to support official recognition and gazettal by the registrar of geographic names.

There is a travelling exhibition about World War I in partnership with the shrine. This exhibition will begin in August this year and will commemorate the sacrifices of Victorian servicemen and women to educate the community, particularly young people, about the history of Victoria's involvement in the war and its impact on individuals, families and communities.

A book about Victoria's involvement in World War I, in partnership with the State Library of Victoria, will look at all aspects of Victoria's war effort from our military units, our casualties, the impact of our rural communities to the role of our schools, the formation of the 14th Battalion, the Aboriginal soldiers and nurses from Victoria, our role at battles such as Villers-Bretonneux and Fromelles, our awful losses at Krithia and the repatriation of our troops back to Victoria. It will be a resource for us all for many years to come. I am very much looking forward to its publication for the centenary.

There is a digitisation of World War I soldier settlement records in partnership with the Public Record Office. This project will make these important records more accessible to the wider Victorian community and help people and communities make connections with the stories of our World War I veterans.

A preserving and cataloguing of veterans' memorabilia project will be delivered in partnership with Museums Australia. This project will help RSLs to digitise and photograph their collections of memorabilia so that they can be recorded online and made accessible to the wider Victorian community. Without that project, many of our amazing artefacts will in fact be lost and damaged.

A local community Anzac centenary grants program will also be delivered in partnership with the Victorian Veterans Council. This program will provide assistance of up to \$20 000 to local communities for Anzac centenary projects. There will be the Anzac centenary major grants program. That will provide assistance of up to \$100 000 per project, to be delivered in partnership with the Victorian Anzac Centenary Committee.

An embarkation project based around the HMAT *Orvieto* will also encourage Victorians to make connections with World War I communities and the World War I veterans who served, and a dedicated Anzac centenary website will again build on the *Orvieto* project, helping communities make connections to their Anzac past.

These initiatives will all build on our continuing work to commemorate the service and sacrifice of our veterans and initiatives to pass on the knowledge of this service and sacrifice into the next and future generations in Victoria.

The CHAIR — Thank you, Minister. Mr Scott, noting that we have 2 minutes left in this session.

Mr SCOTT — I will be brief and I will make it a very simple question. Minister, on page 221 of budget paper 3 there is a total output cost for veterans' affairs. The 2013–14 expected outcome is 4.5 million rather than 4.8 million — —

Mr DRUM — What page again, please?

Mr SCOTT — Page 221. Could you take the committee through please what programs the underspend represents or where the underspend took place?

Mr DRUM — On page 221 I cannot see the underspend.

Mr SCOTT — The 2013–14 target was 4.8 million, the expected outcome is 4.5.

Members interjecting.

Mr SCOTT — I am asking the minister to outline which programs that relates to.

Mr DRUM — You are saying there is an underspend of \$300 000?

Mr SCOTT — Yes, in a \$4.8 million budget.

Member interjecting.

Mr SCOTT — I have asked the question. I am just asking you to explain which programs that underspend relates to.

Mr DRUM — Have you not read the footnote?

Mr SCOTT — It says funds carried over. I am asking you the specific programs it relates to, which is further information required and the footnote cannot resolve my question, so please, Minister.

Mr DRUM — I will get back to the member with the exact project that has been underspent.

The CHAIR — Thank you, Minister. That concludes the hearing for the veterans' affairs portfolio. We now have a question on notice and will write to you with the details of that. We would appreciate a response within 21 days to enable finalisation. I thank the minister and departmental staff for their attendance.

Witnesses withdrew.