

# CORRECTED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2011–12

Melbourne — 20 May 2011

#### Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr G. Rich-Phillips, Assistant Treasurer,

Mr D. Yates, Acting Secretary,

Mr A. Todhunter, Deputy Secretary, Government Services Division,

Ms J. Dore, Chief Executive Officer, Transport Accident Commission, and

Mr G. Tweedly, Chief Executive Officer, WorkSafe Victoria, Department of Treasury and Finance.

**The CHAIR** — I declare open the Public Accounts and Estimates Committee hearing on the 2011–12 budget estimates for the portfolios of Assistant Treasurer, technology, and responsibility for the aviation industry. On behalf of the committee I welcome the Honourable Gordon Rich-Phillips, MLC, Assistant Treasurer, Minister for Technology and Minister responsible for the Aviation Industry; Mr Dean Yates, acting secretary, Department of Treasury and Finance; Mr Adam Todhunter, deputy secretary, government services division, Department of Treasury and Finance; Ms Janet Dore, chief executive officer, Transport Accident Commission; and Mr Greg Tweedly, chief executive officer, WorkSafe Victoria. Members of Parliament, departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in any way in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his or her chief of staff, can approach the table during the hearing to provide information to the minister, by leave of myself as chairman. Written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council Committee Room, and no more than two TV cameras are allowed at any one time in the allocated spaces. May I remind TV camera operators to remain focused only on the persons speaking and that panning of the public gallery, committee members and witnesses is strictly prohibited. I am also pleased to announce that this series of budget estimates hearings is being audiocast live on the Parliament's website.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. This committee had determined that there is no need for evidence to be sworn. However, witnesses are reminded that all questions must be answered in full and with accuracy and truthfulness. Any persons found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days of this hearing. Unverified transcripts and PowerPoint presentations will be placed on the committee's website immediately following receipt, to be replaced by verified transcripts within 48 hours of the hearing.

Following a presentation by the minister, committee members will ask questions relating to the budget estimates. Generally the procedure followed will be that relating to questions in the Legislative Assembly.

I ask that all mobile telephones be turned off.

I now call on the minister to give a brief presentation of no more than 5 minutes on the more complex financial and performance information that relates to the budget estimates for the Assistant Treasurer.

**Mr RICH-PHILLIPS** — Thank you, Mr Chairman. It is a great pleasure to be here at another Public Accounts and Estimates Committee hearing.

**The CHAIR** — On that side of the table.

**Mr RICH-PHILLIPS** — Twelfth year in a row, first year on this side. I am very pleased to be here and have the opportunity. I have noted the officers I have from the Department of Treasury and Finance and the two statutory agencies WorkCover and the Transport Accident Commission here with me today. We have a brief number of slides to run through just to give you an overview of the portfolio. I ask Mr Todhunter to go to the first slide.

**Overheads shown.**

**Mr RICH-PHILLIPS** — This sets out basically the key responsibilities of the assistant treasury portfolio: responsibility for workplace accident and compensation rehabilitation via the Victorian WorkCover Authority; the occupational health and safety regime, again via the Victorian WorkCover Authority; transport accident compensation and rehabilitation, obviously via the TAC; management of the government's motor vehicle fleet via the government services division of the Department of Treasury and Finance; purchasing and procurement arrangements within the government, again via the government services division and the Victorian Government Purchasing Board; facilitating the acquisition, reuse and disposal of Victorian government land and property, which is the commercial division of DTF; overseeing the whole-of-government accommodation, planning and

policy, which is government services; and overseeing government superannuation, which falls within the commercial division.

The next slide sets out the key outputs that involve the assistant treasury portfolio: budget and financial policy advice; economic and financial policy; GBE — government business enterprise — performance monitoring and financial risk management; government services, and land and infrastructure investment management. We have the three statutory authorities attached to this portfolio: the Emergency Services Superannuation Scheme, which is responsible not only for emergency services super but also the defined benefit schemes within government more generally; the Transport Accident Commission; and the Victorian WorkCover Authority. And we have one body established pursuant to the State Owned Enterprises Act, and that is CenITex, the whole-of-government IT service provider.

The next slide is one that PAEC has seen previously relating to the performance by the Victorian WorkCover Authority. It just shows a 10-year trend in the financial performance for the VWA, noting that midyear results were released in February for the VWA. They are not shown on this chart, but the key metrics were performance from insurance operations, a positive \$61 million; net result after tax, a positive \$396 million; actuarial release, which was a negative \$5m; and funding ratio of 106 per cent. I am happy to go into those financial ratios in more detail if the committee so desires.

The next slide looks at occupational health and safety performance within Victoria. We can see from the chart, on the top left, the aggregate number of incidents — claims reported to the VWA over the last six years — the last one being 2009–10, which is the last full year we have data for. Down in the bottom right is the same information expressed as a ratio of claims to 1000 workers to give an idea of trend versus the size of the workforce in Victoria. As you can see, that trend has been in a long-term decline over the last six years.

The next chart shows key performance measures for the Transport Accident Commission. Again we start with the financial metrics, which are again basically in the same format to WorkCover. We have performance from insurance operations; this is to the last full financial year. That is the key measure of the agency's internal performance, netting out investment performance, which obviously is beyond the scope of the agency to influence in terms of its actual operations, and net result after tax, which does include investment returns. You can see obviously that with the years associated with the global financial crisis that was a substantial negative as a consequence of market movements, actuarial release — being the small form bar, which is essentially the way in which the assessed liabilities have moved against actuarial projections, and a positive figure is a positive outcome for the organisation — and funding ratio, which is shown with the line and is currently below 100 per cent funded as a consequence of the global financial crisis hit on the entity's investments.

The next chart shows the measure of road safety performance. Of course one of the key roles of the Transport Accident Commission is addressing road safety issues. This chart shows the Victorian road toll expressed per 10 000 vehicles registered. It is useful to look at the figures as a ratio to the vehicle population given the growing number of vehicles on our roads, reflected by the growing population. We have across the bottom of the chart an absolute measure of fatalities in each of those years culminating in the 2010 calendar year.

The next slide sets out some of the key areas within government services. As I indicated earlier, our fleet is one of the key areas. A key issue that the government is focused on there is the content of the fleet — 90 per cent of our vehicle fleet is Australian-manufactured vehicles. The proportion that do not fall in that category are generally specialised vehicles. Cost is obviously an important issue for us — minimising the cost of running that fleet. Procurement is another important area for the government. Some of the things that the procurement area within GSD is responsible for are whole-of-government contracting, which is an important area that the government had among its election commitments to achieve efficiencies for government by having whole-of-government contracts, and the Victorian Government Purchasing Board, which is responsible for setting procurement requirements for core budget agencies.

The next slide is again on government services. Accommodation is one of the key responsibilities for DTF and government services. Some of the key issues we deal with there are portfolio size; density within the portfolio; vacancy rates and costs, and obviously I can explore those further with the committee if it wishes; and efficient technology services, which is being implemented by CenITex, the whole-of-government IT provider, and I can give further details to the committee as to achievements there and the progress expected. Finally superannuation and land and property are other key areas within DTF for which this portfolio is responsible.

I will leave it there, Chairman, and I welcome your questions.

**The CHAIR** — Thank you, Minister. Before I ask my question I should say that after two weeks of these hearings I would have to say anybody who has sat through 11 years continuously deserves to have the opportunity to be on the other side of the table. Congratulations for persistence, Minister. I direct my question to you in relation to population and demographic trends, and I ask: how have predictions concerning population growth shaped the budget for 2011–12 and the out years?

**Mr RICH-PHILLIPS** — I will answer this question in a couple of ways related to different elements of this portfolio. The Treasurer, when he presented here a week ago or a couple of weeks ago, spoke about the pressure that population growth places on government service delivery. Of course that is a key consideration of government — the capacity to deliver the services, the type of services and the volume of services at the standard that the community expects. One of the key elements of the assistant treasury portfolio, which is in many respects a back-of-house portfolio in terms of internal government operations, is to ensure that internal government operations are as efficient as possible so that the maximum resources are available for direct service delivery. Where we have a situation with a growing population, as we have had recently — strongly growing — it is a considerable imperative for government to ensure that its operations are as efficient as possible so that the service delivery element of government spend can be maximised rather than the administrative side. That is a key driver within this portfolio.

There is another area that arises now that population growth is slowing, and you would have seen, in budget paper 2, the projections for population growth over the forward estimates, which shows a slowing in population growth in the coming years. Treasury has reflected that in recent years much of Victoria's economic growth has been on the back of population growth. Now the population growth is slowing we need to shift from economic growth based on population growth to economic growth based on productivity growth. One of the key ways in which we can do that as a government is to make it easier for business to operate in this state. We have a regulation reduction target of 25 per cent over three years, which requires all areas of government to consider ways in which they can reduce the regulatory burden and administrative burden that they impose upon business in this state, which will help drive productivity — and indeed help drive investment, we expect — in the Victorian economy. That is an issue of relevance to this portfolio, particularly as it relates to the statutory agencies, which I will talk about further.

The other point I would like to make briefly relates to the two statutory agencies, the TAC and WorkCover, and I guess the question there is not so much around population growth as it is around demographic change. The TAC and WorkCover are both essentially very long-tail insurance schemes. They can have, particularly in the case of the TAC, obligations that last for decades with respect to particular claimants. As the population changes and ages, the needs that are placed on those agencies change. Likewise with WorkCover, with an older workforce the needs of those claimants are different, and the types of injuries and the types claims that we see are different. Noise impairment claims, which are increasing now, are an example of something that is reflective of an older working population. There are two aspects to that question with respect to this portfolio.

**Mr SCOTT** — Minister, I refer you to the commitment of the coalition to protect public sector jobs, which was given prior to the last election, and I note that in your presentation you listed a number of organisations for which you are responsible. My question is: in the agencies for which you are responsible as Assistant Treasurer, will you protect public sector jobs?

**Mr RICH-PHILLIPS** — The government's commitment around public sector jobs was that the government would not initiate redundancy programs across government. We were not looking to reduce the size of the public service, and that remains the case. In fact, as a consequence of the decisions this government has taken around the budget we expect there will be an increase in the size of the cohort of the Victorian public sector. Obviously we have made commitments around police and protective services officers and a number of commitments particularly in the health area which will lead to an increase in the overall head count. In terms of individual agencies, obviously as needs change within agencies the allocation of staff in agencies will change, but the government's commitment was an overall commitment, and we expect that as a consequence of this budget there will be an increase in the head count in Victoria.

**Mr SCOTT** — To follow up, in reference to your previous answer — I understand therefore that if I were working in an agency, I would be particularly worried about my future — why has your agency WorkSafe

Victoria produced a document which states that you intend to cut 21 roles within that organisation and have 31 employees apply for 26 roles? Chair, I am happy to table that.

**The CHAIR** — That's fine. I am happy if you want to table it, Mr Scott, but I will ask the minister to respond.

**Mr RICH-PHILLIPS** — As I said in my previous answer, the government's commitment around jobs related to not reducing the public sector. Of course there will be movements within agencies and within departments as needs require, and it would be derelict of this government — it would be derelict of any government or any agency — to maintain staffing levels and to not make changes within organisations as circumstances require changes. The government's commitment remains, but of course people will move around within agencies and between agencies.

**Ms HENNESSY** — It is a different position to your colleagues.

**Mr MORRIS** — Minister, I take you to budget paper 5, page 29, and I ask: how is the government proposing to ensure value for money in terms of government procurement?

**Mr RICH-PHILLIPS** — The issue of procurement is one in which the government has a particular interest. As I said, this portfolio is largely directed towards back-of-house functions. The government made a number of commitments around savings associated with back-of-house functions, and one of the ways in which this government is seeking to achieve those is through improvements in procurement.

One of the key areas where efficiencies and savings can be achieved in procurement is whole-of-government contracting. There are some 44 categories of whole-of-government contracts that are currently in place, with another 4 categories of contracts that will shortly come into effect. Since the change of government last November the new government has released tenders for a new eServices Panel. That was a process that commenced under the previous government, but it is reaching its conclusion under this government. We have released a tender for a new staffing services panel, and we have signed new contracts with respect to stationery and office products, print management services and think client hardware devices.

The government will also be looking at other opportunities for whole-of-government contracting in order to achieve back-of-house savings. The expectation is that for 2010–11, full-year savings of around \$140 million will be achieved as a consequence of whole-of-government contracting. The other area where we are looking to achieve savings is through procurement within departments, which is overseen by the Victorian Government Purchasing Board. That board is currently reviewing the policies that it has in place for departments and agencies to undertake procurement. Currently those guidelines are based largely along the dollar value of a procurement, which determines the mechanism by which procurement is undertaken.

New policies will see that more on a risk-based mechanism, as to the mechanism by which procurement is undertaken, recognising that individual agencies that are seeking procurement should have the best knowledge as to the types of market issues and risk issues that they will encounter with their procurement. That is an evolutionary process — but we are looking to see further efficiencies from those changes through the Victorian Government Purchasing Board.

**Ms HENNESSY** — Minister, I refer you to page 143 of budget paper 3, which allocates additional moneys to the graduated licence system — which is indeed most welcome. I also refer you to budget paper 4, at page 47.

**Mr RICH-PHILLIPS** — Sorry, what was that first reference?

**Ms HENNESSY** — Page 143 of BP3, and page 47 of BP4. I refer to the specific reference in BP4 to existing asset initiatives for road safety enhancements as part of the Arrive Alive strategy funded by the TAC. I was just wondering, in the context of your comments to 'up the ante' on road safety, why there are no new projects listed in the table that begins on page 48. Can you explain to the committee how this accords with your promise to up the ante on road safety?

**Mr RICH-PHILLIPS** — Can you take me to that reference on page 48?

**Ms HENNESSY** — The table in BP4. The table begins on page 48.

**The CHAIR** — What are we looking for? What is the name of the — —

**Ms HENNESSY** — There are no new projects listed in that table. I am asking the minister to explain to the committee how that accords with his commitment to up the ante with road safety.

**Mr RICH-PHILLIPS** — I thank Ms Hennessy for her question. As Ms Hennessy will see from the table on page 47, Transport Accident Commission expenditure for 11–12 is estimated at \$75 million. There is a substantial program under way for enhancements which will lead to improved road safety outcomes, and the government will be working to deliver those through the TAC. It is not always the case that new resources need to be committed in order to deliver outcomes.

**Mr PAKULA** — In order to up the ante?

**Mr RICH-PHILLIPS** — We expect the agencies to deliver outcomes efficiently and effectively, and we are looking for efficient delivery with the resources that have been provided.

**Ms HENNESSY** — By way of clarification, Minister, is it your evidence to this committee that there are no new projects arising from that \$75 million?

**Mr RICH-PHILLIPS** — It is my evidence, Chair, that there is \$75 million shown here that will be expended in 11–12 on a range of projects to enhance road safety, as they should be. The government supports that.

**Mr PAKULA** — Up the ante — with the same projects!

**Mr ANGUS** — Minister, I refer you to budget paper 5, page 29, and also to your presentation. Could you advise the committee what the government's policy is for achieving better value for money with respect to government accommodation?

**Mr RICH-PHILLIPS** — Again this is an issue where the government is seeking to achieve efficiencies by consolidation through the government services division. The shared service provider has been established — and I acknowledge that it was established under the previous government — with responsibility for looking at the government accommodation portfolio. The establishment of the shared service provider has for the first time allowed for some coordinated planning with respect to a range of accommodation issues in terms of renewals, location of government agencies, price paid-for leases et cetera.

As you would appreciate, the Victorian government is a substantial tenant across Victoria and a very substantial tenant within the Melbourne central business district. It is very important that we have coordination within government when it comes to the signing of accommodation leases. The worst scenario we could possibly have would be to have multiple agencies competing for the same lease. The shared service provider is an important entity by which accommodation efficiencies and coordination can be achieved. I note that in the coming 18 months to 2 years there is a substantial number of CBD leases that are due for renewal. We expect that it will be through this time frame that the SSP will come into its own in terms of achieving efficiencies for government and ensuring that we get good value for money in the leases that are signed.

We also need to look at exactly what we are doing within the floor space that is taken on a lease-by-lease basis. You would appreciate that working patterns have changed across the workforce generally as well as across the public sector. While you might allocate space for every full-time equivalent person employed, the reality is that in any large employer — and the Victorian government is a very large employer — on any given day there will be a proportion of people who are absent, on leave or ill. Increasingly staff are working from home, they are hot-desking and they are adopting new technologies. The requirement for every person who has a job to have a permanent desk or a permanent office has changed. The way in which we allocate space needs to change accordingly.

Also, even seemingly minor things, such as the type of technology used, have changed the need for the allocation of accommodation. The best example of that would be desktop computers. If you go back five years, a desktop computer was a large box. It had a cathode ray tube perched on top, and it had a big footprint. Now with modern computers and flat screens you do not have such a requirement for desk space. People working with notebooks et cetera have a smaller requirement for desk space. It seems a minor thing, but when you

multiply it across 261 000 public sector employees, it is significant. One of the things we are doing through GSD is updating the guidelines for accommodation in relation to space allowed per FTE to ensure that we are working at world's best practice and getting efficient use of the space. We expect that that will also work to reduce our accommodation costs.

**Mr SCOTT** — Minister, I note your commitment to administer a WorkCover scheme that meets the needs of Victoria's injured workers, and I ask: will you guarantee that over the estimates period you will preserve the current rights, entitlements, methods of calculation and thresholds of access in relation to benefits provided for currently in the WorkCover scheme?

**Mr RICH-PHILLIPS** — I am happy to talk about the government's plans around the Victorian WorkCover scheme. Our policy, as Mr Scott indicated, is to preserve benefits for workers under the WorkCover scheme. The government committed in its election policy to a rewrite of the accident compensation legislation. The committee may recall that in 2008 a review of accident compensation legislation was undertaken by Peter Hanks, QC. It was commissioned by the previous government to look at a range of issues in the accident compensation legislation.

As a consequence of that review the previous Parliament passed two substantial pieces of amendment legislation to accident compensation in terms of a range of benefits. The government has indicated that it supports those benefits that were introduced as a consequence of those Hanks package changes, and we do not plan to make any change to that benefit regime.

One of the recommendations of the Hanks review that was not taken up by the previous government was for a consolidated rewrite of accident compensation legislation. We now have that legislation extending in the order of 1000 pages. It is a very complex piece of legislation that is unwieldy for the parties that have to use it, whether it is injured workers, whether it is employers, whether it is the agents or whether it is the VWA itself. It is very complex legislation. The government has committed to a consolidated rewrite of that to simplify the administrative arrangements around that legislation.

We do not plan any benefit changes. We have indicated that we will preserve the existing benefits under that scheme, and we are also working very diligently to preserve the elements of the existing legislation that have been subject to judicial interpretation so that they are not subject to being revisited and so that we preserve the case law interpretations that have been established around that. The focus of the rewrite is administrative; it is not benefit change.

**Mr SCOTT** — I will just follow up. I hope it will require a very short answer, because I think I understand correctly that you would preserve, for instance in the area of common law, the narrative test — from what I understand from your answer — and that you would also not change the thresholds for the impairment test. Is that correct?

**Mr RICH-PHILLIPS** — As I said, the government is not planning any changes to benefits. It is 1000 pages of legislation — I do not know that we should go through it clause by clause here — but we are not planning benefit changes.

**Mr O'BRIEN** — I would like to follow on from your answer to Mr Angus's question and take you to page 18 of budget paper 2 under the title 'More efficient, transparent and responsive public services'. Regarding efficiency particularly in the public service, specifically I ask you: what steps has the government taken to reduce energy usage and other costs in government buildings?

**Mr RICH-PHILLIPS** — I thank Mr O'Brien for his interest in this matter, and it is a matter that I have had an opportunity to raise in the Legislative Council — the issue of efficiency in government buildings. Again this goes back to one of the government's key objectives of ensuring that the operations of government as distinct from the service delivery elements of government are as efficient as possible so that we can maximise the resources that are spent on service delivery to the Victorian people. One of the ways of doing that is to ensure that the buildings that the government occupies are operated efficiently.

The efficient government buildings program is designed to ensure that the operating costs of buildings in relation to energy costs and in relation to water costs are minimised. Basically the way in which the program operates is that projects are designed in conjunction with providers under energy performance contracts on the

basis that a capital investment will be made to a particular government building to bring about a particular energy-efficient outcome — whether it is in terms of electricity use or water use — and then the savings that are expected as a consequence of that capital investment are guaranteed by the energy provider and the capital cost is therefore paid back.

Earlier this year I approved a change in the payback regime for this program, reducing the payback period from eight years to seven years. The effect of this is to ensure that the projects that are funded under this program do produce more immediate results, and the expectation of this program as a consequence of that change, expressed in net present value terms — the payback offset by the up-front capital cost — increases to around \$172 million, which is an increase of approximately \$20 million. Again this is an important contributor towards the government's savings targets to ensure that we can maximise service delivery to the Victorian population.

**Ms HENNESSY** — Minister, I refer you to page 143 of budget paper 3. What allocation has been made to ensure that the road safety experience centre that the former government announced whilst in government will become operational to improve safety on our roads?

**Mr RICH-PHILLIPS** — I thank Ms Hennessy for her interest in this particular matter. I note the way in which Ms Hennessy couched her question as to what allocation this government has made towards the proposed road safety experience centre. The Treasurer indicated when he appeared two weeks ago that this budget is about delivering on this government's election commitments. Page 13 of budget paper 3 sets out the quantum of election commitments that have been delivered by this government in the 11–12 budget and indeed notes that \$4.36 billion of output initiatives related to the government's election commitments have been funded against a complete package of 5.2 committed before the election, so the vast majority of this government's election commitments have been delivered in this budget.

The reason Ms Hennessy's question is interesting is that she asked about this government's commitment to a project of the previous government. The reality is that while the previous Premier announced that project in late October 2010, what the previous government did not do was provide any funding.

**Mr PAKULA** — We would have done it in this budget. That is what this budget would have been for.

**Ms HENNESSY** — That is the purpose of a budget process.

**Mr RICH-PHILLIPS** — The advice I have received from the Department of Treasury and Finance — indeed, from the TAC — is that no funding source was even identified by the previous government for this project. No business case was undertaken by the previous government. I can tell you that this government is committed to delivering its election commitments, however we have not funded those election commitments of the previous government.

**Ms HENNESSY** — Just not upping the ante on road safety, Minister?

**The CHAIR** — Ms Hennessy, do you have a follow-up question?

**Ms HENNESSY** — No. I just needed to establish that the minister was not committed to establishing a road safety experience centre. Thank you, Chair.

**Mr ANGUS** — We do not have to fund your promises.

**Mr O'BRIEN** — You were not either. You did not put your money where your mouth was.

**The CHAIR** — Minister, I refer to BP 3, page 362, which nominates a \$50 million revenue target for DTF from the sale of surplus government land, including Crown land in 2010–11, and I request the minister to advise the committee of the likelihood of this sales target being achieved.

**Mr RICH-PHILLIPS** — Thank you, Mr Chairman. The sales target set for sale of land, which was \$50 million in 10–11 and was again \$50 million in 11–12, is an important contributor to ensuring that government runs efficiently. One thing we do not need is for government agencies to be holding onto surplus land and surplus properties. Lazy balance sheets across government are not in the interests of the Victorian community. We do have a target of selling surplus land where it is identified.



I should just clarify exactly what is meant by surplus land. Surplus land or surplus property are assets that are identified by individual departments and agencies as surplus to their requirements, so it is not a case of Treasury coming in and saying, 'Your assets are surplus and we are selling them'; it is a determination reached by individual line agencies as to whether property is surplus. If something is determined to be surplus by an agency, alternative uses in government, rather than externally, are then considered. If there are no alternative uses in government, consideration is given to whether there are uses within local government for the deemed surplus property. So there is an exhaustive process within government once an individual agency has decided it does not need a particular asset before it is actually made available for sale.

Of course once something is surplus to government requirements it is appropriate that it is disposed of, and the proceeds from that disposal of assets then go back towards capital requirements for the agencies that originally determined them to be surplus. As to the target, as at 30 April sales totalled \$45.2 million towards the \$50 million target, and DTF expects that that \$50 million target will be met.

**Mr SCOTT** — Minister, I understand WorkSafe Victoria funds and oversees surveillance operations of injured workers accessing benefits under the workers compensation scheme. I would be grateful if you could give information on the expenditure on surveillance activities, and I want to ask whether you have confidence in the oversight that WorkSafe Victoria provides to an area of activity that has potential for significant invasions of privacy?

**Mr RICH-PHILLIPS** — Mr Scott, could you repeat the question? I did not actually hear the subject of your question.

**Mr SCOTT** — The subject is that WorkSafe Victoria funds and oversees surveillance operations of injured workers accessing benefits under the workers compensation scheme. I was just asking what is the expenditure on such surveillance activities, and do you have confidence in the oversight of surveillance operations where there is the potential for significant invasions of privacy?

**The CHAIR** — Thank you, Mr Scott, for repeating your question.

**Mr RICH-PHILLIPS** — The issue Mr Scott raises relates to ensuring that people who are claiming benefits under the Victorian WorkCover Authority schemes are appropriately claiming those benefits. There are a range of activities that the agency undertakes to ensure that people who are claiming benefits are rightly entitled to claim those benefits. I have no reason to believe that those activities are inappropriate or have been conducted inappropriately. As to the cost of that particular function, we can take that on notice and come back to the committee. If Mr Scott has reason to believe there are issues with that, he can let us know, but I am not aware of — —

**Mr SCOTT** — I am happy to. Minister, are you aware of the case Nguyen v. New Wave Leather Pty Ltd, where Mr Phong Nguyen was supposed to be subject to surveillance, but in fact the wrong person was subject to surveillance and the case was dismissed. In fact — I will be gentle about this — Mr Nguyen and the person subject to surveillance differed significantly in perhaps a way you and I do, Minister. This case occurred on 28 March when WorkSafe was under your supervision.

**Mr ANGUS** — A point of order, Chair?

**The CHAIR** — Thank you, Mr O'Brien, your point of order.

**Mr O'BRIEN** — It was Mr Angus, but I am sure it is the same point of order. It is very interesting — —

**The CHAIR** — Sorry, I thought it was Mr O'Brien. I beg your pardon.

**Ms HENNESSY** — Could we please hear Mr Angus and not Mr O'Brien on the point of order? Come on, chaps, share it around.

**Mr SCOTT** — I had not finished.

**Mr O'BRIEN** — It is relevance to estimates as opposed to general question time, and don't pretend that we are not interested in the subject matter as a government. The question is: is it relevant to this committee?

**Ms HENNESSY** — I thought it was Mr Angus's point of order, Chair. Can I stand up for Mr Angus's point of order?

**Mr PAKULA** — Could I respond to the point of order?

**Mr ANGUS** — That is okay, Ms Hennessy. I will stand up for myself, thank you.

**The CHAIR** — I have not heard from Mr Angus yet.

**Mr PAKULA** — No, but you have heard from Mr O'Brien.

**The CHAIR** — I apologise to Mr Angus.

**Mr ANGUS** — That is fine, Chair.

**The CHAIR** — I thought it was actually Mr O'Brien. Mr Angus, your point of order?

**Mr ANGUS** — I echo the comments of Mr O'Brien in fact in relation to the relevance to the estimates hearings of the matter that the member is trying to pursue in this forum.

**Mr PAKULA** — Can I respond?

**The CHAIR** — On the point of order.

**Mr PAKULA** — On the point of order, I distinctly recall the minister in his substantive answer saying if Mr Scott has reasons for having concern about whether this has been properly carried out, perhaps he could enlighten me, and that is exactly what Mr Scott is doing.

**Mr ANGUS** — We do not go to a specific case level in this forum. It is not the appropriate forum for that.

**Mr O'BRIEN** — We are talking about the use of government funds, and this committee has an important role of looking at budget estimates. It is not the place for surveillance cases.

**Mr SCOTT** — I understand the embarrassment perhaps, but — —

**The CHAIR** — Mr Scott, you are not helping. Everybody just calm down. I know it has been a long couple of weeks, but just calm down. Mr Scott, I am happy for you to continue to elaborate on your question provided it is relevant to the minister's responsibilities.

**Mr SCOTT** — And the response. In the light of this case, do you still have confidence in WorkSafe's role in the oversight of surveillance, and will you be putting in place any measures over the estimates period to ensure it does not recur?

**Mr RICH-PHILLIPS** — I thank Mr Scott for the question. I am not familiar with the case he has raised, so I cannot give him an answer to that.

**The CHAIR** — Thank you. That brings us to a conclusion of the budget estimates for the Assistant Treasurer portfolio.

**Ms HENNESSY** — We have some more questions on notice to table too, Chair, in respect of those portfolios.

**Witnesses withdrew.**