

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2013–14

Melbourne — 24 May 2013

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Ms J. Hennessy
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Mr G. Rich-Phillips, Assistant Treasurer;

Mr G. Hehir, Secretary,

Mr A. Todhunter, Deputy Secretary, Market Engagement and Corporate, Department of Treasury and Finance;

Ms D. Cosgrove, Chief Executive, Worksafe Victoria; and

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

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2013–14 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, Assistant Treasurer and minister for those portfolios, together with Mr Grant Hehir, Secretary of the Department of Treasury and Finance; Mr Adam Todhunter, Deputy Secretary, Market Engagement and Corporate, Department of Treasury and Finance; Ms Denise Cosgrove, Chief Executive, Worksafe Victoria; and Ms Janet Dore, Chief Executive Officer, Transport Accident Commission. 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 gallery that they cannot participate in any way in the committee's proceedings. Only officers of the committee secretariat are to approach committee members. Departmental officers, as requested by the minister or his chief of staff, can approach the table during the hearing to provide information to the minister by leave of myself as chair. Written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the media are requested to observe the guidelines for filming or recording proceedings in the Legislative Council Committee Room.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the precincts of the hearing are not protected by parliamentary privilege, including any comments made on social media from the hearing itself. The committee has determined that there is no need for evidence to be sworn. However, witnesses are reminded that all questions must be answered in full, 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 for fact verification within two working days of the hearing. Unverified transcripts and PowerPoint presentations will be placed on the committee's website immediately following receipt, to be replaced by verified transcripts within five days of their receipt.

Following a presentation by the minister, committee members will ask questions relating to the inquiry. Generally the procedure will be that relating to questions without notice in the Legislative Assembly. Sessional orders provide a time limit for those questions of 4 minutes, while standing orders do not permit supplementary questions. It is my intention to exercise discretion in both matters. However, I do request witnesses answer each question as succinctly as is reasonable, recognising that many responses may include a degree of complexity. I ask that all mobile telephones be turned off or turned to silent, and I now call on the Assistant Treasurer to give a brief presentation on the more complex aspects of the portfolio. Welcome.

Mr RICH-PHILLIPS — Thank you, Mr Chairman. Thank you for the opportunity this morning for what I understand is your 43rd of 50 portfolio hearings.

The CHAIR — Exactly right.

Mr RICH-PHILLIPS — I will give a brief overview of the portfolio in a similar way to I have in previous years, basically outlining to the committee what elements are encompassed within the Assistant Treasurer portfolio and a bit of an overview of the insurance businesses and their performance.

Overheads shown.

Mr RICH-PHILLIPS — This first slide is a basic overview of the core responsibilities of the portfolio through the Victorian WorkCover Authority, obviously the workplace accident compensation scheme; occupational health and safety; the Transport Accident Commission, our road safety insurer. Within DTF there are a number of functions related to stewardship of assets, such as the government vehicle fleet; oversight of the Victorian Government Purchasing Board; disposal of government land through DTF; accommodation for our government services area, managing the portfolio of accommodation; the superannuation portfolio for the state, which relates to management of the defined benefit superannuation by the Emergency Services Superannuation Board; regulation of housing agencies, which is a new area brought into DTF a couple of years ago; and we also have a whole-of-government DataVic policy and IP policy.

The next slide goes to the particular outputs which these functions fall under within the output structure of the Department of Treasury and Finance. Basically it encompasses all the key output groups. Like most output structures it is fairly complex.

The CHAIR — Minister, we are having trouble picking you up because you are leaning away from the microphone.

Mr RICH-PHILLIPS — Thank you, Mr Chairman. It encompasses most of the output groups of the department in terms of the statutory authorities attached to the portfolio — as I said, the Victorian WorkCover Authority, the Transport Accident Commission, ESSS, and we have CenITex, which is an entity created under the State Owned Enterprises Act.

On the next slide we have an update on the performance for the Victorian WorkCover Authority. This presents the key metrics that we show each year, being performance from insurance operations, which is the measure we look at in terms of how the business is performing; net result, which takes into account investment performance; actuarial release, which takes into account changes or improvements in the actuarial assessment of the liabilities of the scheme; and the funding ratio. You can see, particularly on the net result, that as markets move, so does the net result of the organisation. That is why we strip those out and focus on the performance from insurance operations. You can see that that continues to be a positive metric. That is to June 2012, and of course we will have the next financial year's accounts after 30 June of this year.

The next slide goes to some of the other performance measures for the VWA, being claims performance. This slide presents this information in two ways to reflect a change in the way in which this information is being reported in the future. Up in the top left-hand corner you can see claims shown as per thousand workers in the Victorian workforce. That has been in decline, and continues to be in decline. On that basis Victoria has the safest workplaces in Australia, and that is a trend we are working to continue.

In order to have a better metric we have rebased the data to claims per million hours worked rather than simply per number of workers, of course to reflect how much work goes on in the state and the number of claims in respect of the volume of work which takes place. You can see on that measure we also have an improving trend and have low claim rates relative to other jurisdictions. We intend to present this data in both these ways so you can see the comparative data — historic data as well as the new presentation which, as I said, takes into account the size of the economy and economic activity better than a straight measure of the number of people in the workforce.

In terms of the next slide, you can see raw data on the number of claims lodged with the VWA. You can see for 11–12 a bit over 29 200. That jumps around, and that is why we focus on claims in relation to economic activity and the size of the workforce.

The next slide shows the trend in WorkCover premiums. Not only do we have the safest workplaces in Australia, we also have the lowest workplace premiums. You can see that from 02–03 the average premium was 2.22 per cent of payroll, declining to 1.298 per cent, and that will continue for 13–14. To put that on a comparative basis, the next slide shows Victoria on the far right versus the other — —

Mr PAKULA — You said it!

The CHAIR — It is a red column, though.

Mr RICH-PHILLIPS — Sorry?

Mr PAKULA — You said that Victoria was on the far right, and I said, 'You said it'.

Mr RICH-PHILLIPS — Now. Victoria is on the far right versus the other jurisdictions around Australia. It shows our comparative position relative to the other states, and obviously it is important for us to maintain that competitive position to be an attractive destination for investment.

Moving on to the TAC, we have the same metrics shown for the Transport Accident Commission. Again, it is an insurance business in the same way as the VWA. It is subject to market movements in terms of its net result, and that is why we focus on and report on performance from insurance operation. You can see the trend over the last seven years there. In terms of other metrics for TAC, the road toll is obviously a key focus, so road

safety outcomes. You can see road toll shown as a proportion of the population as well as in absolute numbers. Of course last year — calendar year 2012 — we recorded a record low road toll, and we are tracking very well against that in 2013.

One of the other focal points for TAC is serious injury, and the next slide shows the trend in serious injury claims, which is a new focus of the road safety strategy, which I am happy to talk about in more detail if the committee is interested.

The final slide we have is a focus on those government service areas that I touched on briefly before which fall into this portfolio. Obviously management of the state's vehicle fleet and procurement, particularly with a focus on whole-of-government contracting and the benefits that can be attained through whole-of-government contracting. Again, thank you, Mr Chairman, and I am happy to take the committee's questions.

The CHAIR — Thank you, Assistant Treasurer. We have about 33 minutes left for questions in this session, and I will open the batting. In the context of the 2013–14 budget, can you outline to the committee examples of capital infrastructure projects in the portfolio which will be either commenced or completed in the coming financial year?

Mr RICH-PHILLIPS — Thank you, Mr Chairman. As outlined in the presentation, this portfolio is not really a spending portfolio; it is very much about driving and achieving efficiencies within the internal functions of government to allow those line agencies to actually deliver their outputs and capital expenditure efficiently. The focus is very much on internal efficiency rather than on spending, and the portfolio does not as a consequence have a capital program or capital projects.

That said, one area that does have a capital program is the Transport Accident Commission. Through the Safer Roads Infrastructure program the TAC commits a very substantial level of capital funding to those improvements to roads which will improve road safety outcomes. It is not driven by the productivity agenda; it is driven by road safety objectives. That has been a very successful program. As part of the road safety strategy that the government launched earlier this year, the commitment by TAC has been increased to around \$100 million a year for the next 10 years, so it is a \$1 billion commitment by TAC to improve road safety enhancements to improve road safety outcomes. This can be things like improvements with run-off areas on the sides of roads and improvements to intersections where it can be demonstrated that there is a high collision risk and that road treatments can be put in place that will reduce that. That is where TAC funds are used — on that program. That represents around a one-third increase in spend. Historically spend has been around \$75 million, so this sees a boost to \$100 million for the next couple of years and then a commitment at that level over the decade, because the existing SRIP was a shorter term program — I think it had a couple of years left to run. That has been boosted from 75 to 100 and then continued at 100 over the decade.

Mr SCOTT — Minister, in your presentation you referred to the financial performance of the WorkCover Authority, which of course relates to the dividends that are paid to the government from WorkCover, and I will reference your presentation. I note that the PFIO is referred to in your evidence as the measure, and I note that at the last half-year financial results there was a significant deterioration in the PFIO and that one of the factors that has been identified relating to that is a change in how common law has its actuarial treatment within the scheme. I also understand there has obviously been a review of the WorkCover scheme by the Essential Services Commission, which has not been released, and there is also I understand a rumoured review to take place. In that context, Minister, will you guarantee that over the estimates period the government will not change the current rights, entitlements, method of calculation and thresholds of access in relation to the benefits provided currently in the WorkCover scheme, especially in relation to common-law rights and the narrative test?

Mr RICH-PHILLIPS — I thank Mr Scott for his question on common law. This is a question that Mr Scott asks me every year — —

Mr SCOTT — I do.

Mr RICH-PHILLIPS — on common law, and every year I give Mr Scott the same answer.

Mr SCOTT — It is an issue of some concern to the community, particularly in the current context.

Mr RICH-PHILLIPS — I will pick up a couple of things that Mr Scott raised. Firstly, the ESC review. The work that the ESC was commissioned to undertake by the government did not relate to the scheme. I draw a distinction between the Victorian WorkCover Authority as a body and the insurance scheme that it runs. The nature of the ESC review was to look at both the TAC and WorkCover as corporate entities. They have been established for 25 years, they had not been subject to review, and it was appropriate that ESC look at what they were doing, how they were doing it and how they could improve it. But ESC's terms of reference did not go to the scheme. They did not go to the benefits paid under the scheme. So that ESC review in no way impacts upon the issue of common-law benefits or any other benefits.

Of course, as Mr Scott would appreciate, the benefits under the WorkCover scheme are established by legislation, so any proposed change to those benefits would require legislation to be brought before the Parliament and for that to be debated. The government has indicated that we are doing a rewrite of the Accident Compensation Act in terms of administrative efficiencies, not in terms of the benefits paid under that legislation.

The other point Mr Scott raised was around dividends, and dividends paid by the VWA. I will just comment briefly on that. Dividends are a by-product of the operation of the authority. Dividends are not built into premium calculations. They do not influence the setting of premiums. They are a by-product. At the end of the financial year, if there is a positive performance from insurance operations for the VWA, that is the basis upon which dividends are then collected by the Treasury. Obviously once those results are known, that is determined as a consultation between the Treasurer, the portfolio minister and the agency. That is a retrospective discussion. It is not something built into the cost of the scheme up-front.

Mr SCOTT — Minister, to take up evidence about reviews, one of the rumours that is doing the rounds at the moment is that Mr Roger Hallam will undertake a review of the WorkCover scheme in the near future. Can you confirm if that is taking place or if he is doing that or not? If he is, will you release the terms of reference and any report produced?

Mr RICH-PHILLIPS — Again, I will say to Mr Scott, I make that distinction: the government is not reviewing the scheme. We are certainly looking at ways — the ESC review goes to the question of looking at ways in which the VWA and TAC as corporate entities can operate more efficiently and effectively. But we have said we are not looking at changing the scheme or changing the entitlements under the scheme.

Mr ANGUS — Minister, I refer you to page 5 of budget paper 5. Minister, can you advise the committee what impact the recent change to accounting standards for superannuation has had on the 2013–14 Victorian budget?

Mr RICH-PHILLIPS — I thank Mr Angus for his question. This is one of the interesting changes that the Treasurer has had to deal with in putting the budget together this year — a change to accounting standard AASB 119 that we have had to build into this year's budget. Basically what it relates to is the way in which the state reports returns that are achieved on the assets which are set aside to pay for our superannuation liabilities. We have a policy, and it is a long-standing policy, in Victoria to fully fund our superannuation liabilities by 2035. Indeed that was something that was established by Roger Hallam when he was finance minister.

The ESSB, the Emergency Services Superannuation Board, is established as the entity to do that. It has responsibility for the liabilities and it holds a pool of assets that will fund those superannuation liabilities. Of course those assets gain a return and that return is offset against the cost of the superannuation liabilities. What the change in the accounting standard has required us to do is basically report on our operating statement a notional return against those assets equivalent to the bond rate rather than the expected return; for example, to use round numbers, we might expect a return of 8 per cent on those superannuation assets but we can only bring to book a notional 4 per cent or thereabouts, being the bond rate.

That has meant that the surpluses that are recorded in the operating statement have been reduced, and that is by around \$600 million, and that is why we have had to present the alternative format of operating statement in the state's accounts this year. That extra return — the difference between what we expect to get on those assets and the bond rate — is actually shown below the line in the other flows rather than contributing to the surplus.

In terms of what it means for the superannuation scheme, it is purely an accounting treatment. It does not have a cash impact, it does not affect how much cash will need to go into the scheme to fund those liabilities by 2035. It is in a sense an unfortunate accounting treatment because Victoria has actually acted very prudently in the

way we manage these superannuation liabilities by ensuring that there are assets in ESSB, or managed by ESSB, set against liabilities. Because those assets are attached to superannuation the returns have to be treated in this way.

If we had simply operated with a sovereign fund which we did not directly tie to our superannuation, we would not have had to report those returns in that way. If we had been irresponsible and said, 'We have a pool of assets notionally for superannuation but if it takes our fancy, we can use it for other things', we could have reported those returns in the ordinary way and we would not have had that surplus impact that this accounting change has had. But in terms of what it means for the superannuation fund in terms of the cash requirement, it does not change that. It is purely an accounting treatment in the same way as the superannuation liability moves, because the superannuation liability is essentially the present value of the state's obligations to pay retired public servants their superannuation entitlements in the future. It is calculated at a discount rate. As interest rates change, that discount rate changes and the liability goes up and down, but it does not affect the amount of cash that has to go into the scheme.

Mr SCOTT — I would like to turn to the Transport Accident Commission. In your presentation you referenced the Victorian road toll. Sadly an overrepresented group in the road toll are motorcyclists. You would be aware that the Parliament's Road Safety Committee, which has bipartisan respect for its work on road safety and is chaired by Liberal MP Murray Thompson, undertook an inquiry into motorcycle safety and made recommendations relating to those matters. Recommendation 22 talked about the TAC's role and made a recommendation that it should focus its motorcycle safety advertising on redressing the attitude that the responsibility for the rider's safety is solely attributable to the rider through raising driver awareness and not creating negative stereotypes. I would like to know what the minister has done and TAC has done to fulfil this recommendation, and how much funding has been provided to motorcycle safety advertising for the next year?

The CHAIR — Just for the information of the committee, has the government responded to that report?

Mr SCOTT — I am not sure if the government has responded. It was late last year that the report came out.

The CHAIR — I do not recall seeing a response.

Mr SCOTT — I cannot either.

The CHAIR — Minister, are you able to respond?

Mr RICH-PHILLIPS — Thank you, Chair, and I thank Mr Scott for that question. At this stage the government has not responded to that report, so I will speak in general terms around the issue.

The CHAIR — Thank you.

Mr RICH-PHILLIPS — One of the things the government has done which predated that report was the establishment of the road safety ministerial council, which, for the first time, brings together at a ministerial level the Minister for Police and Emergency Services, obviously with responsibility for the police, the minister for transport, the Attorney-General and me, with responsibility for the TAC, to ensure that at a ministerial level we have all our key road safety agencies working together in a common direction.

That is what led to the development of the road safety strategy which was released, as I said, earlier this year. That is a new initiative of the government, and it will be through that mechanism that the government's response to that report by the Road Safety Committee of Parliament is developed, and that work is under way at the moment.

In terms of motorcycle campaigns and the issues surrounding motorcyclists, this is one that the government is very cognisant of. I have met on several occasions with representatives of the motorcycling community in Victoria to understand their concerns around the way in which road safety campaigns are put together, and the TAC has also met with them on that issue. As a consequence of those discussions, they have been engaged with the TAC in the process of developing road safety campaigns around motorcycling.

The point Mr Scott raised around responsibility for collisions involving motorcyclists is a good point, but it is a point we would not want overemphasised to the extent that it takes away from the fact that whether a motorcyclist is responsible for a collision or someone driving a car is responsible for a collision, if it involves a

motorcyclist, the motorcyclist comes off second best. It does not really matter who is responsible for the accident; that is where the consequences inevitably end up. We take Mr Scott's point around responsibility for all road users around the safety of motorcyclists, but inevitably it is the motorcyclists who will come off worst in any sort of collision event. As I said, we have engaged the motorcycling community in the development of new campaigns and that work is under way at the moment. As to the expenditure on specific campaigns, I will take that on notice as to the spend on that. There is a new campaign targeted at motorcyclists being developed now, which will be in the marketplace later this year.

Mr SCOTT — If it is taken on notice, my follow-up would be: if I could have comparative information, say, from the most recent two years and then planned advertising for the coming expenditure for 2013–14.

Mr O'BRIEN — Minister, I would like to refer you to page 277 of budget paper 3, which states that the government is reducing regulatory burden by 25 per cent by 2014, and I ask: could you advise the committee how is the Victorian WorkCover Authority contributing to this?

Mr RICH-PHILLIPS — The page was?

Mr O'BRIEN — That was page 277 of budget paper 3 in the indicators list.

Mr RICH-PHILLIPS — I thank Mr O'Brien for the question. Red tape reduction has been and is a big priority of this government, and one of the initiatives of the former Treasurer was to engage John Lloyd as red tape commissioner for the government with a brief of looking at opportunities across government for regulatory reform. That is an easy thing to say, but it is a much harder thing to do. One of the challenges of red tape reform is often the conflict and overlap between different red tape or regulatory burden in different silos of government. It is not always clear in individual portfolio silos as to what that regulatory burden is and how that is best addressed. It very much requires coordination across government and that is one of the roles that Mr Lloyd is playing.

We recognise that one of the key areas in which this reform can take place is with our regulators. Of course the Victorian WorkCover Authority, as our workplace safety regulator, has a great opportunity in particular in reducing the regulatory burden on Victorian businesses. As a consequence VWA has put together a plan around opportunities for red tape reduction for Victorian business and that has already been rolled out very successfully. VWA has identified savings estimated around \$48 million per annum for Victorian businesses and these relate largely to administrative reductions. They do not relate to changes in the safety environment, but they relate to reductions around the administrative burden.

One of the examples of that relates to the licensing regime — high-risk work licences. These are licences for people who drive forklifts, licences for crane operators and that type of thing. Under the previous regime, basically if a licence expired, it was necessary for a person to go through a training regime, reapply, et cetera, to regain a licence. The change to the regulations allows someone with a lapsed licence to apply within 12 months to renew that licence, so it allows for a simple administrative oversight; if someone forgets to renew on 30 June, they no longer have to go through a full training regime and relicensing regime, and we expect that will have a very significant reduction in costs for Victorian business and for people who hold those licences. Those are the types of reform that we are seeking through this regulatory reform process. As I said, they do not impact on safety and they are administrative in nature but they are very valuable to business, and the VWA has been very effective in identifying a number of these. There are half a dozen or more different initiatives of that nature which will produce very substantial benefits to Victorian business without reducing workplace safety.

Mr SCOTT — Minister, in your previous answer relating to WorkCover if I understood correctly you did give an assurance that you would not be varying benefits and the scheme itself, its operation, but there are other activities that WorkCover undertakes. WorkHealth was established in 2008. This period will come to an end — I think a five-year period was the original announcement — in 2013, and therefore I simply ask you: will you guarantee the future of WorkHealth over the forward estimates period at its current level of funding and operations?

Mr RICH-PHILLIPS — I thank Mr Scott for his question around WorkHealth, and indeed it is a question I received in the house just recently around the future of WorkHealth. One of the issues with any program the VWA undertakes, or indeed which the TAC undertakes, is the question of how it relates to the objectives of the organisation. In the case of WorkCover obviously, as a workplace insurer, it has objectives to reduce workplace

injuries and it has objectives to manage the cost of the WorkCover scheme, so any program like WorkHealth that it undertakes must be viewed in that context. The WorkHealth scheme — and I do not know if the committee is familiar with the nature of that program — basically is a program where \$600 million of capital within the VWA was set aside to fund a program which would encourage employers to make basic medical checks, medical examinations, available to their workforces to identify potential health risks, such as potential onset diabetes, heart disease, things like that.

It was a very expensive program — there was \$600 million of capital for it — and around 700 000 checks have been undertaken across the workforce. Of the 2.9 million people in the workforce in Victoria, 700 000 have had examinations. The question for the government and the question for the VWA is whether undertaking those examinations actually goes to the issue of reducing workplace injuries and managing the cost of the scheme. They may well have external benefits; it may well be of value to individual people to know that they are at risk of diabetes or to know they are at risk of heart disease. The issue is whether it goes to the fundamental operations of the scheme and delivers benefit for the scheme versus the \$600 million which was put on the balance sheet to fund the program. That is something that is currently undergoing review. As you said, it is a five-year scheme ending at the end of 2013, and we will be looking at that and have more to say about its future shortly.

Mr SCOTT — It is such an interesting answer. There are a number of aspects I could pursue in what you have said. Are there other matters that are under review? For example, within the WorkCover scheme you touched upon obviously that they are reviewing WorkHealth, but there are other areas. One of the other areas that is often discussed that is under review is the fixed cost model for the compensation of legal practitioners. Is that also under review?

Mr RICH-PHILLIPS — I do not know if that is a supplementary. I am happy to answer, but it is a completely different subject.

The CHAIR — I am thinking it is an entirely different subject.

Mr SCOTT — I started my question about issues outside of the scheme. My original question actually was about issues outside of workers remuneration which are under review.

The CHAIR — The purpose of a supplementary is to elicit further information, and as you indicated there are probably several tracks you could go down. It would be helpful if that supplementary was rephrased.

Mr SCOTT — If we return to WorkHealth then, when would a decision be made and announced on WorkHealth? You were saying a review is to be done by the end of 2013; when do you expect to actually make a decision considering the evidence you have given?

Mr RICH-PHILLIPS — The current WorkHealth program ends at the end of calendar 2013, so a position will be announced prior to that.

Mr ONDARCHIE — Good morning, Minister. You talked about DataVic Access policy and intellectual property policy on slide 2 today. I wonder if you could talk to us more about that and what the government is doing to promote the sharing of valuable government data.

Mr RICH-PHILLIPS — Thank you, Mr Ondarchie, for the question. This is a really important issue for government and a really important issue to ensure that we are actually getting maximum value from the information that government collects and holds. It actually goes to a question that I think Mr Scott may have asked last year around government data and the release of government data. What the government has put in place is a policy which we have called DataVic Access, which basically says that the government will make data held by the Victorian government agencies publicly available on the data.vic.gov.au website. We have set a target of having 1000 datasets released in the public domain by September of this year, and the reason we are doing that — and this goes partly to my role in DBI as technology minister — is we recognise there is enormous potential in the private sector for applications to be developed for that data to be used for the public benefit in a way which frankly government and government agencies do not have the resources to do.

We have vast volumes of data — we have geospatial data and other data held across government — which we do not use in that way. I have seen in the tech portfolio a number of examples where companies have set up

weekend events where they put a bunch of data on the table, invite in a whole lot of app developers and tell them to go crazy and develop some apps around that data, and some fantastic things have been developed in that context. New South Wales has done that with transport data. They have already had some substantial transport data apps developed, and the DataVic Access policy is designed to make as much data as possible available in the public domain, free of charge, so we can encourage innovation in our app development community but more generally in business. We have a very substantial spatial data industry in this state, and access to spatial data is one of their key objectives. DataVic Access policy will create that access.

We have set the target of 1000 data sets available by September. The latest update is that we have a bit under 400 currently published on the DataVic Access website, and we are looking forward to seeing that take a big jump shortly with the release of some spatial data and hitting that target in September. It will be a real incentive to drive innovation and development among our app developers but more generally in the Victorian economy. This is a really great outcome.

Mr SCOTT — Minister, in your presentation you had figures for the Transport Accident Commission on hospitalisation and hospitalisation figures. The issue I raise is that after hospitalisation persons unfortunate enough to be in an accident — the victims — often require physiotherapy, and one of the issues I understand has been raised by the Australian Physiotherapy Association is a gap in the TAC fee schedule. I understand the fee schedule lists standard consultation for physiotherapy. I think in 2012 it was \$48.50, and that compared to market rates of about \$63.80 for private patients. The concern has been raised that this will place pressure on physiotherapists and risk the availability of physiotherapy services for TAC clients, who obviously understand the sorts of injuries people receive. That is a real issue. In relation to other states, I understand Tasmania has a significantly higher fee under their equivalent scheme — I think in 2012–13 — of \$61.50. I would just like to know what the TAC has done, and yourself as minister, to respond to that issue of that gap between the TAC schedule fee and what is the standard fee in private practice.

Mr RICH-PHILLIPS — I thank Mr Scott for the question. This goes to the very vexed issue of medical costs generally. The end of Mr Scott's sentence around the schedule fee versus the standard fee in private practice really goes to the issue of health-care costs generally. With TAC and the VWA the obligation is of course to provide reasonable medical and like services, and given the vast scale of those services provided by those two organisations it is important that it is delivered at a cost which is affordable and sustainable. The fee structure that is currently used around physiotherapists — Mr Scott quoted some numbers, and I cannot comment on those particular numbers — is based on the medical benefits schedule of fees. I am advised that we are having further discussions with physiotherapists around this desire for higher fees, but whatever fee level we pay needs to be sustainable into the future so we can continue to provide those services. We cannot simply pay unregulated and unlimited fees, and we do need to maintain a reasonable schedule of fees.

Mr SCOTT — You indicated that further discussions were taking place. Is there a time frame on resolution of those discussions?

Mr RICH-PHILLIPS — I guess 'resolution' is an interesting concept, Mr Scott. Is resolution when — —

Mr SCOTT — Decision making on things related to those discussions.

Mr RICH-PHILLIPS — When the physiotherapists get the level they are seeking? Those discussions are ongoing, and we are obviously keen to reach a resolution with them sooner rather than later.

The CHAIR — Thank you, Minister. I thank Mr Hehir, Ms Dore, Ms Cosgrove and Mr Todhunter for your attendance this morning. We will take a very quick break and changeover and move to technology.

Witnesses withdrew.