

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2015–16

Melbourne — 8 May 2015

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Mr Chris Eccles, Secretary,

Ms Rebecca Falkingham, Deputy Secretary, Social Policy and Service Delivery Reform,

Mr Simon Phemister, Deputy Secretary, Economic Policy and State Productivity, and

Mr Ryan Phillips, General Counsel, Department of Premier and Cabinet.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2015–16 budget estimates. All mobile telephones should now be turned to silent.

I am very pleased to welcome today the Premier of Victoria, the Honourable Daniel Andrews, MP, along with Mr Chris Eccles, Secretary of the Department of Premier and Cabinet; Ms Rebecca Falkingham, deputy secretary, social policy and service delivery reform; Mr Simon Phemister, deputy secretary, economic policy and state productivity; and Mr Ryan Phillips, general counsel.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege. The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses 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 by Hansard. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Departmental officers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way.

Members of the media are to observe the following guidelines: cameras must remain focused only on the persons speaking; operators must not pan the public gallery, the committee or witnesses; and filming and recording must cease immediately at the completion of the hearing.

I invite the witness to make a very brief opening statement of no more than 10 minutes. This will be followed by questions from the committee.

Mr ANDREWS — Thank you very much, Chair and members of the committee. It is a great pleasure to be here today to present to you on a fantastic budget, a strong budget, that delivers for families right across our state. I have a brief PowerPoint presentation, and we might get straight into that.

Visual presentation.

Mr ANDREWS — This is a responsible budget. It is one about delivering sound financial management and maintaining our AAA credit rating — we all know how important that is, and this budget locks that in — delivering as well on the government's commitments made to the people of Victoria in the run-up to the election last year.

There is significant investment, real progress, getting on with delivering the infrastructure that addresses Victoria's needs. Regional Victoria, something very close to my heart, will see additional investment, additional support, because that is critically important for jobs, for regional economies and of course for families who call regional Victoria home.

If you look at these budget aggregates, there is a really strong set of numbers that make it very clear that we are investing for families across Victoria today but not at the expense of those out years, not at the expense of families in the future. These are affordable commitments, and they are delivered in the context of sound financial management. Our commitments, we did not make them lightly, and we are delivering on them in full, because I think the people of Victoria want, for the first time in a long time, a government that does after the election exactly what it said it would do before Victorians cast their votes.

A surplus of \$1.2 billion in this coming financial year grows out to \$1.8 billion at the end of the forward estimates period. That is aggregate surpluses close to \$6 billion over those four years. That is a very strong result and serves as a buffer against uncertainty, and serves in many respects as a very clear measure of our sound financial management.

On from that and to that end, reducing our debt profile to 4.4 per cent by the end of these forwards as a percentage of gross state product is a very sound result off a high of just a couple of years ago. Of course as I

have said, and I will keep saying it as it is such an important thing, a stable AAA credit rating is very important both in terms of borrowings but also for the way our economy and our community is viewed.

On to the investment side, having dealt with those aggregates, Chair, this is the biggest investment in education that we have seen in the history of our state. The best part of \$4 billion in additional investment in kinders, in schools and in TAFE. It is something I am very proud of. It is all that we said we would do and more, and hopefully we will have an opportunity throughout today's hearing to talk about some of those investments, because they are not costs; they are absolutely investments in our kids and in our future.

In terms of our health system, \$2.1 billion. There is significant pressure on our health system and we needed to make those investments, putting in the hands of doctors and nurses and our ambulance paramedics and all the other members of the health team the resources they need to treat more patients and to treat them faster. Capital works are important. We cannot have yesterday's hospital buildings and technology that is all too old pretending that you can provide the best of modern care, so there is more than half a billion dollars invested in the very best equipment and the best facilities possible, again in full delivery and indeed beyond the commitments that we made at the election last year.

Mental illness is something that all of us are touched by, and there is a significant investment there. What is more I think at the election last year Victorians said they simply would not settle for an ambulance service that was in crisis, and there is almost \$100 million invested there in the budget for new vehicles to try, beyond just equipment but in terms of performance, to deliver much better response times and to end that crisis once and for all.

Obviously community safety is something that any good government has to turn its mind to, and many of you have heard me say, and many Victorians have heard me say, a number of times that the number one challenge in terms of the law and order challenge, if you like, the national emergency that we must confront, is indeed family violence, and there is very strong investment there — further investment well above and beyond the commitments we made to make sure that vulnerable children and other vulnerable people in the Victorian community get the care and support, the safety net they need beyond our commitments. We are very pleased to make those investments as well as additional police stations, additional equipment — booze buses, drug buses and the like — for Victoria Police.

Then of course the centrepiece of our community safety strategy is 400 brand-new members of the law enforcement and community safety team, if you like — those 400 custody officers — so that our uniformed police are not stuck in police cells babysitting crooks; they can be out instead catching them. That is what this reform is all about. That returns to the frontline 400 uniformed police.

This is a budget that not only delivers for families and gets the balance right between strong surpluses each year, every year, but reinvests in the services that define our quality of life and infrastructure that stacks up — infrastructure that actually makes sense, has a strong business case and will deliver the important improvements that we need but also protects all the things that Victorians can be proud of.

Melbourne Metro, there is up to \$11 billion in that project — 1.5 is a very significant down payment on the planning, all the preconstruction work and every dollar needed to get us underway and in the ground by the end of 2018. For the rolling stock strategy, \$2 billion; a number of important priority road projects, more than \$300 million; and of course the soundtrack to our suburbs, those level crossings, 2.2 to 2.4 billion dollars to remove the first 17 of those. We are not wasting a moment on this important election commitment. This is what Victorians voted for, and it is most definitely what our suburbs and communities across Victoria need. There is also significant investment to remove a number of regional level crossings that are no less deadly than those deadly and congested ones right across metropolitan Melbourne.

As you can see, this graphic indicates that there is strong investment right across our state, not just in our capital city, not just in the suburbs of Melbourne, not just in regional centres. But we need to make sure that we are delivering on all of our commitments, and where you can go beyond that make sure that you recognise — a good government recognises that the whole state needs to grow for the state to be strong. This budget — and the culture of this government — is to do just that.

Just very quickly, we have got a real challenge in terms of our schools, and we have made a big step towards repairing so much damage that has been done over such a long period of time; TAFE, similarly. We all know

that jobs and skills are very closely linked. We said that we would rescue TAFE, and that is exactly what this budget does. Job creation: we are playing our part by creating 100 000 jobs. Again, we might be able to speak about that today in some detail. Of course we are doing everything we can to support the best clinicians in the world to provide the best care in the world by taking the pressure off our health system.

There is then, I would hope, from this budget a clear sense that we are getting on with things when it comes to public transport, the road projects that we committed to at the election and indeed some other proposals that have come to us from the private sector.

The visitor economy: we know how important tourism and major events are to keeping people in work; keeping our hotels, bars and restaurants full and keeping us the major events, sporting and cultural capital of our nation. There is a big boost there. Then of course there are other points I have already made around regional Victoria and making sure that we are a government for all of Victoria, not just Melbourne and its suburbs.

It is no wonder then, I suppose, that there has been very, very strong support from a number of key commentators. Commentary is for them, but I thought it was worthy of being drawn to the committee's attention. The comments from VECCI say this is a very strong budget committed to statewide infrastructure and jobs. The Australian Education Union, which I think it is fair to say are pretty fearless when it comes to advocating on behalf of their members, and in turn students and families, have seen this as a budget that in many respects boosts the resources that schools and school communities have. That is in stark contrast to recent years.

VCOSS similarly have seen the budget in positive terms, as a whole lot of new initiatives, particularly taking pressure off families. The AMA: I think everybody has seen those comments. They are very strong, and we are very pleased that the medical profession, who play such a critical role in communities, have been so praising. And of course the Australian Industry Group, particularly from a jobs and procurement policy point of view, have also singled out the budget for pretty strong praise.

That is not what we are in this for, though. We are in it to deliver on our commitments, and this budget does it. We are all about making sure that we do not waste even one day and that we continue, if you like, to repay the trust and support, and return in good faith the commitment and important faith that the community placed in us last year. I think this budget does that and more — that and more, Chair. I am very pleased to be here and to answer your questions on those and any other matters.

The CHAIR — Thank you, Premier. In the context of the 2015–16 budget and your own portfolio responsibilities, can you inform the committee how this budget acquits Labor's financial statements?

Mr ANDREWS — Thank you very much, Chair, for that question. Prior to the election, as you know and as I think all Victorians know, we laid out — after four years of hard work, four years of careful and diligent work, to develop an alternative agenda for our state, we put so many of those commitments out there into the contest, as it were, into public debate months, and indeed years, before Victorians voted. We did the hard work to make sure that our policies could be delivered, and I suppose in many respects they received strong public support, because that is where they came from. They came from listening to the Victorian community and dealing with many of the challenges we face but also picking up really important opportunities for the future of our economy and communities.

I am very pleased to say that this budget delivers that AAA framework. It delivers a surplus this year and every year, and it delivers on all the commitments that we made — all the commitments that we made — under our financial statement. No member of the committee should be surprised by that, because when we say we are about sound financial management, we mean it. When we say that our policies are costed and funded, and when Moore Stephens, a leading global accounting firm, signed off on them, they meant it. When leading experts — Bob Officer, James MacKenzie and people of that standing, people who have spent an entire working life around public finance — signed off and said that our commitments were all that we said they were, they were serious too.

This budget delivers all the investments that we indicated we would make in our first year. In fact in many critical areas it goes beyond that — child protection being just one example I have noted earlier on; also the visitor economy and lots of other areas. We are very pleased to put forward a set of accounts for this coming year and the forward estimates that completely and utterly aligns with the commitments that we made to the

Victorian community. That is new, I think, in modern Australian politics. It is not for me to provide advice to others, but I think that is what the Victorian community voted for, and it is what the Victorian community wants. It is our great privilege and honour to serve the Victorian community and to deliver on each and every one of the commitments we made, as laid out in the latest financial statement — audited, costed, funded. These are the projects that Victorians voted for, and in our judgement the projects that Victoria needs.

Mr MORRIS — Good afternoon, Premier.

Mr ANDREWS — Good afternoon, Deputy Chair; it is very good to be with you.

Mr MORRIS — I am sure you are enjoying every minute of it, as are we of course.

Mr ANDREWS — I cannot tell you how pleased I am to be here.

Mr MORRIS — I think we probably had equal sincerity on that point. Premier, if I can refer you to budget paper 5, page 200. That is a reference, but I am not going to ask you any specifics on that. But the subject of that page — down the bottom — is the east–west link contract and the negotiations. Premier, I am wondering, did you personally attend any of the contract negotiation sessions, and if so, what were the dates and who accompanied you?

Mr ANDREWS — I do not have my diary in front of me, Deputy Chair, but I thank you for the question. It is a very important issue, and if I can provide further information to supplement my answer, I will be more than happy to do that. I had, to the best of my memory, two meetings with people who represented the equity partners. There may have been some financial institution representation there also. They were meetings that occurred at 1 Treasury Place. They were meetings that were attended by, I think in both instances, the Treasurer as well, and of course Secretary Eccles and a number of other officials were there.

They were important meetings for us to convey the fact that we were not going to break the promise that we made to the Victorian people; that despite the urging of many, including the PM, we would not breach the fundamental faith and the commitments that we had made to not proceed with the contract at stage 1. They were important meetings. They were conducted civilly, they were conducted professionally, and I think that all participants at those meetings would concur with the way that I have characterised them.

This was a challenging process. I have not come here to be partisan today and to provide you with a commentary on things, but we were left with a very challenging set of circumstances, and we worked through those. I think we worked through those to the satisfaction of the election commitments that we had made. The \$339 million — that is a capped liability. That money was all paid out prior to the government being sworn in. There is then a credit facility — \$81 million. The fees — but we will receive some value for those fees of course because they underpin that up to \$3 billion credit facility, and we have been very clear with the community that we are going to reinvest that credit facility up to its limit in the Melbourne Metro rail project.

I cannot go into a lot more detail around that second issue — the credit facility — because of course there are negotiations going on with the banks at the moment. But there were, to the best of my reckoning, two meetings, and they were conducted appropriately, and if we are in a position to come back to you with the dates — I do not have them with me now — then we will be more than happy to do that.

Mr MORRIS — That would be helpful. I am glad the Premier came to be non-partisan today — that is always helpful. Premier, it has been put to me that the government required every person who was involved with those negotiations to sign non-disclosure agreements. Can you confirm that for the committee?

Mr ANDREWS — No, I cannot confirm that. These negotiations were not conducted by me. We had a number of people who acted on behalf of the state. I do not think it is ever a good idea to be having, if you like, the Premier or ministers directly involved in these sorts of matters. These are commercial issues. The last meeting that I attended was a pretty frank meeting, where we made it very clear to all of those who had attended — representatives of equity in the main at that particular meeting — that a final and best offer would be made and we would ask them to consider it in good faith. I do not think that a confidentiality framework is anything other than standard practice, though, when it comes to commercial issues. Again if we can add to that answer, we are happy to. Again, this was conducted fairly, with probity. The secretary may be able to speak to the probity frameworks that I asked him to put into place and he did. We were very keen right from the outset,

Deputy Chair. I did not want anyone to be able to make any credible criticism of the probity of the process, and I do not think anyone has done that.

Confidentiality arrangements are not new. They are indeed standard practice, and I expect, as you have seen, and again, not wanting to be partisan about this, the release of the business cases, plural, by our government; the release, with minimal redactions, of the contracts by our government — I would hope that that demonstrated to you and indeed to all Victorians that I want more transparency, not less. To the extent that there are confidentiality provisions in place, I am almost certain that they were at the urging of the equity elements of this — the commercial element of what was a negotiation left to us. And in the context of our commitment and the circumstances that we found ourselves in, I think we made the very best of a bad lot. The secretary might want to add to that.

Mr ECCLES — Only to reinforce the point about the probity oversight. Deputy Chair, we retained the Honourable Michael Black, QC, to provide us with some comfort around our general approach and the probity arrangements in the broad that were to attach to our process of negotiation with the consortium.

Mr MORRIS — Thank you, Mr Eccles. Premier, if those two points could be confirmed, that would be helpful.

Mr ANDREWS — Sure. To the extent that we can add to either of those answers — the substantive or the supplementary — we will be happy to do so, Deputy Chair.

Mr MORRIS — Thank you for that.

Ms PENNICUIK — Thank you, Premier, for being here today.

Mr ANDREWS — It is very good to be here.

Ms PENNICUIK — Of course it is. Premier, the Treasurer's speech made no mention of climate change, and budget paper 3, on page 57, does refer to a \$12 million Climate Change Action Package for 2015–16 but nothing in subsequent years in the forward estimates. The note to that package talks about a package of initiatives to support industry, local government et cetera for drought and climate change, and understanding and planning. Could you, first of all, elaborate on what that means, and also comment on whether that and the small amount of money that is allocated elsewhere in the budget for energy efficiency and renewable energy grants is in your view adequate for addressing climate change in a budget of \$55 billion?

Mr ANDREWS — Ms Pennicuik, thank you for the question. Of course it is in my judgement an adequate amount of money or we would not have appropriated it as such. That is not to say that we cannot do more. It is not to say that we do not eagerly await the commonwealth government, and the commonwealth Parliament indeed, resolving the very destabilising uncertainty around the national renewable energy target. There are jobs at stake here. There is a leadership position to be had if we can get these policy settings right. That is why the Council of Australian Governments' first ministers — all of us, I think, putting politics to one side — were in absolute agreement that this matter needed to be resolved as soon as possible. I would like to see it get to the 41 000 hours. I do not know that it will, but we will see how that unfolds in coming days and weeks.

In terms of action on climate change, it is not my intention to spend all of my time talking about these matters but not doing anything about them. We made commitments around the wind energy sector and we have seen the brakes put on that sector with I think the wrong policy setting over the last four years. We are determined to change that. We have marked out energy technology — which you could easily talk about as climate change action; it is pretty much the same issue — as one of those six sectors that we think can grow and grow strongly. That is good for everyone involved in it, but we all share in the benefits, whether it be to the planet or jobs. Jobs growth is always a good thing. There is \$20 million out of our Future Industries Fund for that sector. Then there is the \$12 million package that you have referred to. I am sure that not if but when the environment minister is appearing before the committee she will be able to talk in some detail about those matters.

We believe this delivers on all the commitments that we made. Can we do more in the future? Of course. There is always more that can be done. We are determined to regain the leadership position that we had in many respects — the first state out there with a state-based renewable energy target. I think our leadership as a state is well known to you and well known to Victorians, but I think there has been a bit of a shift in the last few years

and there is perhaps a momentum to be regained and a leadership position for us to strive for. One budget may not deliver that. It may take a little bit longer and a little bit more.

Ms PENNICUIK — Obviously it will take longer if the forward estimates do not have any allocation for anything to do with a climate action package.

Mr ANDREWS — That is why we have a budget every year. There will be a budget next year and one the year after.

Ms PENNICUIK — Indeed. Moving to that, just today, I am sure you would be aware, Premier, there has been some research released regarding the El Niño effects that are coming our way, or coming across the planet. Will the budget be reassessed in terms of preparing for the effects of an El Niño that the scientists are telling us is going to last many years? I have asked these questions before to DTF officials, as to how they take those things into account when preparing a budget. Given the other risks that the budget looks at, this is an oncoming risk.

Mr ANDREWS — I would not presume to speak for Department of Treasury and Finance officials, Ms Pennicuik, but I will say to you there are a couple of important points. Delivering a surplus this year and every year — indeed, the best part of \$6 billion worth of surpluses over the four years of the forward estimates — I described that as a buffer earlier on. It is a buffer against a whole range of unknowns — some uncertainty in other parts of the world, whether it be growth in China coming off or all sorts of different things. We will not labour the point by listing them all. I think they are well known and pretty well understood.

There are then other risks or challenges that we face. We need to both assess those accurately but also — where we can, subject to other demands in the budget — do things that mitigate those risks. It is my expectation that in planning adverse weather events or a change in climate are no less legitimate a consideration than international uncertainty, whether it is commodity prices or currency movements. All of those issues are legitimate and are important. It is my expectation that Treasury and Finance and my colleagues take those things into account when they put forward their budget submissions through what is a long and appropriately detailed expenditure review subcommittee process that our government runs.

In terms of trends in the climate and adverse outcomes, particularly for primary production, we keep a very close eye on those things. I think all governments across our nation, including the federal government, keep a very close eye on these things.

Hansard cannot catch the cynical look you have just given me in relation to the federal government. Let us not be partisan about that.

Ms PENNICUIK — I think they just captured it.

Mr ANDREWS — Did they? Very good. You would hope that all governments — all good governments, at least — would be mindful of all the challenges and all the risks that our economy and communities face. I think the true test of a good government, though, is not just to be mindful of those challenges but to do the hard work to turn them into the opportunities that I know they can be. That is why you support renewable energy technology. That is why you, in a budget like this, lay down \$20 million as part of a Future Industries Fund and work really hard to make sure that if there are new energy technology jobs in our nation, there is every chance that they are in our state. That is the best way to deal with these issues.

Ms WARD — Good afternoon, Premier. Nice to see you.

Mr ANDREWS — Good to see you, Ms Ward.

Ms WARD — I am a bit disappointed you have not got your Essendon beanie on again.

Mr ANDREWS — I am not sure Hansard could have caught that either, but anyway.

Ms WARD — One of the policy areas that I am particularly interested in is family violence. I refer you to budget paper 3, page 5, specifically to the outputs you have listed in table 1.1. Could you please provide an outline to the committee on what investments you are making to respond to family violence in the lead-up to the royal commission reporting to us in February next year?

Mr ANDREWS — Thank you for what is a very important question. I have many times described family violence as the no. 1 law and order issue in our state and our nation. I think all of us know and accept that the biggest law and order challenge is not so much one on our streets but it is one that is unfolding inside our homes. I think leadership is at its best when politicians are prepared to concede when they do not have all the answers, when they do not have all the policy prescriptions to deal with a given challenge. That point of honesty, that recognition that we need to search for those answers, I think is really important. In fact it is the only place you can start on something as significant as that. If you spend any time at all in the company of Rosie Batty and you hear her tell her story, or if you spend time with Fiona McCormack or many others, dozens and dozens of others, as I have done, you cannot help but come to the conclusion that, with the very best of intentions and even with very strong budgets, there are far too many gaps in this system. It is that very dangerous period when a woman makes the judgement to leave — a brave leap, a terrifying leap. It is at that point when she — not always ‘she’ but in the vast majority of cases — needs support that she is at her most vulnerable and it is there, often, where the system is not there to catch her and her kids.

So if you start from that position of honesty — we do not have all the answers; this has got away from us — now is the time to stop celebrating extra reporting and start doing something about it. That is what I believe. That is why we made our commitment in May last year to have Australia’s first royal commission, the highest, most formal type of inquiry that we could possibly have — and I was very proud to attend with the Governor and sign the letters patent with Australia’s first Minister for the Prevention of Family Violence, Minister Richardson — and from a standing start within 100 days the royal commission was up and running. Justice Marcia Neave and her team will, I am sure, do an outstanding job. It is fair to say that when we are back here talking about the budget next year I think we will be having a much longer discussion, having received the recommendations from the Royal Commission into Family Violence. I think that will be a big part of next year’s budget story in dollars and in emphasis.

But there are things that cannot wait and there were commitments that we made prior to 29 November. There is \$81.3 billion in this year’s budget that supports many different things. If I could just run through a few of those, there is \$16 million to fund what we have already experienced from talking to the royal commission staff — there has already been a spike in the number of women coming forward. The more you talk about these issues, the more profile the issue gets and we see perhaps some higher incidence. That is very disturbing to think that but that is the submissions that have been made to me, that there is in fact sometimes an increase in incidence of family violence acts at times of high community awareness. Then there are many who, clearly the data is showing us, who are prompted to act, to leave, to seek help when we have periods of heightened community awareness — and there is perhaps no higher community awareness than there is right now, having put a royal commission in place. We cannot for a moment urge women to come forward and then see them referred to a waiting list. That is not only an inadequate response but it is us abrogating our fundamental responsibility to keep them safe. So there is some \$16 million in growth funding, if you like, to deal with that particular issue.

There is \$900 000 for the delivery of our election commitment for CCTV and a number of new technologies that have proved effective in other parts of the world. This is a card-based system that can voice record as well as video. You can set off the alarm; it is monitored 24/7. It is just that extra level of safety, if you like, for many women who are completely, unacceptably tormented in a criminal act by their current or former partner.

There are other investments. The costs of Australia’s first royal commission are fully funded in this budget. I draw your attention to some smaller but no less significant investments. There is \$500 000 for the Ballarat Centre Against Sexual Assault. I want to take this opportunity — I have not had the chance to say this — to thank our colleague Sharon Knight, who is a former staff member of the centre and made sure that I understood how important it was to invest this money that will be very well spent.

There is \$1.4 million for Domestic Violence Victoria. I just spoke about Fiona McCormack a moment ago. Then of course there is \$1.2 million for legal services to make sure that duty lawyers at CLCs have got the resources they need. There are then some other investments around doing an audit of our Magistrates Court network to make sure it is safe. The last thing we want is that sometimes unavoidable situation where the victim and the alleged offender are in very close physical proximity to each other. We have seen some tragic outcomes. We have made some commitments around that and they are delivered in the budget as well.

There are many other smaller items. They are in many respects the things that could not wait. They are the commitments that we have made. We are delivering those. What is more, we will now work very closely with

Minister Richardson and others in the government are working very closely with Royal Commissioner Neave to deliver and be ready to receive that report and then deliver on the recommendations it will make. Nothing, in my judgement, is more important than this. It is a national emergency. We cannot settle for this, but we will not get very far if we continue to pretend that we have got all the answers. We simply do not.

Mr T. SMITH — My question is regarding the Melbourne Metro. I refer to budget paper 3, page 42. Will you rule out any increase in the cost of train and tram fares, CBD parking, rating on properties, road toll premiums and other taxes, charges and fees to pay for the remaining 9.5 billion on that project?

Mr ANDREWS — Thank you for your question, Mr Smith. This is a very important project. I was asked this question last week, and I think the Treasurer might have been asked this question this morning. I would be very clear with you that we have no plans to introduce those sorts of charges. I will leave the description of them to you, but the list of things you have just put to me, we have no plans to do any of that. What we do not just have plans for but we have provided funding for is to get on and deliver this. Perhaps we should all be able to agree — I would hope we could all agree — that the time for talking about better public transport is over, and we should get on and actually build a better public transport system.

I do not think that we should settle for being continuously voted the world's most livable city without having an aggressive, bold and ambitious plan to deliver world-class public transport. New York, London, Paris, Hong Kong, Tokyo — the great cities of the world have done this. In fact some of them are doing it right now. Whether it is the subway in New York or the Tube in London, there are significant upgrades going on to major metro train systems, and it is time that we did exactly the same. That is why there is \$1.5 billion — every single dollar needed — to get all the engineering, the reference design, the important contingency arrangements.

This will be very disruptive; there is no doubt about that. We apologise for the progress we are going to make in advance, but you do not get the benefits without some of the disruption. Rerouting Swanston Street trams, for instance — there is a significant investment needed to do that. That is funded in the budget. There is the geotechnical work, which is an enormous task. This is one of the biggest projects our state has ever seen.

Having set up the Melbourne Metro Rail Authority, having brought forward some of the planning money, having then made an appropriation and an important allocation in the budget this year — \$1.5 billion — we have moved beyond talking about this project, and I think we all need to. We all need to start working really hard to deliver it, and that is what the budget does. I do hope at some point we might have a federal government that wants to be a partner in this. I have described this as an oak tree project, in that those who start it may not necessarily be there when it is finished. That should not be a limiting factor. In fact they are exactly the sorts of projects that we should get on with. That is why we are delivering this \$1.5 billion so that we can stop talking about it and start delivering it. That is what Victorians voted for, and it is most definitely what our city and state needs.

Mr T. SMITH — Premier, I do not disagree that we need added infrastructure into the inner core of the railway system.

Mr ANDREWS — Very good. That is good.

Mr T. SMITH — I absolutely agree with you about that, but I also do not think it is unreasonable that we ask you how you are going to pay for this, particularly in light of what the Special Minister of State said on Wednesday afternoon in the upper house, where he did not rule anything out with regard to funding it. I would just like a guarantee with regard to —

Ms SHING — On a point of order, Chair, I fail to see how asking for a guarantee is actually relevant to the principal question about funding the remainder of the project.

Mr T. SMITH — Well, Harriet, I am asking the Premier how his comment — —

Ms SHING — Through the Chair.

Mr T. SMITH — Through the Chair. I am asking the Premier how his comment reconciles with the comments of the Special Minister of State from the other night in the upper house.

Ms SHING — He just moved to asking for a guarantee.

Mr T. SMITH — Can you guarantee that there will be no added fees and the like charged to fund this project? I think it is an entirely reasonable question.

The CHAIR — I think you might wish to rephrase your question so that you are not using the word ‘guarantee’.

Mr T. SMITH — How does the Premier react to the comments made by the Special Minister of State in the upper house on Wednesday with regard to not ruling anything in or out with regard to funding the metro rail tunnel?

Ms SHING — Further to the point of order, Chair, the Premier has already indicated — and I do not want to verbal the Premier — that we have no plans to do any of the things in the examples that you have listed. That is the question that you asked. I fail to see how this is a supplementary.

Mr T. SMITH — Through you, Chair, could the Premier — —

Mr MORRIS — On the point of order, Chair, the Premier has indicated one way forward in terms of alternate charges. The Special Minister of State, on Wednesday afternoon, I think it was, indicated that the government may have an alternate way forward, and Mr Smith is simply trying to reconcile those two things.

Mr DIMOPOULOS — Chair, I think the Premier did say that that is not part of the current plans. I think that was an answer, wasn't it?

The CHAIR — I did hear the Premier say in answer to the substantive question that he had no plans. So I think that — —

Mr T. SMITH — So could I ask: how does the Premier intend to pay for this project? How is that?

The CHAIR — Yes.

Mr T. SMITH — Premier, how do you intend to pay for this project?

Mr ANDREWS — Let me make it clear to you again that we have no plans for any of the list of charges that you put forward earlier on. What is more I just make the point that they were canvassed in a business case that is now some years old, a business case that has been comprehensively updated and will be released as soon as it is finished. There is complete transparency. The project remains the no. 1 project and top priority of Infrastructure Australia. Whilst I am disappointed that the commonwealth government is not, it would seem, particularly interested in supporting any public transport projects, I have accepted that. That is why I was so very pleased to see the Prime Minister yesterday, in a true act of leadership, commit to, subject to some formalities, the Transurban proposal for a genuine second river crossing. That was a fantastic outcome, and I want to congratulate the Prime Minister and again put on record how grateful Victorians will be.

Mr D. O'BRIEN — It is subject to you contributing as well, Premier.

Mr ANDREWS — When he said he would not rip off Victorians, he actually meant it. I think that is something we should all agree on.

On the issue of the metro, there is a federal election next year, and there will be several federal elections between now and when this project is finished. There will be many federal budgets and indeed there will be many state budgets. Just as we have made the biggest commitment in real dollars, not talk, not pretend, but real dollars, so we can be in the ground building this by the end of 2018, we will make further funding allocations in subsequent years.

There is of course the credit facility that the Deputy Chair and I were talking about a few moments ago. That is up to the value of around \$3 billion. Whilst that is outside the forward estimates, that is a significant sum of money, and just on funding in this budget and our stated intention, subject to renegotiations with the financial institutions who are associated with that credit facility, that is a total commitment of some \$4.5 billion.

There is then what we have always said and what I think stacks up very soundly, that there are great opportunities for the private sector to be a partner in this. We do look forward very much to making further

funding announcements, making further announcements about the scope and nature of this project, particularly around what are unique opportunities for the private sector to be involved. With those five new stations — and this may be the way it goes, that the station boxes may be built first and then the tunnelling done after that — we think there are great opportunities for the private sector to be a partner in that. We had said a third, a third and a third; clearly the current federal government will not be party to that, but this is our first budget and I think we have made what could only be described as the most tangible and the most significant financial contribution to this project that our state has ever seen.

I do not make that as a partisan comment; I just make it. Quite obviously a time for talking about a train system where you do not need a timetable is over. We have to now deliver that, and that is what Melbourne Metro does.

Dr CARLING-JENKINS — Good afternoon Premier. I want to congratulate you first on your ambitious budget and for your presentation earlier, which was very helpful in providing us with an overview of the budget.

I would like to turn our attention to education now and particularly to the substantial funding provided in this budget to TAFE, and I refer to budget paper 3, pages 47 and 49. Premier, a media release published on your website, dated 5 May, stated that the government is ‘rescuing and rebuilding our TAFE’, and the Treasurer in his budget speech described the TAFE rescue fund as being able to ‘help institutes reopen and recover’. In light of the many TAFEs already having cut courses, closed campuses, closed facilities and lost or made redundant many of their staff, how will this fund be able to rescue, rebuild and recover a TAFE system which is suffering from financial sustainability risks and the effects of increased competition from private course providers?

Mr ANDREWS — Thank you very much for such a critically important question, and I know that you share very much my fundamental concern, particularly for young Victorians. We could not keep going the way we were.

I think jobs start with skills, and I think every Victorian should be able to get the skills that they need for the job that they want. Where we saw our TAFE system get to in these last three or four years was not a place where any parent or any Victorian could have confidence that close to home their son or daughter or they themselves would be able to get the training that is critical to them realising their full potential, and we should never settle for that, because it is only when each and every Victorian is empowered to reach that personal potential that we as an economy and as a community will reach ours. Put it another way: every person who is held back from getting the skills that they want holds us all back. So it was very important that we make strong commitments in TAFE, and we did.

I want to direct you to the fact that there is \$300 million in additional funding this year, on top of \$20 million we brought forward into the current financial year. We are not wasting any time on the repair job that is definitely needed in TAFE. And then there is the \$50 million Back to Work Fund to better link industry and TAFE with employers, so that we are making sure where there are skill gaps that we fill those, because that is critical to economic growth and employment growth, and protecting the diversity across our Victorian economy.

The other point to make is that we are not limiting our focus to simply a one-off top-up, if you like. We have made some commitments around reopening Swinburne Lilydale, the Greensborough campus and some others, and we will deliver on those in full. Maybe they will not be the same as they were. Maybe they will be very different. Maybe they will be bigger and better than they have ever been; that would certainly be my hope.

This extra money provided with no delay at all was very important in terms of stabilising TAFE. It is very difficult to plan and be innovative and operate in what is, as you rightly pointed out, a very competitive market if you are under constant attack and your budget is being whittled away, and you are still having to do all of the valuable training because you have got the community service obligation but your private competitor only has to do the profitable training; that is not really a fair fight.

So there is some stabilisation money, there is some capital money as well, because we want the best facilities for the best skills, but we also know that this is not a one-year job, this is a long-term project. I am really pleased that Bruce Mackenzie, who is well known to many people, having spent his entire working life out at Holmesglen TAFE, is currently conducting an important review into the way vocational education and training works, not just to — as it has been termed — save TAFE for a year or two but to underpin a much stronger TAFE system for the next decade and the decade after that.

I think that in the state where human capital means more than in any other place in our nation, we have got to get this right; we cannot afford not to. The future industries, the future prosperity and the future realisation of individual unique potential for every single Victorian, and all of us together, all rest on skills, and that is why there is such a strong investment in TAFE. But it is not the end of the agenda; there is much more to do. Anyone who knows Steve Herbert — and everyone in the TAFE sector does, because he has spent so much time, as the shadow minister and since the change of government, working really hard to rebuild trust and confidence — knows he is doing a fantastic job. He is very passionate about this, and I could not think of a better person to do this work. He knows, and I know as well, that this is not the end of it. It will take many budgets to repair some very significant damage and many budgets to help TAFE be as strong as it could possibly be.

Dr CARLING-JENKINS — Thank you, Premier, for your answer, and I commend your commitment to education, which as you said we both share, and I agree with your comments around Minister Herbert's commitment as well.

I would just like to ask for a little bit of further information about how you arrived at your priorities for the TAFE rescue program. I believe listed in your presentation, for example, there were seven TAFEs that have been targeted, and I wondered how those TAFEs were chosen. Was it on the basis of the services they provide — for example, that they provide specific skills-based training — or was it because these TAFEs were financially viable?

Mr ANDREWS — Dr Carling-Jenkins, it might be best if I provide you with some supplementary information about that, or perhaps the minister might be able to when he is before the committee. In fact I am certain he will be able to do that. When it comes to capital, then obviously you look at the physical fabric of the TAFE institute. When it comes to reopening them, obviously those that were closed under the previous government is the place you start. Sadly, we will not be able to reopen each and every one of the campuses that were closed. But we have made commitments and we will honour all of those. I myself have seen firsthand just how exciting an opportunity the Swinburne Lilydale campus is. It is a wonderful space for the outer east, and not just for the outer east of Melbourne but for the east of the state. You are talking about a very significant regional community as well that had a university and a TAFE as a dual sector provider, and that was taken away. Obviously that is a starting point.

The individual audited accounts of our TAFE institutes are another pointer, as there is significant financial stress. There are a number of TAFEs that are struggling to even make payroll; they are running very significant deficits. So that is another relevant factor. The other thing of course is that as a government that keeps the promises it makes, we have made some commitments and they are a reflection in some respects of the advocacy that members of my team brought to bear over a long four-year period. I do not for a moment, though, say that those TAFEs are the only ones that have been supported — I think all of them have been in one way or another — but there are some specific commitments that relate to physical locations and some institutes but not others.

Part of the part of the Mackenzie review is to make sure we have got a better framework for all of our TAFE institutes — the best and most contemporary framework. In our very turbulent labour market and with a Victorian economy that is transitioning — I do not just say that; we want to drive that — TAFE has never been more important. It needs strong support across the board with some specialist support, because each and every institute has different challenges. I am sure the minister will be more than happy to go through in great detail every dollar that has been invested. He is rightfully proud of the commitments we made and the fact that we have delivered on them in full.

Mr DIMOPOULOS — Good afternoon, Premier. I turn to employment and specifically your remarks earlier in your presentation, the Treasurer's remarks in his speech and specifically the asset initiatives in budget paper 3 on pages 36 and 37 in terms of the purchase of rolling stock. Obviously there is a lot to the jobs puzzle, not the least of which is the Back to Work Bill and payroll relief for businesses, but what is the nexus between the rolling stock purchase and actual employment growth as projected in the budget?

Mr ANDREWS — Thank you very much for what is a very important question. There are 10 000 Victorians in the rolling stock supply chain — 10 000 — so buying local is very, very important. We have seen errors made over recent years — and again I do not make this as a partisan point, because perhaps all of us at different points could have done more and should have — but I am determined not to repeat those

errors. There is a long lead time, particularly when you are talking about new types of rolling stock and the high-capacity Metro trains that will run on the Cranbourne-Pakenham line, the busiest line in our metropolitan network and a line well known to you and indeed to me and the communities that send us to this place. There is a long lead time, particularly when you are doing something very new. These 37 high-capacity Metro trains that we will procure and that are funded in this budget will take some time to build. There is an important tram order as well — 20 of those — and there are 21 V/Locity carriages for the regional V/Line rail network. And then, in recognition of the fact that enough has not been done in the past, we are going to have to extend the useful life of both the Comeng train fleet and some B-class trams. There is an appropriate financial allocation for that purpose as well. So this is a very important part of our manufacturing base.

It is an industry that needs more than just words. They need more than visits and pats on the back. They need an order. It is an order book that basically sustains them. I can assure you that when I have visited Alstom many times — the century-old Ballarat railway workshops — I have always been made very welcome, but I was made especially welcome when we came and ordered five or six of the important X'Trapolis trains they make. They were on the cliff, if you like; they did not have an order and they were going to have to lay off staff, which was never going to happen under my watch, so we made sure that we placed that order. Similarly I have been to Bombardier in Dandenong many times, and we were very warmly welcomed there earlier this week when we announced a significant order for trams but also a 10-year rolling stock plan. That is something we have had not in the past — 100 new trains and 100 new trams over a 10-year period. That is the consistency — that is the order book — that this industry has been crying out for. It provides them with the ability to plan. I would not be surprised if we have new entrants into the rolling stock manufacturing market as a result of this 10-year order book. That is what you want. You want a competitive market that gets good value for Victorian taxpayers. But you have to lock up these skills and you have to make sure that there is enough work to keep the industry viable.

I have long advocated for a national rolling stock plan. I do not see any reason why other states should be having their trains made overseas, whether it be in Korea, China or India. We ought to proudly say, 'We can build the best passenger rail fleet here if you give us a chance. If you give us the orders, we will fulfil them'. That is what the workers at Alstom and that is what the workers at Bombardier say — and the other 10 000 who work in many different businesses, many of which are very small, in the suburbs of Melbourne and regional cities. This order essentially, if you like, protects those 10 000 jobs. It might even see some growth in this sector in the medium and the long term. It does not happen by accident. You have to have the determination to make the commitment and then to fund it, but you have got to have a good set of local procurement rules — 50 per cent on build and then you add in whole-of-life maintenance — and these are very much local trains, local trams and local jobs.

You can have the best procurement rules in the world, but if you do not place an order, then they do not mean very much. So we think we have got the balance right here, and again these are not costs; these are investments in a better passenger experience, stronger economic growth, keeping more Victorians in work and protecting the diversity in our economy that has been part of our story for such a long time. Again, I do not want to be partisan today, but I would hope that this sort of approach — the positive signals we got out of COAG around the defence technology industry and the defence manufacturing industry — continues. I am very encouraged by the words that we were able to negotiate on behalf of Victorian defence workers into the COAG outcomes, if you like.

The CHAIR — The Premier can conclude his answer.

Mr ANDREWS — Let us hope the federal government has a similar commitment to strong local content and local jobs. This is a very important investment in the future and one that will see public transport users across the state benefit, not to mention workers.

Mr D. O'BRIEN — Premier, I refer to budget paper 4, page 7, relating to the market-led proposals, and it states that in March 2015 the government received the second market-led proposal re the western distributor. Can I ask, though, for you personally, when were you first aware of the proposal, who have you met with from Transurban and how many meetings with Transurban have you had in relation to this project?

Mr ANDREWS — I would have thought that was pretty obvious. I did a very lengthy media conference with Scott Charlton from Transurban. This is a proposal put forward by Transurban, and it is an outstanding

proposal. We need, however, to make sure that we deliver best value for Victorian taxpayers, and that is why we moved after rigorous evaluation, not just with one team but with two.

Let me just take you back. The Department of Treasury and Finance looked at this very closely under our new market-led proposal rules. Because Infrastructure Victoria is not there yet, I wanted an additional layer of scrutiny on this and I asked the secretary to put in place — and he did — another team, a big team if you like, to look really closely, not to be collaborating with DTF but to look in parallel, and they did, and that allowed us to get through the first stage, the second stage and then proceed to the third stage of our market-led proposals framework.

It is at that stage, when you move from consideration to commercial negotiation, that you appropriately make a public statement. That is why we made that announcement some days ago, and that is why we have been happy to answer questions about the project ever since. I have to point out though that it is a proposal that is not yet finalised. It is a proposal that has been put forward by Transurban, and they have been having some discussions with the federal government, they have been having some discussions with Infrastructure Australia, as is appropriate, and there is still some way to go. When we say it will be a fair dinkum commercial outcome, then that is exactly what it will be.

In terms of meetings, a number of Transurban's team briefed a cabinet committee meeting that was held in the Melbourne Room on level 1 of ITP. Cabinet confidentiality probably prohibits me from going into the details of what was discussed, but much of it has been covered in the media conference we did for more than an hour. To the best of my knowledge I do not believe I have met with Transurban or any of their representatives since, other than the discussions I had in the half an hour or so leading up to the media conference. So that would be one meeting. It was a lengthy meeting. I am not sure whether you spoke to the Treasurer about this today, but other members of the government and our departmental officials and the big team that we put in place have had more extensive discussions with Transurban than that. But, again, conscious of my obligations to be accurate — if the secretary wants to add anything to that — I think that is an accurate answer.

Mr D. O'BRIEN — On the first question, if you had any more detail as to who was at the meetings, it would be useful, but I appreciate you have answered, I think, two.

Mr ANDREWS — I think Secretary Eccles can perhaps provide you with some information. I do not have to hand a list of who was there.

Mr D. O'BRIEN — That would be appreciated. But on that point, as a supplementary, could you tell us about the cabinet subcommittee and who was there from that perspective? Also, are you aware of whether Transurban has attended any of the Progressive Business fundraisers since you have been the Premier?

Mr ANDREWS — A couple of points. You would need to speak to Progressive Business about who attends their fundraisers; I am not accountable for that. That is an organisation that would be able to answer for itself, but I do not have anything to do with who attends Labor Party fundraisers.

Mr D. O'BRIEN — You would be there though, wouldn't you Premier?

Mr ANDREWS — Not at all of them, no. Some I would be at, just as I think the shadow Treasurer is off at an Enterprise function this afternoon. I think we all attend lots of different events. If you want to add to the supplementary question, then by all means do so, but I am not here to answer for them and I am not able to.

In terms of who was at the cabinet subcommittee, I am more than happy, when the secretary follows up, to perhaps provide you with some additional information. I think it was a meeting of the expenditure review subcommittee or it may have been another cabinet committee. Again, it was some time ago. As you would know, in the preparation of the budget there are many cabinet subcommittee meetings, and I am conscious of being completely accurate with you, so I will have the secretary come back to you on that.

Mr D. O'BRIEN — Is the secretary able to provide that information now perchance?

Mr ANDREWS — The secretary can answer that.

Mr ECCLES — I can perhaps talk to the type of people who were there if not the individuals.

Mr D. O'BRIEN — I am looking, I guess, for the ministers is the gist of the question I am after.

Mr ECCLES — I do not have an immediate recollection of who was at that particular meeting, but it is something we can follow up very quickly.

Mr ANDREWS — I think it is safe to say that the Treasurer was there; the Minister for Roads and Road Safety may have been there and the Minister for Public Transport. Again, we will be able to come back to you on that.

Mr D. O'BRIEN — Thank you, I appreciate that.

Mr ANDREWS — As you would know, there have been literally hundreds of cabinet committee meetings in the last 160 days.

Mr D. O'BRIEN — This is a fairly big one though, Premier.

Mr ANDREWS — The ones that deliver the budget are pretty big too.

Ms SHING — Thank you, after Mr O'Brien's 74 supplementaries! Good afternoon, Premier. Thank you to you and departmental representatives for being here. I would like to take you, Premier, to budget paper 3, page 36, if I may. In relation to the Melbourne Metro rail project and the line item for that, I was wondering if you can please confirm to the committee what the funding for the Melbourne Metro rail project will deliver and in fact how that is intended to change Melbourne.

Mr ANDREWS — Thanks very much, Ms Shing. It is a very good question and one that I am only too happy to provide you with some detail on. We have covered a little bit of this ground already today — that is how significant it is that it has come up in any description of this budget. You cannot help but talk about the \$1.5 billion investment in Melbourne Metro rail.

We established the authority and we brought forward the plan money. This could not wait until the new financial year; it needed to be done from day one, and that is exactly what we have been doing. I want to thank Minister Allan and other colleagues for their leadership on this. The Melbourne Metro Rail Authority is really powering ahead, and that is what is needed.

This \$1.5 billion allows all the geotechnical work, and that is very significant. There is some that was, if you like, no-regrets work done previously in earlier business case development. The best use will be made of that, but there is something like 140 different sites where they will do that very deep soil and rock testing. All of that gets funded.

There are a number of power and water what are referred to as services that need to be moved. There is an enormous amount of engineering, important design — what is called the reference design — as we get to a point to go out to market. All of that work is supported by this \$1.5 billion.

There are then some other important logistical costs, so having made the funding announcement we were then able to announce that the Swanston Street alignment was the preferred one and that the shallow method at 10 metres rather than 40 metres — that is to say, above the current loop and above the CityLink tunnels — was the preferred way. That then allows us to move into the next phase, which is very important and will be done properly, and that is proper consultation with everybody who will be impacted, from current public transport users to those who own retail businesses and other businesses along that Swanston Street corridor.

Can I say again — I have made this point a few times, but I will put it on the record again — that I am delighted that the Lord Mayor has agreed to be part of that really important consultative work. That is the best thing — working together to make sure that everyone who is going to be touched by this project has a say in how we actually deliver it.

The other way to put it is that this \$1.5 billion is every dollar that is needed to get all the work done so that construction can start in earnest before the end of November in 2018. It is very obvious that having made a commitment in the lead-up to the election to invest \$300 million in the planning only — we have gone a little bit further than that; in fact quite a long way further than that — I am pleased that through our careful financial

management and the careful nature of our policy development process on the way into government we have been able to find the capacity to make this investment.

This is not an inner city project; it might be physically located in the centre of our capital city, but it unties the knot that is the current city loop, and it allows our growing suburbs and it allows our city and therefore our state to function much better — better for productivity, better for the planet as well — with that turn-up-and-go type of train system, with no timetable needed. Whether you are one of the 200 000-odd Victorians who go into that University of Melbourne-Parkville precinct every single day who will get a brand-new station, or whether you are one of the many people who are in the middle of a network that just does not meet their needs, this is going to be a fantastic project.

I have said many times that I will not ask people to leave their car at home and get onto a second-class public transport system — they will not do it, and I will not ask them to. But this project and the level crossing removal program that allows you to run more trains because the gates are not there anymore, together with new rolling stock, are all investments that are connected, part of a plan and part of a determination to stop talking about better public transport and start delivering it. That is what this \$1.5 billion is a big and very important part of.

Mr MORRIS — Premier, I take you back to the east–west link contract negotiations, and the reference remains the same — BP5, page 200. Can you indicate to the committee the cost of consultant advice, of financial advice and of legal advice for the entire period of the negotiations — for before, during and any tailing costs that may have been incurred as part of those negotiations?

Mr ANDREWS — We can provide you with some additional financial details around this. It is important, though, that I set the scene just before doing that. Of course there was much commentary and much public debate about the contract and a side letter and the potential — indeed some termed it the likelihood — that a \$1.2 billion payment would need to be made. Of course that did not occur. In fact no element of the contract was used to arrive at the settlement that we were able to arrive at. I do hasten to add there is an audit process going on around the \$339 million that the equity partners were already paid before the change of government. They have to establish to the satisfaction of the government and therefore the Victorian community that those were legitimate costs incurred. That is the commitment we made. Legitimate costs are just that — that is, legitimate. Compensation for future profits and losses and opportunity costs and all the things they did not bid for — we were never having any of that. On the draft settlement there is still some work to do. It does not include any of that.

There are a number of legal costs. I might ask the secretary to take us through the legal costs incurred. There is several hundred thousand dollars worth of legal advice, as you would expect, to try to mitigate a liability that at one point might have been more than a billion dollars. I think that they are modest in the scheme of things. I would of course have preferred not to have had to spend any of that money, and if we had perhaps waited until after Victorians voted, we would not have needed to, but I cannot change that.

Mr D. O'BRIEN — You said the contract was not worth the paper it was written on.

Mr ANDREWS — Well, it has not been used. It was not used, Mr O'Brien. The fact that neither party used the contract might be somewhat of an indication about how much it was worth.

Mr T. SMITH — Six-hundred and forty million, it would appear.

Mr ANDREWS — No, Mr Smith, you can use that number as often as you like. If you are going to make a number up, why not make it even higher? That would be my advice to you.

Mr T. SMITH — It probably will be.

Mr D. O'BRIEN — It probably will be before the end.

Mr T. SMITH — It probably will be. It probably will be.

Mr ANDREWS — You are only new here, Mr Smith, and my advice, if I might be so bold as to give you some, is if you are going to make a number up, make it up higher than that.

Mr T. SMITH — Thank you for your advice; it probably will be.

Mr ANDREWS — Thank you for confirming that you are making up numbers, Mr Smith.

Mr T. SMITH — I am not making up numbers.

Mr ANDREWS — Because I take the question and the way it was asked by the Deputy Chair seriously, I now ask Secretary Eccles to go through some of the costs that are settled. There may be others that are still being worked through — that audit, for instance, has not been finished yet.

Mr ECCLES — Thank you, Premier, thank you, Deputy Chair. Including the costs spent on its lead negotiators, the state has paid approximately \$595 293.15, including GST, on advisor fees to exit the project. The majority of these costs have been spent on the state's lead legal advisors, Gilbert and Tobin, and financial advisors, PPB Advisory, with the remaining funds spent on the lead negotiators and other advisers, including barristers.

Just to follow the Premier's concluding point, ongoing costs will be confirmed as part of the due diligence before signing the final agreement. So the amount I have declared will increase.

Mr ANDREWS — Not to anticipate the supplementary, but perhaps we can provide you with some further information as and when those matters are settled. We are very confident that the audit can be concluded fairly soon. There is then the second issue. Beyond the 339 to the equity partners, there is the matter of the \$81 million and the credit facility; there is a renegotiation going on at the moment. There will be some cost. We take these matters very seriously. We try and engage the best and brightest to protect the interests of our state, and that is exactly the way I think every Victorian would want it.

We made a commitment. We have honoured our commitment. We were never going to break our word, and you have got to make sure that you have got the best people to protect the interests of Victorian taxpayers. Again I do not want to cut across — I am not sure whether you have got a supplementary or not.

Mr MORRIS — I do have a supplementary. Thank you, Premier. Certainly those further details would be helpful for the committee. Can I ask — and Mr Eccles may have the detail there — whether you can indicate to the committee the specific quantum of the payments to Mr John Wylie and Mr Leon Zwier?

Mr ECCLES — Deputy Chair, it is probably best for me to take that on notice and respond after today's hearing if that is okay.

Mr MORRIS — That's fine.

Ms WARD — Premier, as I am sure you can imagine, many of us have spoken to a number of our principals over the last few months regarding education costs and in particular Gonski. I refer you to a line item, 'Education state' on page 47, book 3. Can you explain how the government has acquitted Victoria's obligation under the Gonski agreement and what your plan is to make Victoria the education state?

Mr ANDREWS — Thanks very much, Ms Ward. I have had the great pleasure of visiting many schools in your local community with you over many years. Much like the schools in my own local community and right across our state — great teachers, great parent communities, principals that are really passionate and committed. They want the best for our kids. We all do, but that cannot be achieved if we do not fund education properly.

We are having a very reasonable discussion today, and I do not want to become partisan or drag us back into ultimately a discussion of things that we cannot change. We cannot change the way previous governments operated. We cannot change the past. We can only make better provision for the future, and that is what this budget does.

We will for the first time fully meet the obligations under the so-called Gonski agreement. I know the Deputy Premier is very proud of that, and I am too, but then there is in many respects a different and more important agenda, and that is our commitment to delivering in full on the commitments we made. The education state is very important to me and very important to the future of so many young people, indeed all of us.

I will break it down into a few different parts. There is a very significant investment in schools, new schools on greenfield sites, upgrading existing schools, getting rid of the deadly asbestos in our schools — making a really

strong start in that — together with other recurrent funding. Not asset funding, but output funding to better support particularly kids who have got special educational needs.

Something I am very proud of is better support for families who are doing it tough. I cannot think of more worthy work than providing a school community with those few hundred dollars per student from a disadvantaged family so that they can go on the school camp, so they can go on the important excursion, so they can be involved in the school sports events. To miss out on those things is to miss out on a comprehensive education and the opportunity to become your own person. I will not stand for that, and I do not think Victorians will either.

We did see some changes to the education maintenance allowance. I cannot change those, but I can deliver on our commitments, whether it is around schools, camps and excursions, free glasses and eye tests for primary school kids or breakfast clubs. You have only got to visit one of these breakfast clubs, as I have done many times in my own local community and in many other communities, to know and to see the power of that connection between volunteer parents, teachers who coordinate the program and kids. It is the most important meal of the day provided in a loving and caring environment, because we have to accept that for some kids the strongest and most important influences are at school. The school has got a unique opportunity to shape outcomes for those kids and therefore for all of us. So delivering in full on those important commitments, I am very proud to say that this budget does that. It also invests in a process, and it is one that I just want to draw you to as I draw my answer to a close, noting the Chair is looking over his glasses at me. I am pausing here and choosing my words very carefully because I do not want to be running a political commentary on previous governments. But let us just put it this way — —

Mr D. O'BRIEN — That is the fifth time you have said that today, Premier.

Mr T. SMITH — Just come out and do it.

Mr ANDREWS — If you would like me to — no, I won't.

Members interjecting.

Mr ANDREWS — It is not often that political leaders try this. Anyway, I am very pleased not to be here to be doing those sorts of things.

Let us put it this way: we have got some significant problems in the way we fund our schools — the transparency or the lack thereof. Teachers are not happy, parent communities are not happy, ultimately kids are not, with the outcomes they are getting. Steve Bracks very generously has donated his time, at no cost to the Victorian taxpayer, to do review of the SRP and a review of the whole way in which we fund our schools. I think that is really worthy work.

Better buildings, new schools for growing areas, money in full delivery of all the commitments we made — everything from breakfast clubs to a better deal for parents who cannot afford the school uniform and kids who miss out on school camps, excursions, sporting events. Eye tests and other important investments we have made — doctors in schools, a whole raft of different commitments that will make us the education state. They are all brought to book in this budget, and the money will be out there from 1 July. Indeed we have already brought some forward into this financial year to get on and deliver the education system that is central to better life opportunities, a better economy, a better community and us regaining our leadership as the ideas and innovation capital of our nation.

Mr T. SMITH — Premier, what advice can you provide the committee on the realignment of the Swanson Street tram route during the construction of the Melbourne Metro rail project, along with relevant tram crossings — such as what route will the realignment take, what options are on the table, and will the City Circle tram be scrapped?

Ms SHING — On a point of order, Chair, can I get a budget paper reference from Mr Smith?

Mr T. SMITH — Budget paper 3, page 42.

Mr ANDREWS — I think we will need to come back to you with some further detail. You may choose to put those questions to the public transport minister. I am sure she will relish the important opportunity to take

you through that. But I would say, when we commit to a consultation process, when we commit to planning, we mean just that. That is why I have referenced the Lord Mayor a couple of times. We are really very pleased that he has agreed to be part of that consultation process. There will be many people that are impacted by this, but I think people understand and they accept that to make really significant progress, indeed to build a much better public transport network, there will be some challenges along the way.

In terms of the realignment of tram routes and alternative provision — obviously in stages Swanston Street will be a major construction zone — there is provision in the budget to do that. But I would make the point, Mr Smith, that I am not a transport engineer and I do not tend to pretend to be one, so we engage experts to do this work, as all good governments should. The Level Crossing Removal Authority is one part of that, the Melbourne Metro Rail Authority is another part of that, and I am certain that the Minister for Public Transport, Minister Allan, will be able to take you through as best as possible. Some of this work will not have been done. It has been funded in this budget to be done, and for some of it we will have a sense, and other things are to be determined. There may be very much, if you like, live options and important choices that have to be made, and that is why real consultation and this real money and the alignment having been chosen was so very important.

Mr T. SMITH — Just on that vein, I am just trying to get an indication of the length of time that there could be a temporary tram route to replace the Swanston Street tram at this stage.

Mr ANDREWS — That is subject to the geotechnical work, the engineering, the reference design, the bids that come in once we take this out to market. I think you can rest assured that we will do whatever we can to minimise — we will do whatever we possibly can. But we have talked about this as not months or weeks. It will be a significant period of time where a realignment — —

Mr T. SMITH — Are we talking years?

Mr ANDREWS — Well, it could be, and I make no apology for that. This is a very significant project, and it is one that we took to the Victorian community and they provided us with a mandate to get on with this. I suppose I would say to every Victorian: we will do everything we can to minimise the disruption you will feel because we are building a better public transport system, just like we will minimise disruption as best we can while we remove the 50 most dangerous and congested level crossings. We will do the same to minimise disruption in our hospitals, where we are investing \$560 million in better buildings for better care, and we will do the same with the significant investments — more than \$600 million — we are investing in better schools so that our kids can have a better and stronger future.

The alternative of course would be that there is no disruption and there is no improvement, and ultimately our train system will grind to a halt because it will be bursting at the seams; some would submit, and I would not disagree with them on some lines at some times of the day, that it is already there. This is very much, ‘No more talk, let’s get on and do it’, and that is what the budget does.

Ms PENNICUIK — I want to turn to the TAFE sector. I know Dr Carling-Jenkins raised a question about that earlier with regard to the funding that is allocated to TAFE in the budget over the forward estimates. You would, I am sure, be aware of a report that was done by the business school in the University of New South Wales — —

Ms SHING — Could I ask for a budget paper reference?

Ms PENNICUIK — Page 47, budget paper 3, with regard to the rescue fund. I have not quite got to that yet, Ms Shing.

Ms SHING — That is all right. It is always nice to be able to prepare in advance.

Ms PENNICUIK — There is money allocated for the so-called TAFE Rescue Fund. I think it was probably a shame that you mentioned, Premier, that you would not be able open any of the TAFEs that have been closed. What I wanted to draw your attention to is, since the opening up of the competitive market in TAFE, how much money has been transferred from taxpayers to private providers. For example, in Victoria the annual pace of funding to private providers increased 42 per cent between 2008 and 2013, rising from \$137 million to almost \$800 million in that time.

The report goes, Premier, on to say that it is estimated that in Victoria in 2013 about \$230 million in profits was generated across the full-profit VET sector and just three companies are estimated to have extracted at least \$18.3 million in profit from Victoria's taxpayers in that time. My question to you, Premier, is whether despite your rescue fund, your other allocation to the TAFE sector and the review that is being conducted by Bruce Mackenzie, the government is going to revisit its policy on full market contestability, given the effects it has had in the TAFE sector.

Mr ANDREWS — Thanks very much, Ms Pennicuik, for your question. Firstly, if I could just pick you up on one comment in the preamble to the question. I did not indicate that we would not be opening any of the TAFEs that have been closed. What I said was that sadly we will not be able to open all of them. Some have been sold off, some now bear no physical resemblance or ownership resemblance to what they used to be. We have made commitments around Greensborough, for instance, Swinburne Lilydale and some others, and we will honour all of those. That is very important.

The short answer on contestability is that there will not be a change to that. But exactly how the market works and exactly the rules or the framework, we cannot put aside the Mackenzie review in answering that question because that is very much the question we have asked him: go out to the sector and talk, listen and come back with options. Somebody with a wealth of experience such as Bruce will be able to come back to us with lots of different options.

But contestability is going to remain a feature of the vocational education and training market. How we better fund our TAFE sector in recognition that they play a very special role — back to that point I made earlier: they do not just do the profitable training. They do that and the really valuable training — the community service obligation work, either in course design or the cohort, the student cohort — so theirs is a broader responsibility. Mackenzie's review will pick up many of these issues and will give us some options for the future.

At the heart of your question, though, as I interpret it, are issues around compliance and confidence and making sure that at all times any private provider who is drawing down on the public purse is doing so with probity and with integrity and that students are getting what in fact they are paying for and we are helping them to pay for through various subsidies.

I am sure Minister Herbert will be very pleased to take you through. I do not think time will allow me today to go through all the different compliance work that he has been doing. We want only good and decent operators doing this work, and we want to be able to reassure the Victorian community that the best training is being done in a contestable market, in a competitive market, but one that recognises that TAFE has a unique role to play in that market and a system that recognises as well that there are some people who over time have done the wrong thing. We do not want them to be players or to be part of the vocational education and training market. I am sure that the minister will be able to take you through a very significant body of work, even in these first four or five months, that we have done around these issues of compliance.

I will not speak for him, but it is pleasing in recent times that a relatively new assistant minister in the federal government, whose name escapes me, I am sorry — the senator from South Australia —

The CHAIR — Senator Birmingham.

Mr ANDREWS — Senator Simon Birmingham, a relatively new minister, I think has done a great job in making sure that both states and the national government are focused on only the best people being involved in this market and that compliance means something. It is very, very, very important.

Ms PENNICUIK — They are fine words, Premier. I assure you that Mr Herbert and I have discussed this issue of compliance and the ongoing reports of roting by private providers and almost weekly reports of students going through courses for which they have not been properly trained so they have to now be retrained and get new training guarantees because they have gone through dodgy courses. So forgive me if I am not entirely reassured about the compliance regime that is in place or has been in place. Certainly I have been raising these issues for many years.

But just going back to my key issue about market contestability. You mentioned the AEU before. I am sure they would agree that that is at the core of the problem. If you look at the submissions to the Senate inquiry regarding what has gone wrong in the VET sector, including from the leading TAFE institutes in Victoria, they will say

that is the core of the problem. So if Mr Mackenzie's review comes out and says that is the core of the problem, will you change your policy?

Mr ANDREWS — Ms Pennicuik, the issue of compliance is very important, and I think we can focus on the fact that we agree on that for certain, but we need to make sure the highest of standards are being met — —

Ms PENNICUIK — You do not agreed it is working though?

Mr ANDREWS — I am not for a moment saying that there is not room for further improvement; of course there is. Absolutely. That is why I have made the point around the national framework. This sector is regulated at a national level. I do not make that comment — —

Ms PENNICUIK — Partly.

Mr ANDREWS — Yes, partly indeed. I do not make that comment to move responsibility to others; I am just saying it is a shared issue and one that we need to work on. I have been very pleased in recent weeks and months to see the Abbott government making some really positive statements. We might not agree with everything they say, but on this, and this notion of a crackdown, I think that is a good thing.

Let us not pre-empt Mr Mackenzie's work. I think that contestability — and this is my opinion, and it is also the government's position at this time — will remain. Contestability and a market-based process will remain part of our vocational education and training system, not just here in Victoria but in every state and territory over time. But let us not pre-empt what Mr Mackenzie will come back with. I think it will be a very important piece of work.

I know Bruce Mackenzie well — I think we all do — and we have the highest regard for his time as an important administrator and provider of higher and vocational education. Let us wait and see what he comes back with. I am sure your long and ongoing conversation with the minister will continue — —

Ms PENNICUIK — Indeed with yourself.

Mr ANDREWS — And indeed with myself. I am more than happy to continue talking about these issues, but also, I would have to say, acting as well as talking — acting to put money back into TAFE in recognition that it could not go on the way it was because too many kids were being left behind and we were compromising the opportunities that too many Victorians would enjoy throughout their life.

Mr DIMOPOULOS — I turn to health, specifically the capital investments outlined in BP 3 on page 76. I note, and the community I have the pleasure of representing notes, with interest that something we have long fought for — the helipad at Monash and some other Monash-related capital projects — is getting funded. Health is a fairly contested area in terms of the public understanding of funding because it is an area of national and state funding. How does the capital investment in the forward estimates here compare with previous budgets in terms of capital investment in health?

Mr ANDREWS — Thanks very much, Mr Dimopoulos. Both of us are from the south-east of Melbourne and you are being parochial enough for both of us so I will resist the temptation of providing editorial comment around some of the south-eastern initiatives.

This is really important. You can have, as we do, the best doctors, the best nurses, the best staff if you like, in our clinical team, and all the other support workers who are critical to making hospitals work. You can have them — and we do. We can be very proud of their commitment and their skills, but they need recurrent funding, and we talked a little bit about that today. They also need a government that is prepared to give them the physical environment they need to drive efficiencies and improvement. This budget delivers on all of our commitments and more.

I am very proud to say that whether it is \$20 million at the Angliss Hospital for 20 beds, an intensive care unit and a short stay unit; \$10 million for expanded cardiovascular services, a cardiac catheterisation lab at Ballarat Health; Casey Hospital — 96 new beds, ICU, four additional operating theatres; investments in engineering infrastructure at a whole range of different health services; a million dollars does not seem very much, but a million dollars for planning and design to write a new chapter if you like for Goulburn Valley Health up in Shepparton. The member for Shepparton has graciously agreed to chair a steering committee to get clinical

input and community input to do proper consultation towards a long-term plan to give us a new and much improved Shepparton hospital.

There is \$20 million for a health service violence prevention fund: 10 million for health services and 10 million for mental health. This will be about safety upgrades, dealing with blind spots, CCTV — something we should all agree on and something that the Auditor-General has reported on just this week. There is clearly significant improvement we need to make there to protect the people who ultimately protect us. Thirty-five million dollars for medical equipment; that changes so rapidly we need to keep investing. The Monash helipad you mentioned; other infrastructure at Monash Medical Centre at 7.1 million; importantly, imaging and outpatient expansion at Monash at Moorabbin. That was one that I visited during the campaign and I am very pleased to be able to provide that funding.

There is some critical fire infrastructure upgrades at the Alfred. Fifteen million dollars to plan Victoria and indeed Australia's first standalone heart hospital, again out in the south-east. The best of Monash University science, CSIRO, engineering, medical device development and the best of MonashHeart — the biggest centre of interventional cardiology anywhere in our state. That will be a fantastic facility and a partnership with Monash University also. We have to get the planning right and there is \$15 million for that.

There is \$85 million for Werribee Mercy. I was very pleased to be out at Werribee with Minister Hennessey during the week, and it is fair to say that the team out at Werribee Mercy are very pleased to see this investment. This will bring critical care capacity to that site for the first time ever. In a very simple way that means patients who deteriorate whilst they are at Werribee will not have to go offsite. They will not have to be transported to another health service, whether it be Barwon Health, Melbourne Health or Western Health. Also, there will be less ambulances that have to go past the emergency department at Werribee Mercy. This critical care capacity will mean more can be done and more complex patients can be treated there. This is not something we committed to at the election but something we have done above and beyond that.

Then there is \$200 million for the Western Women's and Children's Hospital, which is very much needed in one of the fastest growing corridors anywhere in Australia. There are 237 beds, 39 special care cots, 4 theatres and extra clinics. That is a fantastic addition to the Sunshine Hospital, a place I have visited many times. There have been significant capital developments at the teaching, training and research centre that the previous Labor government funded. This will be a fine addition to Sunshine Hospital.

In answer to your question, this is \$561.3 million, compared to the previous year's budget of just \$150.3 million. All politics aside, this is exactly the investment that our clinicians need because it is what patients need — the best facilities and the best chance of getting the care you need faster and closer to home, closer to the community that you have helped to build. That is what a world-class health system looks like.

Mr DIMOPOULOS — Thank you.

Mr D. O'BRIEN — I have a question, but before I am interrupted by Ms Shing I will alert her to the fact that it relates to budget paper 2, pages 53 and 64.

Ms SHING — Thank you, Danny. I am indebted to you for your up-front reference. I appreciate it greatly.

Mr D. O'BRIEN — Bear with me for a moment. Premier, the board of Ambulance Victoria, the CEO of the Linking Melbourne Authority, the board of the Linking Melbourne Authority, the chief health officer of the Department of Health, the CEO of the CFA, the CEO of WorkSafe, the chairperson of WorkSafe, the CEO of Parks Victoria, the board of Greyhound Racing Victoria, the chairperson of the Victorian Commission for Gambling and Liquor Regulation, the boards of 10 catchment management authorities, the board of the Victorian Catchment Management Council, the boards of all government water boards, the chairperson of the Peter MacCallum Cancer Centre, the chairperson of PTV, the chairperson of the Melbourne Planning Authority, the chairperson of the Women's Correctional Services Advisory Committee and the chair of the adult parole board have all resigned or been sacked under your watch. Can you outline for us the total redundancy cost and total legal costs of the public servants who have been sacked or resigned under your government?

Mr ANDREWS — I do not accept the way in which you have presented that list of people. If someone — —

Mr D. O'BRIEN — Do you want me to read it from the other direction?

Mr ANDREWS — Frankly, if someone resigns, then there is no redundancy payment made at all, and I think you probably know that. But if you were to take them out of your list, it would not look anywhere near as theatrical and would not serve your purposes, Mr O'Brien.

I will tell you what we will do. We are happy to take that matter on notice, and if I cannot provide you with a detailed written answer, then the Special Minister of State will be more than happy to. This is one of those questions where you are really inviting me to start running a commentary on each of those people, and out of respect for them I will not do that.

Mr D. O'BRIEN — It is a lot of people.

Mr ANDREWS — I will not do that. But you very well know that many of those people have resigned — —

Mr D. O'BRIEN — And I said that, Premier.

Mr ANDREWS — and to infer that that is somehow a bad thing — you know that I am limited in what I can say without running a commentary on individuals. I will not do that. That might mean the answer does not satisfy your purposes, but it most certainly is the right thing for me to do.

The CHAIR — Mr O'Brien, on a supplementary question.

Mr D. O'BRIEN — Premier, I take your point. However, could I ask a supplementary? Did you discuss any of these positions with union members or union executives before the people were removed?

Ms SHING — A point of order — —

The CHAIR — I am sorry, Mr O'Brien, I am not sure how that relates to the budget papers.

Mr D. O'BRIEN — It relates to the employee expenses in and decisions taken by the government to remove people like — —

Ms WARD — I do not think there is any cost involved in having discussions with anyone.

Mr MORRIS — The Premier is able to answer for himself.

Ms WARD — Sorry, David?

Mr MORRIS — If the Premier has had no role, then he is able to say so.

Ms SHING — I do not accept the fact that the Premier is required to answer a question that has no link to the principal question.

Mr D. O'BRIEN — It is getting to the exact point of the principal question. All those people on the boards that I have just listed have either resigned — and I take the Premier's point — but many of those have been sacked by the government. These are decisions that affect the budget.

Mr ANDREWS — Perhaps this is the best way to do it. I act with probity. I act with integrity. Every member of my government acts that way. Let me take you to the Ambulance Victoria example — —

Mr D. O'BRIEN — A very good example.

Mr ANDREWS — which I think is perhaps the very first one.

Mr D. O'BRIEN — Yes.

Mr ANDREWS — I made it very clear, and this is a concept that some may struggle with. I made a commitment before Victorians voted, and literally on the first day after we were sworn in I actioned it, I delivered it. I said before Victorians voted that if we were successful, every member of the board of Ambulance Victoria would be respectfully told that their services are no longer required, and we delivered on that commitment. And the board, in my judgement, did the right thing, and they accepted that change needed to be made and that culture needed to be different in Ambulance Victoria. I will not settle — no Victorian will

settle — for too many families waiting too long for the care that they need. Now if that means I am criticised, then so be it. But to answer your supplementary, that commitment, for instance — do you know where that came from? It came from, and it was announced in front of, operational paramedics, all of whom are members of the relevant union.

Mr D. O'BRIEN — Okay, so he has answered the question. Thank you.

Mr ANDREWS — And I make, again, no apology for standing shoulder to shoulder with our ambos and many others who refused to settle for the bullying, they refused to settle for the tragedy, they refused to settle for response times getting worse each and every year. I do not think anyone — anyone around this table; any member of this committee or this Parliament — should settle for that. And if you want to draw a negative inference from that, if I am criticised for that, then so be it. We made commitments about ending the crisis in our ambulance system, and we are getting on and doing it. Because there is too much at stake. I can go through many of the other examples. I go back to my substantive answer where, despite the invitation and despite the political intention of your question, I will not run a commentary on individuals. That is not — —

Mr D. O'BRIEN — I did not ask you to, Premier.

Mr ANDREWS — That is not the way that this committee should work.

Mr D. O'BRIEN — I did not ask you to, Premier.

Ms SHING — Sorry, can we avoid perhaps the toing and froing in the event that you have asked and had a supplementary answered. You have indicated that you had the supplementary answered. Can we move on?

Mr D. O'BRIEN — Can we have a look at the history of PAEC over the years and suggest that non-government members have never done toing and froing with witnesses?

Ms SHING — I would really like to think that the question has been asked — —

The CHAIR — I am conscious of time — —

Ms SHING — and answered, as you already indicated.

Mr MORRIS — And remember that this is a committee, not the house. Toing and froing is an essential part of it.

Ms SHING — On that basis, I look forward to moving on to the next question.

Mr MORRIS — I am sure the Chair will do that at his convenience.

The CHAIR — It is certainly convenient to do so now. Dr Carling-Jenkins.

Dr CARLING-JENKINS — Thank you, Chair. I think I might be a little bit less controversial. I want to talk about the NDIS. I note that the full rollout of the national disability insurance scheme has been described in budget paper 2, page 65, as a specific fiscal risk. It is stated there that an estimated \$2.5 billion a year will need to be contributed by the state once the scheme is fully implemented. I wonder if you could describe to the committee what measures you are implementing within this budget, including within its forecasting, to plan for the introduction of the full scheme, including capital works for respite centres, for example?

Mr ANDREWS — Thank you, Dr Carling-Jenkins. This is a very important question and I think an area of reform that is going to be very challenging in coming years, both in terms of budget pressure but also meeting the perfectly legitimate expectations of carers, of those who need every day, and fundamentally rely upon, disability services. Meeting their expectations will be challenging, but that should not deter us. Important work is never easy, and this is very important work. We had a win at COAG, I must say, in that we got a bit more time to do some catch-up work. This is perhaps not in as good a shape as a policy area as I might have hoped for it to be upon coming to office. There is some catching up to do. We are determined to do that.

The COAG extension of time gives a bit more time to deal with some transitional planning, but also the opportunity to maybe release significant funding much earlier instead of holding onto, I think, in Victoria's

case, many tens of millions of dollars, potentially \$100 million or more — hundreds in fact — coming to us much earlier. That would help in that important transition.

I think it is probably best, and we can perhaps provide some further information, but in just the next few minutes I am sure Deputy Secretary Falkingham can speak to this. This is literally an hour-by-hour thing; there is a lot of work going on, and the deputy secretary can update you.

Ms FALKINGHAM — Thank you, Premier. It is important to note that the NDIS is a once-in-a-generation reform that will improve the lives and the outcomes for people with disability and their carers and their families. It is really important to note that Victoria is obviously fully committed to rolling out the NDIS by 1 July 2019. There is a lot of careful planning and consideration that needs to go into that. We need to consider first and foremost how those families and their carers are transitioned into the NDIA, which will set out for them a really comprehensive plan for how they will get the care and support they need into the future. That is the first time we have been able to do that without the limitations of waiting lists and without any limitations around funding.

So all states and territories, with one exception, Western Australia, have signed up to this agreement, and we are now working through in a really careful way with the commonwealth and with the NDIA on how we can get the most supports in the most efficient way for those clients and their families.

As the Premier has mentioned, one of the most important things is the fact that the supplementary Medicare levy that was put in place by the previous federal government is sitting there, ready, waiting to be able to be spent for people with disability and their families. So we are actively trying to see what we can do through this budget by bringing on first and foremost the \$121 million in additional funding that will see an extra 658 clients receive individual support packages. That is a massive uplift for people with disability and their families.

But most importantly we have to, by August this year, actually fully develop our full transition plan for all Victorian people with disability moving into the NDIS by 2019. So we have extensive work to do. Also with the workforce, it is really important that we want to have continuity of care and support for people with disability and their families, but equally we want the workforce. It is a growth industry. Disability over the next 10 years will see record investment, and with that comes an ability to actually transition our workforce to support their families and people with disability into the future.

But that work is going on. There is extensive volleying to really understand and unpack the Victorian agreement, as the Premier has said, and we have got a lot of catch-up work to do to actually make sure that we are ready for 2019, the work that needs to sit around actually making sure, as I said, that that workforce is ready to move across for the NDIA, but equally that that work is done so that there are no actual transition hiccups for people with disabilities. So we are actively working with our colleagues in the Department of Health and Human Services to deliver that.

Mr ANDREWS — I might just add, Chair, obviously that is a very important medium and long term — although it is pretty much upon us; it is only months, and we do have that catch-up work to do — but there are many families who simply cannot wait for a new system, even if it is closer than it has ever been, and that is why the budget this year, outlined in budget paper 3 at page 63, allocates \$151.1 million over the forward estimates to support people with disabilities and their families through 830 additional ISPs, or individual support packages.

That is a 25 per cent increase on the allocation last year, and I think that is exactly what carers, families who are in profound need, that is exactly what they would expect, because the promise of reform and the promise of a new scheme is something that is very warmly welcomed. But they are a bit like family violence in some respects: the promise of reform and change is warmly welcomed, but there are some things that cannot wait. This is, again, above our election commitments, and we have been able to find the resources to make these investments, and they most certainly are investments in dignity, investments in better care and everyone being able to play their full role, be all that their potential limits them to, you know. That is exactly the kind of empowerment that we want.

The CHAIR — Dr Carling-Jenkins, on a supplementary question.

Dr CARLING-JENKINS — Thank you, Chair, yes. Thank you very much, Premier and Deputy Secretary, for your answers and your obvious commitment to the implementation of the NDIS. I acknowledge that you are

grappling with this implementation, as we all are across the sector. Can I just take you back to my substantive question and the need for capital works. I acknowledge the 830 ISPs, and I think that is a fantastic initiative. I also recognise that respite, for example, is one area where there is still quite a lack within Victoria, and it is something that the NDIS has recognised as well. So I wonder if you could just elaborate on that point further, please.

Mr ANDREWS — Dr Carling-Jenkins, the cost of capital and who bears that cost is still being worked through with the National Disability Insurance Agency. That is not resolved. We might be able to come back to you with some further details around that, or Minister Foley when he appears before the committee. It is a day-by-day thing. There is a lot of work going on, things are evolving, decisions are being made; we are getting closer to a much better outcome. On some of these matters I am sure he will be able to take you to the most contemporary update.

But it is certainly a challenge. There is a fair backlog. There is quite a lot of investment that will be needed, and exactly who bears that cost and how it is done, that is not a settled matter but one that we hope to resolve soon.

Ms SHING — I will take you to budget paper 3, pages 16 and 17, if I may, Premier and team. The initiatives are outlined at table 1.4 in relation to the *Ice Action Plan*, and that, as indicated in the preamble, was developed on the advice of your Ice Action Taskforce. I am keen to hear from you about what is being done to tackle this drug, which is an absolute scourge and which, it seems to be the prevailing view, we cannot simply arrest our way out of.

Mr ANDREWS — Thanks, Ms Shing, for the question. Being someone who represents regional Victoria very passionately, I think you know — I think we all know, actually — that this has got away from us. There is no doubt about that. Again, that is not a political point; it is just a fact. We perhaps all should have done more much, much earlier, and by that I mean the federal government and state governments plural.

This is a very destructive drug. It is evil, really, in many ways. I am told many tens of thousands of people — between 60 and 80 000 Victorians — tried this drug last year. That is the most contemporary data that I have got. It is no small problem. Its capacity to change a person into someone who is just unrecognisable in strength, in attitude, in aggression, in completely unacceptable conduct of great violence — self-harming as well — is becoming increasingly well known. You have only got to talk to any frontline emergency services workers and it will not take long before they will share a story with you of those who are affected by this poison and how dangerous and how challenging they are.

If you make the judgement, or the admission really, that this has got away from us, we have to do more but let us not pretend to have all the answers, I think that is the best way to go. That is the approach we took six or seven months ago. We then, literally on day one, set up the Ice Action Taskforce. I chaired that, and a number of other colleagues were on it, together with senior representatives from Victoria Police, the Drug Court, the drug and alcohol rehab sector, the Koori community, and youth groups as well as many others who do the academic research and really understand the pharmacotherapy of this drug better than probably any member of Parliament will. That group, again from a standing start, delivered within 100 days the \$45.5 million *Ice Action Plan* that is brought to book in the budget this week.

In essence what that gives us is a sense of, I think, hope for the future that addicts will get the care that they need and families will get the support that they desperately, desperately need. It is very hard to ask a family to step in to be part of their son's or daughter's or brother's or sister's rehab if all you can do is offer them a place on a waiting list. That is a very difficult place to be. All too often in regional Victoria there is not the amount of care, the access to services, that all of us need. That is why there is the best part of 20 million — I think it is 18 million and a bit more — out of the 45.5 that supports treatment, and that is exclusively in regional areas. That has been welcomed in regional communities, including my own home town up in north-east Victoria where this has been a real challenge.

There is \$4.7 million to help families identify and manage risks — support for families basically. There is \$1 million to support frontline workers. A lot of the time they are just getting by on their wits; they are getting by on many years of practical experience. There is a training challenge here. We have got to better equip and better support our frontline workers to not guess their way through but to be properly trained with this. They are doing a great job in very challenging circumstances, but we have to support them better, and the fund does that.

There is then \$15 million for new drug and booze buses. The fleet needs some significant upgrades, and that is what we are doing there. That is what VicPol needed, and that is the investment we are making.

Then there is, importantly — and this is the smallest amount of money in the scheme of the package, but I think it is probably the most important money — \$500 000 to support community action, if you like. We have seen many regional centres, many country communities, who have come together, working really closely together to provide a profile and support and fundraising and a sense of unity and purpose against this drug. I think the best way to tackle this is through these investments, stronger laws — they are not budget matters, but we have made some commitments around those laws, and you will see us deliver on those in full; we will have the strongest statute book in terms of crystal methamphetamine of any state or territory — a strong rehabilitation sector, strong support for families and police that have got the resources they need.

But most importantly we have got to get communities talking about this topic and support them to keep on talking about it, so that at the footy club they are talking about this issue and explaining how bad it is; at a big workplace at lunchtime or a smoko or a stop work even they actually sit down and talk about this poison; and around the kitchen table families have to be supported to have the conversation with their kids. In lots of different forums this needs to be acknowledged as a problem that we all share. We all pay for this in lots of different ways. I do not for a moment say that \$45.5 million is the end of this. These are the things that could not wait, and these were the investments that had to be made.

Finally, I would inform the committee that the members of the Ice Action Taskforce have very generously agreed that it will be a standing group and that it will come together and meet two or three times a year to check progress, to keep us all accountable for the decisions we have made here and to get the most contemporary sense — the most real-time assessments — of whether there is more that we can do. All the ministerial colleagues who are involved in that task force, they too will continue to be members of this standing group.

It is a very important issue from a health point of view, from a crime point of view of course, but ultimately without real action in this area I do not think we can ever hope to create really strong communities. We have got to get a much better handle on this, and I think our action plan and this money funded in the budget is a big step towards that.

Mr T. SMITH — Premier, I refer to page 64 of budget paper 2. Have any of your staff contacted anyone in the United Firefighters Union about the conduct or discipline of one of its members?

Ms SHING — Point of order. I cannot see how this is actually relevant to the budget papers.

Mr T. SMITH — I do not think that is for you to decide, Ms Shing.

Ms SHING — That is why I am seeking some guidance on that, Mr Smith.

Mr T. SMITH — The question goes to the conduct of employees in the Department of Premier and Cabinet, which are temporary civil servants in the state — ministerial advisers — and I am asking a question to the Premier. If he does not want to answer, that is his problem.

The CHAIR — I do not think that question relates to why we are here, Mr Smith.

Mr T. SMITH — We are here to hold the government to account, Chair, with respect — —

Mr MORRIS — On the point of order, Chair, clearly this matter relates to the cost of staff on the public purse. That is the whole point of the estimates process. That it is not a specific reference in the budget papers is neither here nor there, as Ms Shing would know if she had been around a bit longer, and I do not mean that in any other way.

Ms SHING — I would hope not, Mr Morris.

Mr MORRIS — But this is your very first day of hearings, and it takes — —

Ms SHING — As a participant, Mr Morris, I assure you I have looked through transcript after transcript —

Mr MORRIS — I am sure you have, but you — —

Ms SHING — in relation to the exciting work this committee has undertaken over the years.

Mr MORRIS — In that case you should be aware that the vast majority of spending is not actually contained in the budget documents. Base funding is not referred to, for example.

Ms SHING — Through the Chair, I do not disagree that the vast majority of spending may not be listed as line items. What I have a difficulty with is understanding the relevance of Mr Smith's question as it was raised to the Premier. Perhaps you might invite him or consider inviting him to actually rephrase the question so that it is directly relevant.

Mr D. O'BRIEN — On the point of order, Chair, this goes directly to the matters of the government's management of the budget, of the public service and of the business of government day-to-day. It is a question about the Premier's staff. The Premier's staff are public servants. It comes under employee expenses. I think the question should be upheld.

The CHAIR — I think there are other venues in Parliament where questions like this can be raised rather than in this setting and format, so I would — —

Mr T. SMITH — So you do not want the Premier to answer this question.

Ms SHING — Do not verbal the Chair, Mr Smith.

The CHAIR — I would invite you, Mr Smith, to maybe ask another question, an alternative question.

Mr MORRIS — Chair, with respect it is not for you to decide what sort of question should be asked. The question was related to the budget papers. If the Premier does not wish to answer it, then that is fine — he can not answer it for his own reasons — but you do not have the authority as Chair to decide whether a particular question should be asked provided it is referenced to the budget papers, and it was.

Ms SHING — Further to the point of order, I am just looking at page 64, and I am looking at the way in which it is set out:

Employee expenses are the state's largest expense. Wages policy sets the framework for enterprise agreement negotiations and in part contributes to the projection of employee expenses.

I fail to see how we are not drawing a bow which is so long that it is broken in relation to the question Mr Smith has put to the Premier.

Mr T. SMITH — The question has been put, Chair. The question has been put. Would the Premier like to answer it or not? Would you like to ask him that?

Ms WARD — The Chair is trying to rule on it, and you keep interrupting.

Mr D. O'BRIEN — On the point of order, Chair, too — —

Ms WARD — This is ridiculous.

Mr D. O'BRIEN — Ms Shing has just backed up our point of view. She has pointed out that the wages policy relates to a number of EBAs coming up. The firefighters one is going to be one of them. This is directly relevant.

Ms SHING — Sorry, you are talking about a dispute in relation to the firefighters?

Ms WARD — You are talking about an EBA agreement now.

Mr D. O'BRIEN — We are talking about the government staff talking to the UFU.

Ms WARD — About an EBA.

Mr D. O'BRIEN — About the conduct of one of its members.

Ms SHING — How is that relevant to an enterprise agreement negotiation? Again we go back to the wording that is set out on page 64 that you have referred to, and I fail to see how that has direct relevance to understanding the expenditure in the budget as it applies to public sector wages policy.

Mr T. SMITH — I think holding the Premier's private office to account is a fundamental role of any government committee. If they do not want to answer the question, that is their prerogative.

Ms SHING — The line item, the description — through the Chair — —

Mr T. SMITH — Chair, are you chairing this or is Ms Shing?

Ms SHING — It clearly says it 'sets the framework for enterprise agreement negotiations'. You have just raised in your putative question, a reference to a disciplinary matter.

Mr T. SMITH — We were raising a simple point of conduct —

Ms SHING — As distinct from an enterprise agreement negotiation.

Mr T. SMITH — with regard to the Premier's private office, which is an entirely appropriate matter to raise. If you do not want the question put, that is one thing — —

Ms SHING — Perhaps you can rephrase a question that is relevant to the enterprise agreement negotiations, Mr Smith.

Mr T. SMITH — If you do not want the question answered, that is an entirely different thing.

Ms SHING — No, no; again, do not verbal me. You have verballed the Premier and the Chair and me.

The CHAIR — I invite Mr Smith to rephrase his question and not refer to the disciplinary matter that he mentioned.

Mr T. SMITH — Has any member of the Premier's staff in his private office spoken with members of the UFU?

Mr ANDREWS — About any matter at any time?

Members interjecting.

Mr T. SMITH — About the issue we cannot ask about.

Ms SHING — Further to the point of order, if you are talking about a redundancy, then we are talking about something that is outside the scope and contemplation of an enterprise agreement or an enterprise agreement negotiation.

Mr T. SMITH — We are not talking about an enterprise agreement.

Mr D. O'BRIEN — You brought up the enterprise agreement.

Ms WARD — No, you did.

Members interjecting.

Ms SHING — I am reading page 64 — —

Mr T. SMITH — We are simply asking about contact and communication. They were in here yesterday, and we are asking whether or not the Premier's private office has been in contact with the UFU.

Ms SHING — About anything? Because again — —

Members interjecting.

The CHAIR — If you want to answer the question as to whether the Premier's private office has had any contact with the UFU, go right ahead.

Mr ANDREWS — I think that has been asked, and I am querying whether that is really something I could answer. What, at any time, ever, on any issue? I talk to firefighters, and you know what? I listened to them as well, and that is something that perhaps more members of this place could do. My staff — and I am not quite sure whether you were referring more broadly, Mr Smith, beyond my staff; you did talk about public servants of the Department of Premier and Cabinet, which is an entirely different group of people — act with integrity and probity. As for disciplinary matters of the Metropolitan Fire Brigade, they are, quite logically, matters for the Metropolitan Fire Brigade. They are not matters that my staff or my government involve ourselves in. I think that answers your question to the extent that it is about 'a matter'. If you are asking me for a log of every time we have ever talked to a firefighter, it will take me a while to get back to you on that, because I talk to them, I respect them, I am recruiting more of them and I listen to them as well — something that for many members of Parliament, particularly some from the coalition, would be a good start. You should do more of it, Mr Smith.

Mr T. SMITH — Thank you for your advice, Mr Premier.

Mr MORRIS — On a point of order, Chair, before you move on, you may wish to consider that not only are we retaining dixer for this series of PAEC hearings but it appears we now have a situation where the government members are keen to edit the opposition questions to make sure they are consistent with the desire of the government with regard to the hearing.

Ms SHING — Further to the point of order — —

Mr ANDREWS — Chair, if committee members want to have an argument amongst themselves, that is fine. I am happy to use the rest of the time answering questions.

Mr MORRIS — Premier, with respect, I am taking a point of order, which as a member of the committee I am entitled to do.

Mr ANDREWS — And I am keen to answer your questions.

Mr MORRIS — You are not, as a witness, entitled to intervene in the point of order under any circumstances.

Ms SHING — Further to the point of order — —

Mr ANDREWS — I am only happy to answer your questions. If you prefer to argue amongst yourselves, that is fine.

Mr MORRIS — I have not completed the point of order. So, Chair, you may wish to consider. You may wish to review the Hansard record and to consider what constraints you intend to put in around the questions asked by the opposition and perhaps come back to the committee at its earliest next meeting with an indication of how you intend to edit the opposition members' questions.

Ms SHING — Further to the point of order, I do not accept the notion put by you, Mr Morris, that there is editorialising of the questions you are putting which do not fall properly, in my view, Mr Morris —

Mr MORRIS — I could say censoring, which is what has just occurred.

Ms SHING — within the sessional orders insofar as their relevance or their application to the budget papers. I am perfectly entitled to put my concerns on the record in relation to the questions you have put. That you characterise them as editorial or editorialising is unfortunate, but perhaps, again, in seeking some guidance from the Chair you could limit yourself to asking for just that and not then starting on this to-ing and fro-ing that is not actually a productive use, to my mind, of the committee's time.

Mr MORRIS — You are entitled to your view.

Ms SHING — Terrific.

The CHAIR — Deputy Chair, I do not believe that disciplinary proceedings should form the basis of a question in this setting in this forum.

Mr MORRIS — We have moved on from that question, and I was seeking your advice in general terms. Clearly this is not going to go away. We have 52 hours or so left of these hearings.

Ms SHING — Glorious hours, Mr Morris — glorious hours.

Mr MORRIS — If this is going to happen again and again — and it has happened on a number of occasions this afternoon, and I have bitten my tongue on several occasions — I want to know how you propose to proceed. Perhaps you may wish to reflect on that and come back to the committee.

The CHAIR — I am happy to have a subsequent conversation with the Deputy Chair and other members of the committee on these matters.

Ms WARD — Premier, I thank you for addressing a number of issues around TAFE. As you would expect, with Greensborough TAFE going to be reopened, I am particularly interested in TAFE. I refer you to budget paper 3, page 171, and the 6.6 per cent increase in funding for higher education and skills. Can you please expand on the responses you have given so far regarding TAFE and let us know how you are going to give Victorians the opportunity to seek skills training?

Mr ANDREWS — Thank you very much, Ms Ward. This will not take very long, because I think we have covered a bit of this ground already. But again, a bit like Melbourne Metro rail, you cannot have a conversation about this budget without talking about the fact that we have stopped the cutbacks, we have stopped the attacks on our TAFE system and we have stopped the compromising of young Victorians' futures and of our economic prosperity and development as a state. I am very proud that the budget details a 6.6 per cent increase. That is a marked contrast to recent years, when we saw many hundreds of millions of dollars ripped away from our TAFE system. It was not from bureaucrats. It is a very human thing to take away that money, because it means that campuses close, courses are abolished, staff are sacked, fees skyrocket and countless numbers of young people do not get the opportunity to enrol in a course close to home that will give them the skills they want and the skills they need for the career path they have their heart set on. That holds us all back. So a 6.6 per cent growth is significant. It is in full delivery of our commitments — in fact we have gone beyond our commitments, and I particularly want to highlight the \$50 million TAFE Back to Work Fund, which is all about better aligning skills and training with the needs of industry and those new markets and new products. This is about, in many ways, one part of a broader agenda to make an economic transition rather than just talk about it. That does not feed anyone. There are no livelihoods in just talking about an economic transition; you have to make it. This is a big part of that.

The other thing is that there is \$8 million for the Victorian skills commissioner, and I am sure Minister Herbert will be only too happy to take you through more of the details around that. There is \$32 million for the local learning and employment networks — the LLENs, as they are known — which really are very important. This becomes a second chance. It becomes an opportunity for all sorts of life opportunities. It is a policy opportunity to make sure that there are significant life opportunities for some of the most vulnerable young people and students anywhere. We are very proud to have provided that funding.

Again, 6.6 per cent growth, 320 million plus the 50 million Back to Work Fund; this is a very significant investment, and the LLENs funding comes on top of that. It is in very stark contrast to cuts, closures, skyrocketing fees and opportunities being put beyond the reach of so many young people. I have often made the point that when you cut TAFE you send a really strong message to working people that you do not care about their kids and their kids' future. This budget says we do care and, what is more, we will underpin the opportunities your kids are entitled to and we will help you to deliver the best outcomes for those young people because that will benefit all of us.

Mr MORRIS — Premier, on budget paper 5, page 200, in reference to the Linking Melbourne Authority, it is my understanding that the board of the Linking Melbourne Authority are in fact still being paid. Are they being paid to do nothing?

Mr ANDREWS — I would need to get further advice on that.

Mr MORRIS — In seeking that further advice, by way of a supplementary question, it would assist the committee if you could indicate how much has been paid to board members since the abolition of the authority.

Mr DIMOPOULOS — It gives me pleasure to ask a question rather than give an answer in search of a question. I just wanted to focus on countering violent extremism, which is an area that is significant for me in terms of my previous work experience in my career in Premier and Cabinet and the multicultural commission, and yours when you were assisting minister, Premier. I can see that on page 92 of budget paper 3 there is \$25 million over four years. I just want to get a sense of this. There are a few other line items that sound similar; is that \$25 million over four years new money for this really important area?

Mr ANDREWS — Thank you, Mr Dimopoulos, and I take the opportunity to acknowledge that, as someone who has spent many years working at the Victorian Multicultural Commission, there are few stronger supporters of multiculturalism than yourself, and I congratulate you for that. As the member for Oakleigh, you know only too well how magnificent our brilliant diversity is. It makes us the envy of so many other parts of the world.

This is not a multicultural discussion. This is about those in our community who do the wrong thing and what drives them to do that. This \$25 million, yes, it is new money, and it is a really important investment against some contemporary threats, some contemporary challenges. And we need to be careful how we talk about some of these individual cases. In fact we will not talk about them because they are before the courts. But just recently I had the opportunity to be down at Victoria Police headquarters with Acting Chief Commissioner Tim Cartwright and others talking with a multifaith, multicultural group, and we had a long conversation about some incidents that had occurred focused on Anzac Day, and in the conversation I noted that just about all of us in the room — in fact every one of us in the room — were at least 20 years older than the young people we were talking about. Some of us were 30, perhaps 40 years older than the 14 and 15-year-olds that we were talking about. And we were not talking about specific young people but a group of young people in the broader context.

This 25 million is a really significant investment, but it comes, beyond the dollars, with an acknowledgement that we truly do not understand this. And my sense is that for some young people in our community they are as disconnected economically, educationally, personally from their family, from their faith in many ways, from a support network, as they are disconnected in their conduct — alleged conduct or potential conduct — from the things we hold dear; the peace and order, the inclusion, the respect that we say defines us as a modern state. Therefore we have to do much better to understand what drives some of this radical behaviour. What makes some of these people prone to the pretty evil crowds in other parts of the world who, via the internet and other devices, are poisoning these young people? What is driving that? I do think that there are economic and educational issues at play here, issues of opportunity and advantage and disadvantage. These are not acts of faith. Far from it; they are an affront to faith and people of faith. They are not about what you wear, what you eat, how you pray, where your mum and dad were born, where you were born. They are not about the language you speak at home. They are much broader than that.

This money will help us to set up a task force and the Deputy Premier is going to chair that, suitably in his role as the Minister for Education. I think that is the right way to go. The police minister, Minister Mikakos and others will be on that. And ultimately one of the ways to measure the progress on this particular initiative will be how many young people who are positive role models, who are great champions of all the things that we hold dear, how many of those can we recruit to be a force for all the right values and the right conduct. That will be one of the first things that the group does. But it is a significant investment.

I will finish on this point. I was at the first ministers of COAG meeting a couple of weeks ago. This is a standing item and a really important discussion that is had at every COAG, and I was very pleased to see all first ministers, including the Prime Minister, speaking as one on this. We need to do much better. We need to have a much better understanding of what drives some of this extremism and why so many young people are falling victim to it, whether it is foreign fighters or those who are here contemplating or doing the wrong thing. This investment will I think make it more likely that we can keep our state safe, together with the outstanding work that Victoria Police, the federal police and our security and intelligence agencies do.

I think every Victorian could not be more proud of the way the police conducted themselves in the week leading up to Anzac Day. I certainly am. Today we have seen some media reports about, you know, the challenges our police face. Threats to their safety are very real. Acting Chief Commissioner Cartwright would not have made

that decision around two-up in each vehicle if he did not believe that his members are at real risk. I could not be more praising of our Victoria Police members. They do a great job, they really do, and we have to do more to support them. And it is not just through custody officers, new stations, better radio equipment — all funded in this budget. It is also about dealing with the causes of crime, and that comes from investing in TAFE, schools and, if you like, targeted programs like this one.

Mr D. O'BRIEN — Thank you, Premier. That is a very serious issue. But this is the last question. It has been a long day for us all so I am going to give you a nice easy one. It refers to, Ms Shing, budget paper 5, page 126. Premier, did you receive acting and drama classes from Marcus West? How many sessions did you have and what was the cost?

Mr ANDREWS — No, I have not.

Mr D. O'BRIEN — None whatsoever?

Mr ANDREWS — None whatsoever.

Ms SHING — That was your supplementary. 'Whatsoever' I think was the supplementary.

Mr D. O'BRIEN — Once again, I was just re-asking the first question, but — —

Ms SHING — Unless you are after a demonstration.

Mr D. O'BRIEN — It was nice for once to get a very clear answer.

The CHAIR — In the spirit of generosity, Mr O'Brien, your supplementary?

Mr D. O'BRIEN — Supplementary question. Who made the decision to hire Marcus West and why?

Mr ANDREWS — I have no idea. I cannot give you an answer to that. I have not met the person and I have not used his services, as I think I have answered.

The CHAIR — I would like to thank the Premier and the other members of the Department of Premier and Cabinet for attending today. The committee will follow up on any questions taken on notice in writing. A written response should be provided within 21 days of that request. I understand that there were some items which will not be able to be provided in that time because they may well not be resolved until well after that deadline, but if the department is able to communicate to the secretariat roughly when an estimated answer may be, that would be appreciated.

Mr ANDREWS — Thank you, Chair, and thank you, committee members, for the opportunity to talk about an outstanding budget for families.

Committee adjourned.