

TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Budget Estimates 2019–20 (Special Minister of State)

Melbourne—Tuesday, 11 June 2019

MEMBERS

Mr Philip Dalidakis—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Ingrid Stitt

Ms Bridget Vallenge

WITNESSES

Mr Gavin Jennings, Special Minister of State,

Mr Chris Eccles, Secretary, and

Mr Jeremi Moule, Deputy Secretary, Department of Premier and Cabinet.

The CHAIR: Good morning, everybody. I declare open this hearing of the Public Accounts and Estimates Committee.

I would like to begin by acknowledging the traditional custodians of the land on which we are meeting and pay my respects to elders past, present and emerging.

On behalf of the Parliament, the committee is conducting this inquiry into the 2019–20 Budget Estimates. Its aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

The committee will begin with the consideration of the portfolio of Special Minister of State. The hearings will then follow the order as set out in the published program.

I welcome the minister for SMOS, being the Honourable Gavin Jennings, and officers from the Department of Premier and Cabinet, and I thank you for appearing before the committee today.

All evidence given is protected by the Parliamentary Committees Act. This means that it attracts parliamentary privilege and is protected from judicial review. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given is being recorded by Hansard and broadcast live on the Parliament's website. Any rebroadcast of this footage will land you in jail and must be in compliance with the conditions set out in standing order 234.

I would ask photographers and camerapersons to follow the established media guidelines and the instructions of the secretariat.

Minister, in a moment I will invite you to make a presentation not exceeding the time allotted, until 9.12 a.m., but before I do, it would be remiss of me not to acknowledge the wonderful outcome of Ash Barty in winning the grand slam and also Dylan Alcott in winning the French grand slam. I think that given it became part of our committee hearings on Friday night that we need to start today by acknowledging both great feats as well. Whilst I do not believe that either Ash or Dylan are Victorians, we are happy to make them honorary Victorians right now, such is the power of the Chair of PAEC. Minister, over to you until 9.12.

Mr JENNINGS: Thank you, Chair. Thank you for being a committee that recognises the traditional owners of the land on which we meet, and I pay my respects to their elders past and present. I am grateful that PAEC considers that to be an important part of its procedures as well. I have no working knowledge of the tennis, so I will not take us off-piste in relation to this, but any vicarious pleasure that we can derive from an Aboriginal woman from this nation winning such an event, we can all be grateful for that.

Visual presentation.

Mr JENNINGS: In terms of what I will run through very quickly in my slide presentation, I want to talk about the importance of the public service and the public sector, which is one of my primary responsibilities in relation to being Special Minister of State. I also deal with the accountability bodies, the integrity bodies and the public service capability.

The reason why the public service needs to be competent in the way in which it acquits its responsibilities with the professional acumen that you would expect the public service or public sector to deliver on is the enormity of the government's agenda. This first slide just indicates how big that agenda has been.

We have driven, as an example, a capital program which is extraordinary—more than \$107 billion of projects currently have commenced or are underway. Indeed there was \$34 billion alone committed in the current budget setting.

We have seen significant employment growth across Victoria since we came to office. That has very significantly been driven by the 115 000 jobs that we have created directly through that infrastructure program. If you apply a multiplier of about three, you will see that every job that has been created in Victoria could be associated with our infrastructure program in one way or another.

Also in terms of employment across the Victorian economy, we have seen unemployment at very low levels, and indeed that is a great success of the Victorian economy. At the time when we came to office we were expecting the dislocation of the car industry, for instance, as an indicator of some challenges for the economy, but we have actually overcome that issue and driven the economy very strongly.

If you have a look at the order of magnitude of growth in employment, in capacity—because I will talk about capacity in the public sector and the public service in a minute—if you actually have a look at the trendline in relation to employment growth and growth in both the Victorian public service and the Victorian public sector and actually have a look at revenue growth across the entirety of the Victorian government sector, you will see that they have pretty much kept pace. The trendline has been consistent with the demands that the Victorian government has required to get our agenda underway and to keep on continuing to drive that growth.

As you can see, in the last couple of years our infrastructure program has continued to rise significantly. The growth in outlays overall within the budget has tightened a little bit within the shift to our infrastructure program. So you would expect, in the last couple of years of that trendline in relation to employment growth within the public service and the public sector, that to tighten somewhat, although we have actually seen significant growth continuing up until this time.

If you then move to the next slide, what does our workforce look like? We reflect the Victorian community in a number of ways. In fact if you have a look at whether we are a stable workforce, we are a stable workforce. Three-quarters of our public sector employees are in stable long-term jobs, but there is a degree of flexibility about it. So almost half public sector employees work part-time and a similar number have flexible working arrangements.

Very importantly, in relation to our commitment to gender equality, two-thirds of public sector employees are women. Fifty per cent of executives in the public service are women. About a quarter of our public sector indicate that they were born overseas. We have obvious commitments and undertakings to make sure that we are diverse and provide affirmative action in a variety of ways. We have still got some work to do in relation to employing people with disabilities—I call that out. That is not on this slide but I call it out. In relation to employment of the Aboriginal community, 1 per cent is commensurate with the size of the Aboriginal population. We could do better. In relation to the LGBTI community, we recognise the significance of us demonstrating equality in all its forms.

In relation to our commitment to regional Victoria, you can understand that we are a very important employer right across the regions. If you have a look at the breakdown across regional employment, you will see that in some regions one in six employees—in Wimmera Southern Mallee, for instance, I call that out—one in six people who are employed in that region are public sector employees. Across other regions it may be one in eight. So for two-thirds of those regions that are listed across regional Victoria, one in eight employees are in the public sector, and in the lowest couple of regions is where it drops to around one in 10. So as you can see, the public sector plays an important role in supporting regional economic activity. If you have a look at the projects that I have identified there, there have been significant investments in this budget to underpin growth and opportunities across regional Victoria.

I was going to show you one more slide. In terms of capability, we do not rest on our laurels in relation to capability across the public service. We try to develop an innovative network, one which is connected with best thinking across the globe. We base our approach on evidence and outcome reform. We believe in being efficient in terms of the availability of information and improving our digital footprint and our capability. In the last year we have continued to increase the responsibilities and functions of IBAC. We have introduced the

remuneration tribunal. We have introduced donation reform in the electoral system. We have engaged our citizens in new ways of making comment on the policy directions of the government through Engage Victoria. And obviously all jurisdictions across the globe are dealing with the challenge in relation to cybersecurity and our capability of meeting those challenges. The budget initiatives in this portfolio, as you can see, are relatively modest—just like my approach to public administration, and I will not labour that point.

The CHAIR: Can I begin by asking some questions in relation to the matter you raised first in your presentation—that is, your role and responsibility of looking after the Victorian public service. If you look at budget paper 3, page 293, and go to the departmental mission statement and departmental objectives through the Department of Premier and Cabinet, and if you wish to refer the question to the secretary, I am okay with that too, what I would like to better understand is how both the DPC and the Victorian public service more broadly contribute to the delivery of the government's program—the priority policy areas, investments, with also a focus on regional Victoria, given that you just stated that a significant number of jobs in regional Victoria are dependent upon the VPS.

Mr JENNINGS: Thank you, Chair, for that question. In terms of the role that DPC plays, indeed they support me and I support them in trying to deal with some of the greatest challenges of public administration, which is the way in which government joins up and acts effectively in a coordinated fashion. As I indicated in my slide presentation, using evidence, using assessments of outcomes, using an enhanced capability of quality assurance across the procurement of certain capability, whether it be in IT or whether it be in the cybersecurity area, we have a responsibility of trying to ensure that we are wise in our purchasing decisions. We are open to good ideas and collaboration from wherever they may come, across Australia and across the globe. We play a role in making sure that as much as possible, within the sometimes quite fractured and fractious nature of COAG's considerations, we try to play a constructive leadership role across the nation in policy development.

We are also mindful that in some of the big change projects that the government has embarked upon, or some of the big commitments that the government has made, whether that be in the Royal Commission into Family Violence or the royal commission now into mental health, there is a need for there to be a capability that we exhibit in relation to not only engaging directly with those commissions—we actually try to filter out the way in which we should assist and design our systems—but very importantly how we get on and implement recommendations that come to us.

In the last term we spent a lot of time grappling with 227 recommendations that came from the Royal Commission into Family Violence—no easy challenge. But the government did recognise the importance of that reform and embarked upon a wide range of investments and coordination across the government in which DPC played a really important role. We envisage that that will be the case with the mental health royal commission as well.

In terms of quality assurance in relation to the way in which we get about and do that work, the secretary and the secretaries' board do play an important role in the coordination, and that ranges across the areas that I have talked about. But also there is a requirement to have an eye for the infrastructure program that the government has embarked upon. As you would appreciate, such a big program, which runs the economy pretty hot, has its challenges in relation to being able to meet all the expectations to get projects away and to lift capacity across the private sector in that instance in terms of meeting our contracts but then having an internal discipline about how to make sure that we acquit in project management terms.

Those issues are very important to us. They continue to be important to us. As you would be aware, we are not a service delivery agency in the regions, but we actually are very keen to support the appropriate skill development and capacity of agencies that work in the regions. There is one contrary example to that. In the last term we did play an important role in setting up and supporting the Latrobe Valley task force and the authority that was established in the Latrobe Valley. That was an unusual practice for us to be directly taking responsibility for that. You would expect in this term that activity to be coming more out of the department that has been realigned to deal with jobs and regions, which is clarified in a different departmental structure.

I can talk, as you can tell, for quite some time. I can actually go on and talk about the regional profile of employment, but I might see whether I have whetted your appetite or actually outstayed my welcome.

The CHAIR: You could never outstay my welcome, Minister. The focus on regional Victoria—I might ask the secretary this question. Obviously the role that DPC play, both as a coordinating agency but also as an agency of implementation for government, is critical to realising the policy objectives that the minister was talking about. How do we get that allocation of resources right across the regions to ensure that our service delivery is benefiting everybody, not just people in metropolitan Melbourne?

Mr ECCLES: Thank you, Chair. I think there are a couple of components to that. The Victorian Secretaries' Board has a particular responsibility to ensure that the work of the regional partnerships is as effective as possible. So in getting the primary intelligence from the regions through those regional partnerships, the deputy secretaries have been nominated to take a leadership role. As part of that leadership role they are providing the conduit back to government in the event there is a particular issue in the regions, and then the secretaries' board acts as a triaging point—if there is a particular intractable issue at the regional level, it is surfaced through the connection between the deputy secretaries and the regional partnership. Then the secretaries' board itself has the ability to cut through and make substantive change.

The CHAIR: So an example of that would have been the response to the Latrobe Valley. Is that—

Mr ECCLES: Indeed. And I think, just to take the minister's point, while we do not have a consistent presence in the region, because of the particular issues that were presented in the Latrobe Valley we incubated the Latrobe Valley authority within DPC. And now, as the minister has indicated, it has found its way back to the portfolio, but it needed the authority that came from the centre and the authority that came from being authorised and commissioned by the Premier for us to make that substantive investment in the valley. I think the success of the Latrobe Valley Authority is now demonstrated through both the actual investment by government but also the outcomes that have been achieved over the past couple of years.

The CHAIR: Thank you, Secretary.

Mr D O'BRIEN: Morning, Minister, Secretary.

Mr JENNINGS: Good morning.

Mr D O'BRIEN: Minister, budget paper 3, page 295, indicates the allocation for Infrastructure Victoria is \$9.9 million this year. As you are fully aware, the federal coalition government has committed \$4 billion for the east–west link. Infrastructure Victoria has indicated the east–west link needs to be built, yet the Premier still refuses to build it despite the fact that he said you said that Infrastructure Victoria would be established to take the politics out of infrastructure. Why are you bothering to fund it if you do not take their advice?

Mr JENNINGS: Whilst you could cite the support of Infrastructure Victoria for this project, can you remind me in what time frame it believed that it was appropriate to consider additional capacity across that east–west link?

Mr D O'BRIEN: It says that you should start planning now in their 30-year plan.

Mr JENNINGS: When did it say it should be delivered?

Mr D O'BRIEN: In the 30-year plan. This is it here, Minister.

Mr JENNINGS: Yes. In terms of prioritising road investment across Victoria, when did Infrastructure Victoria say that that road would be needed?

Mr D O'BRIEN: I would just like an answer to the question, Minister.

Mr JENNINGS: Well, the reason why you cannot answer my question is Infrastructure Victoria said that the scoping and design of the east–west link, as it was originally envisaged by the government that you were part of, did not satisfy Victoria's infrastructure needs or its transport connections and in fact if any work was to be undertaken on this project, it should be considered in light of other priority investments such as the North East Link, which is the link that we—

Mr D O'BRIEN: Actually, Minister, I will read out specifically what the 30-year strategy says:

Eastern Freeway–CityLink–Western Ring Road.

Plan for longer-term links between the Eastern Freeway and CityLink and between CityLink and Western Ring Road within 0–5 years to ensure future provision is not precluded ...

Mr JENNINGS: That does not say build it now, does it? It does not say that.

Mr D O'BRIEN: So where is the planning in this budget for zero to five years?

Mr JENNINGS: I am giving you what the content of the report said, as distinct from your spin of what it said. In fact, a number—

Mr D O'BRIEN: It is not my spin. I read the exact words, Minister.

Mr JENNINGS: Yes, well, did it say 'build it within five years'? Did it say that?

Mr D O'BRIEN: Do you want to say the suburban rail link does not need to start now, because you are talking about a 50-year build for that, and yet you have got \$300 million in this year's budget.

Mr JENNINGS: Yes. What I am saying—

Mr D O'BRIEN: So are you saying that you will build east–west link now?

Mr JENNINGS: I am not quite sure—

Mr D O'BRIEN: Well, hang on. You are telling me that I am asking the question too early—

Mr JENNINGS: I am not quite sure whether you have any idea what you are trying to do at this moment. Are you trying to be literally saying what Infrastructure Victoria said about the priority of this project? Because I have told you what it said; you are asserting something different.

Mr D O'BRIEN: It says that you should start—

Mr JENNINGS: It said you should plan something different from the project that your government was committed to. That is what it says—'plan something different'.

Mr D O'BRIEN: Okay, so it does say that, Minister; let us agree on that.

Mr JENNINGS: Yes.

Mr D O'BRIEN: Are you planning for the east–west link?

Mr JENNINGS: The state of Victoria acts upon the advice of Infrastructure Victoria and makes determinations based upon what are clearly demonstrated as being the urgent transport needs of the state of Victoria, and in that context—

Mr D O'BRIEN: We have both just agreed, Minister, that Infrastructure Victoria says we should be planning for east–west link now.

Mr JENNINGS: No, it does not say east–west link—

Mr D O'BRIEN: It does. It says zero to five years.

Mr JENNINGS: as it was scoped out.

Mr D O'BRIEN: No, no, a link. I am not arguing about which link.

Mr JENNINGS: Well, good for you, because that is the first honest appraisal of that issue that you have given us this morning.

Mr D O'BRIEN: You are saying, you seem to be agreeing, that it is needed. Are you now planning for it?

Mr JENNINGS: I am saying that the state of Victoria has to take account of all transport needs in Victoria and indeed the investments that we make will significantly change the way in which transport occurs across this state. The North East Link, which is the biggest road project that our government has been committed to, will be a monumental game changer in the way in which transport links—

Mr D O'BRIEN: I did not ask about North East Link, Minister.

Mr JENNINGS: Well, because it is a bigger project—

Mr D O'BRIEN: I understand it is a big project.

Mr JENNINGS: It is a far bigger project that will take far more transport movement.

Mr D O'BRIEN: Can I ask you about another big project? Minister, I did not ask about North East Link. Can I move onto another big transport project? We will ask the questions on this side.

Mr JENNINGS: I am quite happy if you ask the questions accurately.

Mr D O'BRIEN: The Suburban Rail Loop idea was obviously announced during the election campaign. Documents on the website of Development Victoria indicate that the 'originator' of the idea was Tom Considine, Tim Pallas's former chief of staff, who now works at Development Victoria. Can I ask: when did you become aware that Development Victoria would be taking the lead on this project and not Infrastructure Victoria?

Mr JENNINGS: It is a bit hard for me to say exactly the time when I became aware of it, but I was aware of it for some period of time, so I am not ignoring the fact that I was aware that work had commenced in relation to Development Victoria considering this. The reason why Development Victoria, from my appreciation of the issues, was considering the importance of this link was because not only is it a transport link; it is a connection of urban development and opportunity across metropolitan Melbourne that will make fundamentally a difference in the way in which we build precincts around transport hubs.

Mr D O'BRIEN: Okay, Minister, can I just interrupt there. So on 14 October the *Age* reported that you were one of only four ministers that knew about the project before it was announced. Can I ask, then, when did you first refer it to Infrastructure Victoria or have discussions with the CEO of Infrastructure Victoria?

Mr JENNINGS: I discussed this matter with Infrastructure Victoria following the announcement that the government was interested in pursuing this program. In fact if you had not interrupted me, I might have actually indicated to you why. Infrastructure Victoria—

Mr D O'BRIEN: I have got limited time, Minister. I am looking for an answer quickly.

Mr JENNINGS: Sure. Well, I have just given you the answer, but I was going to explain it to you. Infrastructure Victoria did not have a brief to actually redesign—

Mr D O'BRIEN: Sorry, just to get to the date, you said you did discuss it with Infrastructure Victoria after it was announced?

Mr JENNINGS: Yes.

Mr D O'BRIEN: During the election campaign, or after? I am happy for you to take that on notice.

Mr JENNINGS: It would have been—well, in terms of the election campaign, I think the announcement of the Suburban Rail Loop occurred before the election campaign commenced.

Mr D O'BRIEN: Yes.

Mr JENNINGS: Yes, and so I would have discussed it with Infrastructure Victoria before the campaign commenced.

Mr D O'BRIEN: What is the cost-benefit ratio for the Suburban Rail Loop?

Mr JENNINGS: There has not been a cost-benefit ratio—

Mr D O'BRIEN: There has not been one done?

Mr JENNINGS: Again, because you have interrupted my discussion about the—

Mr D O'BRIEN: We have based our entire decision on the east–west link on a cost-benefit ratio, and yet we are going to spend \$300 million just on planning the Suburban Rail Loop but you have not got a cost-benefit ratio?

Mr JENNINGS: Well, do you want me to answer the question?

Mr D O'BRIEN: Well, you just did.

The CHAIR: Minister, apologies for interrupting. I do need to move onto the next member. Mr O'Brien, before we do, can I just clarify: when you ask about the campaign, are you talking about when we have gone into caretaker government?

Mr D O'BRIEN: Well, the question was in response to the minister's answer, which was before the election date.

The CHAIR: Sure, so caretaker.

Mr D O'BRIEN: Yes.

The CHAIR: Okay, great.

Ms RICHARDS: Thank you, Minister, and thank you to the officials as well, for appearing this morning. I am interested in hearing from you about some of the very popular Public Record Office Victoria grants. I refer you to budget paper 3, page 92, and the output initiative with that name: 'Public Record Office Victoria grants and awards program'. I am interested in finding out and the committee is interested in finding out a little bit more about what activities this output funds.

Mr JENNINGS: Well, one of the things that we can be most proud of in this state is our commitment to our community to its culture and to its heritage and to recognise that and explore with other members of the community a greater depth of understanding of place and community development that has occurred. The way in which this program supports that is that we have local history grants. We actually have history awards. We have the Premier's history award as well, which provides for recognition of the gravity of that work and the importance of that work.

It is also an indication of the great repository that the Public Record Office Victoria holds in terms of a wealth of knowledge about this state. If members of the community have not been there, then I would encourage them to avail themselves of that wonderful resource, which is an extraordinary collection of important historical material that is available for citizens to access.

One of the important projects of the last Premier's history awards, which is an interesting rejoinder—a total coincidence but a rejoinder to the concern the Victorian government has at this moment about the royal commission into mental health—is that at one point in time in the 19th century Victoria had the highest incidence of people who were being placed in asylum. In fact the story *The Maddest Place on Earth* was written by Jill Giese, who received that award, reflecting on the time that we established very large asylum institutions in Victoria. As you would know, today our great challenge is to find the appropriate pathways to prevent people from actually being in asylum or being in large facilities, but in fact what are community-based services. So in fact there is an interesting bookend to our thoughts about the history of this place.

I have gone through the list of locations. I actually thought I could potentially make one or two members of the committee happy that local community organisations have been beneficiaries of awards. I am not sure that I am

going to be able to make you happy, just looking through it. I think Mr Dalidakis has Beaumaris Modern Inc., which has developed a Beaumaris walking trail tour app. We provided \$2000 for that to occur.

The CHAIR: I can also share that with Mr Richardson as well, whose electorate borders with mine.

Mr JENNINGS: Excellent. His vicarious pleasure of walking into Beaumaris.

Ms RICHARDS: I will take their vicarious pleasure as well.

Mr JENNINGS: That is excellent. Mr Riordan, you could be happy that the Colac and District Family History Group has a project, and I am not quite sure whether Skipton is in your patch too.

Mr RIORDAN: Just.

Mr JENNINGS: Just.

Mr RIORDAN: The home of Henry Bolte. Of course it is in my patch.

Mr JENNINGS: You have got a couple. Well, yes, I will remember it for another reason—I went to school at Beaufort and I had friends in Skipton. So they have been the beneficiaries. In Colac the volunteers are going to be supported to support family history recording, and in Skipton the history of prominent people, of which Henry Bolte will probably be one of them—I think there is a very good chance. Who else might we have? Mr Hibbins, there is nothing in your electorate, but you would be rapt that Environment Victoria has received one to actually write a history of important environmental protections.

Mr D O'BRIEN: I think you will find Sale and Leongatha got a run, Minister.

Mr JENNINGS: I was just about to tell you, Mr O'Brien, because I am going through them. Gippstown Reserve Committee of Management got one.

Mr D O'BRIEN: No, not me.

Mr JENNINGS: Not you?

Mr D O'BRIEN: No. That would be Mr Blackwood from Narracan.

Mr JENNINGS: Okay, Leongatha. You do not take vicarious pleasure from Gippstown Reserve Committee of Management?

Mr D O'BRIEN: A little bit, but let us not get too excited.

Mr JENNINGS: All right. Leongatha, are you happy—Leongatha Historical Society? Lilydale got one: the digitisation of the *Lilydale Express* newspaper from 1900 to 1913.

Mr HIBBINS: It is all going to go on the DLs.

Mr JENNINGS: Exactly. Well, as you know, Mr Hibbins, lots of things that the government does can get on DLs.

Mr HIBBINS: They do, yes.

Mr JENNINGS: Ms Stitt has one—Sunbury Family Historical Society, digitisation of the *Sunbury News*. So digitisation of news is very important. In fact, Mr O'Brien, I have to actually go and find the Sale one—yes, Sale Historical Society, archive development. That is good.

Mr D O'BRIEN: Peter Simons will be very grateful, I am sure, Minister.

Mr JENNINGS: This is a shout-out from my colleague Ms Mikakos because Tweddle Child and Family Health Service got one, and sleep school is something that is very, very near and dear to her heart.

Ms RICHARDS: Thank you, Minister. I am interested in finding out a little bit more about the role they play for communities. We heard a little bit just then, but how large are the Public Record Office Victoria grants that the government provides to the organisations?

Mr JENNINGS: Okay, let us just see. These grants range from \$15 000 to \$2000 by the looks of things—no, there is \$1000 to Euroa. That is the ballpark. So right across regional Victoria, as you can actually see, there are a few that are under \$2000 but the majority of them are over \$2000 and they run up to as high as \$15 000. About a third of them are in that order of magnitude.

Mr HIBBINS: Thank you, Minister, secretary and deputy secretary, for appearing before us. Can I go to budget paper 3, page 126, the whole-of-government efficiencies. I asked the Treasurer about this in his hearing. He was adamant that these were not cuts to the public sector but redirected expenditure, and he pointed to the previous round of whole-of-government efficiencies which redirected spending towards the government's response to family violence. My understanding is that from previous budgets this year it was due to be around \$302.9 million of whole-of-government efficiencies from that previous round, and can I ask: is that funding profile still the same, and how are those efficiencies being realised?

Mr JENNINGS: At the heart of the question is: 'Does one round of savings feed into the next round of savings?'. Is that what the question is?

Mr HIBBINS: No, the question is: are you still getting \$302.9 million worth of savings from the previous round in this upcoming financial year, and how is that occurring?

Mr JENNINGS: Well, I think the answer to my question to you is yes. So basically what has happened is what has been factored in has recalibrated the indexation rate and the base as they then would be addressed by the further savings targets that have been outlined. So in terms of the way in which those savings have been implemented, as you would actually understand going back to my slide presentation, the size of the public service, the size of the public sector, has continued to grow during the life of the government, and continues to grow at this moment. In terms of the commentary that is run—that this is inevitably leading to wholesale job losses—it just does not ring true in terms of the order of magnitude of the savings that have already been identified.

Mr HIBBINS: So I guess am looking for specifics about programs that are no longer in place, positions that are no longer in place, where in those departments and areas those efficiencies have been realised.

Mr JENNINGS: Well, there are a number of places where those efficiencies have been realised. Again I actually talked about that in my answer to Mr Dalidakis's question. I talked about procurement policies, for instance, in relation to control over certain decisions about procurement. The telecommunications and communications costs to government have been reduced significantly by us bundling up and re-tendering those services and saving significant moneys across the public service and encouraging other aspects of the public sector to join in with those savings. We have embarked upon similar management in relation to accounting and management functions across the government. We have—

Mr HIBBINS: So these are largely procurement and accounting and management? What about specific programs?

Mr JENNINGS: In terms of the profile of specific programs, they would be evident to you in relation to the profile of the budget papers. If a program has been subject to lapsing funding and has been discontinued, then that becomes evident through the budget paper. There has not been a lot of activity, in terms of programmatic activity, that has actually been lost by the government. In fact over time I think we have actually added to the programmatic line items rather than detracted from them.

Mr HIBBINS: I appreciate that, I am just looking. I am seeing a budget line item that is very general.

Mr JENNINGS: Yes.

Mr HIBBINS: And I am actually looking for specifics, and I think that is the function of this committee.

Mr JENNINGS: Yes, but you asked me a question about going backwards and now you are asking me a question about going forwards. In relation to going—

Mr HIBBINS: It is efficiencies that have been announced but are continuing on into 2019–20.

Mr JENNINGS: Yes. I am giving you concrete examples of where it has actually occurred in the past. Do you want to actually talk about the future now?

Mr HIBBINS: Yes.

Mr JENNINGS: Okay. So in relation to the future, the order of magnitude of the future—you are quite right to call out—is greater than what we have experienced. But does it mean that will necessarily lead either to job losses or to significant change in the profile of effort and outcome that the public sector supports? No, it does not. The real issue will be how can we build on what we have already done. How can we extend the way in which programs could perhaps function better, to wrap around services in a more efficient way? And I will give you an example. Part of the family violence reform has been to try to make sure that rather than have a dozen agencies being involved in a family's life, and those half a dozen agencies do not talk to one another, duplicate effort and effectively waste human resource in responding to the family's needs, what is the best way of tailoring it so that there can be a clearer case management plan that is worked up with that family in conjunction with agencies and there is not running from pillar to post from one agency to another? That is part of the family violence reform.

Similarly, that method of refinement of the way in which government does business will be coming through the mental health royal commission. So we are expecting to spend more money in mental health—definitely we are—but also one of the things that we very clearly need to do is to be able to align services in a better way so that they are more efficiently delivered. Information sharing provides that opportunity. Multidisciplinary collaborative work enables that. Flexibility in the workforce—at the moment we actually have public servants who operate in the silos of their departments and are not seen as a resource across the public service. We want to actually have a look at the way in which we can drive greater flexibility and transferability of skills, maybe some skills uplifts to enable greater flexibility across the public service. One of the areas that we actually want to be particularly hard on is the use of labour hire and contracting out. We have actually had quite significant outlays develop over time.

Mr HIBBINS: And how is that going to be realised?

Mr JENNINGS: How are all those things going to be realised?

Mr HIBBINS: How is that, in terms of the labour hire, going to be realised?

Mr JENNINGS: Well, in the last two years DPC and I have actually worked on assessing the dimensions of labour hire, considering the ways in which we can potentially reduce labour hire reliance in the public sector into the future.

Mr HIBBINS: Are you building up capacity in the public sector to ensure that that can occur?

Mr JENNINGS: Pardon?

Mr HIBBINS: Are you building up the capacity of the public sector to ensure that that can occur?

Mr JENNINGS: Exactly. I do not know whether you were asleep at my presentation, but certainly that was a feature of the very last slide in relation to the whole range of activities we develop that capacity. Do we actually need to do more in relation to seeing whether—

The CHAIR: Minister, I am sorry to interrupt you, but we do need to move on to the next member of the committee.

Ms STITT: Good morning, Minister.

Mr JENNINGS: Good morning.

Ms STITT: I wanted to ask you some questions about Infrastructure Victoria. So they could take you to page 300 of budget paper 3 and the output measure for Infrastructure Victoria and the number of publications or discussion papers released. Can you advise the committee about these publications and how they contribute to public discussion and consultation around the state's infrastructure needs?

Mr JENNINGS: I certainly can. In fact Mr O'Brien almost asked me that question earlier on. So he is vitally interested in how the 30-year strategy, which is an important responsibility of Infrastructure Victoria, has been developed and how it will need to be refined over time. So whilst that is the major centrepiece of the critical piece of advice that it gives to government, it is by no means the only piece of advice that we have received or that the communities have an opportunity to actually discuss. Just in the last year there have been six reports that have been published—an evidence-based report on autonomous and zero-emission vehicles and, after that, advice on those vehicles. In fact I just want to call out those two reports initially before I go on and talk about others.

When Infrastructure Victoria undertook its best practice assessment across the globe of where policy integrations occurred, it was in terms of not only the demand for the use of automated vehicles and low-emission vehicles but in fact what the capability of them is estimated to be over time and what capacity there is to augment the infrastructure that is required to be associated with that. Modelling on what the huge benefits to the transport network and civic amenity may be across the landscape looked at the way in which the regulatory environment should apply in terms of both on-road use and the regulatory environment in relation to other things, such as the energy requirements for electric vehicles. If there was a wholesale shift to electric vehicles, then in fact, as we move out of petroleum, there could be a greater intensity of electricity use to charge the car fleet and the motor fleet than what there is currently in domestic households. So if you have a look at what the impact upon those conventions is, that is very, very significant, both in terms of the upside and some challenges. The work itself demonstrated, in terms of the breadth of issues that I have just outlined, that there is no other jurisdiction in the world that has actually considered all those ranges of factors and reported on them simultaneously. So part of our challenge will be, in an environment where we have very limited car-manufacturing potential—we are actually seen as a long way away from where the manufacturers of this equipment may be—how do we then demonstrate that we are actually open in accordance with the gravity of our thinking and preparedness to get on top of those issues? So that is an interesting challenge for us. So that is on those two reports.

The other report that Infrastructure Victoria has provided that has a lot of advice is on transport network pricing. So they are interested in ways in which you dampen down demand and pressures on the road system. So that is, as Mr O'Brien knows, one of their big things in their report. They actually want to dampen down road use if they can through more efficient time of use, more efficient vehicles and indeed a price—

Mr RIORDAN: The use of potholes on country roads, presumably.

Mr JENNINGS: Pardon?

Mr D O'BRIEN: That dampens demand, doesn't it?

Mr RIORDAN: Yes. The use of potholes on country roads.

Mr JENNINGS: You think it is by design, for that purpose?

Mr D O'BRIEN: Well, we are starting to wonder, Minister.

Mr RIORDAN: Most roads get lowered speeds these days. We do not fix them; we just lower the speeds.

The CHAIR: Deputy Chair, you are eating into Ms Stitt's questions.

Mr RIORDAN: Just supporting the minister's view on dampening demand for roads.

The CHAIR: We have potholes in McKinnon too, let me assure you.

Mr JENNINGS: I think you were doing so in an ironic way. I think you might have been.

Mr D O'BRIEN: You picked up on that too? Good.

Mr JENNINGS: There is also an important piece of research that they have actually undertaken in relation to growing Victoria's potential. So in fact they are very mindful of the importance of the connection between metropolitan Melbourne and the regions and the way in which infrastructure should grow and support the regions. So they are not blind to the issues about connectivity, productivity across regions and what should be an appropriate consideration of development opportunities, both in terms of infrastructure and in terms of regional economies and regional infrastructures to support those communities. So that was a very important piece of work that they published in April of this year.

At the same time that they provided that advice, they also published another paper about the way in which we should think about how we get projects away in different development stages and how it might connect in a timely way with when the infrastructure comes and as the communities grow, new precincts are developed and suburban and regional development is occurring. How do you actually make sure that you get the investment at the right time to support the opening up of the amenity and the accessibility for communities but also that you do not have the sorry situation that we have seen in a number of instances in the past of people coming and infrastructure arriving later?

And then the last piece, which they are still waiting for the government to warmly embrace, is their advice on transport network pricing and the report of the community panel.

Mr D O'BRIEN: Which you ruled out about 5 minutes after they released it.

Mr JENNINGS: Pardon?

Ms STITT: Just quickly in the time that I have got left, would you like to just quickly take us through what kind of public consultation feeds into these Infrastructure Victoria reports?

Mr JENNINGS: Infrastructure Victoria likes a number of methods that have the gamut—they have the gamut. They are far more enthusiastic about citizen juries than in the main my colleagues are, but nonetheless they actually see the benefit of taking the opportunity—

The CHAIR: Minister, I apologise for interrupting you again. This time I do need to cede to the Deputy Chair until 10.00 a.m.

Mr RIORDAN: Minister, I refer to budget paper 3, page 295, and the \$103.5 million funding envelope for 'Government-wide leadership, reform and implementation'. Minister, in the 2018 PAEC hearings you stated that the Victorian Centre for Data Insights had undertaken data analysis work for the cladding task force to narrow down the number of buildings with fire-risk exposure from cladding, at a first estimate of some 200 000, down to 1369. You stated in those hearings that:

... we made prioritisation about which buildings should be inspected as a matter of urgency—

and skited very broadly that it only took a matter of weeks to come to this calculation. Minister, on what date was the VCDI's data analysis identifying those 1369 sites completed and when was this information shared with other departments such as the fire brigades, the VBA and local councils?

Mr JENNINGS: Well, I am not resiling from what I actually shared with PAEC. I am sorry if you or other people thought I skited about it. It was not my intention to respond in that way.

Mr RIORDAN: Well, it was a good thing to tell us that you only took a matter of weeks to figure it out, Minister. What we are trying to ascertain is: you had the information—how long did it take you to share it?

Mr JENNINGS: It was shared before the date that I reported it.

Mr RIORDAN: Right. So you could provide us on notice a full list of the agencies that you notified and when?

Mr JENNINGS: I did not notify anybody, but I am certain that the notification occurred in terms of a range of services. I am not entirely sure of the dates, but I certainly know that that—

Mr RIORDAN: So it was mid last year you notified the agencies?

Mr JENNINGS: Yes.

Mr RIORDAN: Okay. So can you explain to us then, given that, why were residents and owners of these dangerous, deadly buildings not notified until March 2019?

Mr JENNINGS: I think the—

Mr RIORDAN: Was there a reason you did not tell them?

Mr JENNINGS: It was not a reason why—well, as you know, apart from sharing this example of what our capability was internally within government of developing that knowledge and sharing that knowledge, the policy settings that were associated with what you are asking me and in terms of the way in which residents or local government or the building industry was communicated with in relation to this matter, I have to reluctantly draw to your attention that that is not my ministerial responsibility. I do not want to be seen to be shirking the issue given that you have said that I skited about it before.

Mr RIORDAN: So you are gathering the information but there is no responsibility to pass it to those that would benefit most from it.

Mr JENNINGS: No. The issue is that it is passed on to the relevant agencies within government. Relevant agencies within government take then—

Mr RIORDAN: So the government, the government that you are in, had the information and then what? Sort of passed it like musical chairs around various departments because no-one wanted to tell the owners?

Mr JENNINGS: No—

Mr RIORDAN: Did you see an urgency yourself that if you are gathering information in only weeks, it would be useful to give to the people that are most affected?

Mr JENNINGS: I know that you think you are on a roll here—

Mr RIORDAN: Well, it is looking a bit like it actually.

Mr JENNINGS: What I am trying to indicate to you is that I have not run away from the question by saying it is the responsibility of the Minister for Planning, but there is a good chance that it is.

Mr RIORDAN: So it is the Minister for Planning's fault that the residents were not told.

Mr JENNINGS: No, I did not say that either. What I said is, if you have got—

Mr RIORDAN: So it is not your fault?

Mr JENNINGS: In terms of fault, it is not a matter of fault.

Mr RIORDAN: Minister, we had another big fire then of course in February this year. Those people had not been told—the owners had not been told—so, you know, we could have had multiple fires.

Mr JENNINGS: Is there anybody in the state of Victoria who thinks it is my fault apart from you?

Mr RIORDAN: You are saying it is not your fault. I am saying it surprises me to think that you knew—you just told us—

Mr JENNINGS: I did not say one way or another whether it was or it was not, but I think you are the only person in Victoria who thinks it is my fault.

Mr RIORDAN: I do not think that is the case, Minister. I think some thousands of people that own these apartments are probably wanting to know why you had that information mid last year and decided to not give it to anyone but instead play musical chairs with your ministerial colleagues.

Mr JENNINGS: That is not what I said, that is not what I am saying, and—

Mr RIORDAN: So you had no duty of care on—

Mr JENNINGS: We all have a duty of care. We all have a duty of care not to play games with this. We all have.

Mr RIORDAN: Well, it seems there have been a few games played with it, Minister. So, Minister, you had the information, and we know that government buildings and government agencies had their cladding fixed—in fact had it seen to before you actually told owners of buildings that they had a problem. Do you see a problem with that? That government took action on its own buildings, then failed to deal with literally thousands of people living in fire-prone and what we now know to be incredibly dangerous buildings?

Mr JENNINGS: Whilst I did not pay attention to Minister Wynne's appearing before PAEC in real time, I have now been brought up to speed that you might have discussed this matter with him at great length. It would be wise for me, given that I have already identified him as the responsible minister in relation to a number of questions that you have asked—

Mr RIORDAN: Okay. So you are not wanting to—

Mr JENNINGS: to consider what he has said and to make sure that if you have got any questions in relation to his responsibilities, that I take them on notice.

Mr RIORDAN: Okay. So you are happy to admit you had the information, it is just that you have done nothing with the information. So assuming that the Victorian—

Mr JENNINGS: No, that is not what I said.

Mr RIORDAN: Well, it sounds like it. The Victorian Centre for Data Insights obviously is able to collect data. Are you also aware—well, you should be now because the government is—that these buildings now can no longer get insurance? Have you done calculations or worked out what the consequences of that will be through the Victorian Centre for Data Insights, as you did earlier to calculate the buildings? Has it also calculated the cost to both the private owners and the state as a whole to have literally thousands of uninsured apartment buildings in the CBD and around Victoria.

Mr JENNINGS: No. That would not be the responsibility of the data analysis unit.

Mr RIORDAN: Why?

Mr JENNINGS: Because that is a policy consideration in relation to building approvals, building regulation and the insurance industry. You said just because there is an analytical capability in relation to data, then that would actually supersede any other policy consideration or economic analysis or any other regulatory—

Mr RIORDAN: So it is not the responsibility to figure out that cost as part of creating an action?

Mr JENNINGS: Not within my portfolio responsibility, no.

Mr RIORDAN: Does anybody else take responsibility for it?

Mr JENNINGS: Didn't you ask Minister Wynne about this question on Friday?

Mr RIORDAN: Well no, I asked him what he is going to do about it, but you are responsible for gathering the data on it, and I am asking you: if you have gathered the data in only a matter of weeks as to how many buildings are affected, would it not therefore be logical that you would calculate the cost to both those buildings and the state and those individuals for not having insurance?

Mr JENNINGS: Well—

The CHAIR: Minister, apologies for interrupting you, and Deputy Chair, thank you for your time, but it is now over to Mr Richardson until 10.08 a.m.

Mr RICHARDSON: Thank you, Minister, the Secretary of the Department of Premier and Cabinet and the dep sec. You did not get the opportunity, Minister, to go through the public consultation before that Ms Stitt was taking you through. On that line around Infrastructure Victoria the question was: what kind of public consultation contributes to Infrastructure Victoria's research and publications? I am wondering if you could take the committee through your thoughts on that.

Mr JENNINGS: Okay, so I volunteered the citizens juries, and I also indicated to you that it is a risky thing for ministers to actually sit and watch citizens juries go off and consider their points of view, but nonetheless Infrastructure Victoria believes that it is a way of ground-truthing and exploring policy options. And interestingly enough, with very rare exceptions, those citizens juries came up with well-considered and well-rounded arguments that were very supportive of public policy implementation that was not fanciful; it was actually reasonably well grounded.

Infrastructure Victoria does embark upon opportunities to hold open forums beyond those citizens juries, which is a fairly regimented and contained program of picking a sample of citizens, either across metropolitan Melbourne or across Victoria, teasing out these issues, but also it throws itself open to broader scale seminars and meetings and public forums where people can bring ideas, hear ideas and then respond to those ideas and the various iterations of their analysis. Indeed they have used online presence. They publish information sources, including a large number of consultancies and particular pieces of particular expertise and advice they have actually sought. And then not only have they obtained those important pieces of work but they have put them online and allowed citizens to access them. So the vast majority of consultancy reports—well, I said vast—17 out of the 29 consultancies that they have commissioned are fully published, unredacted, on the Infrastructure Victoria website and are available now—a range of all of those issues that I have been reporting on.

They have also provided opportunities for people to comment on the iterations of their reports on their website. There has been a lot of traffic—97 000 visits to the website occurred during the year 17–18. There have been lots of downloading of their material. Indeed Mr O'Brien was not the only one who downloaded the final 30-year strategy—over 18 000 people did that—which would indicate a keen buy-in. And they have also got into the business of some of their work being videostreamed. And again, in terms of some dealing with some of the complexities or thought pieces that they have developed, they have had thousands of views on their video sites. So as you can see: face-to-face; interactive, in relation to iterative processes about policy development in and out of a face-to-face encounter; written submissions that are actually available; online responses—again, an iterative response in terms of their method is to publish issues papers, give feedback and then come back with final reports and then recommendations. So as you can see, it is a very inclusive, participative model of policy development.

Mr RICHARDSON: Going to that point about the sweep of engagement, obviously, with some of the major infrastructure projects, particularly the Melbourne Metro rail tunnel and how that is handled, then also going through an environment effects statement, that ongoing consultation in that seed idea through a major infrastructure project—on the grounds that it is important for residents or community or stakeholders to see that being played out. Minister, if you may, I want to take you to then how much of that research and other materials commissioned by Infrastructure Victoria is then available to the public beyond that engagement.

Mr JENNINGS: In terms of what is available, all the reports that they have published, let us just go back in relation to the last year. We have had a report and an advice on automated and zero-emission vehicles, we have had two reports and responses in relation to transport network pricing, we have had technical papers in relation to infrastructure provision in different development settings and we have also had growing Victoria's potential in terms of the aspect of regional development in and outside of Melbourne. All of that material is available online. Beyond what I have indicated there are other policy documents in relation to the ports advice value capture report—models of moving from evaluation to valuation and monetising economic and social and environmental impacts. We have managing transport demand—Melbourne activity-based model. That is what

we have got there. And in relation to some of the larger consultancies that we actually have that are available online: valuing Victoria's amenities; vehicle advice on transport engineering; vehicle advice on environmental and population health; energy network modelling; vehicle advice on population and jobs and land use analysis; and also advice on the ICT that is associated with vehicles.

So as you can actually see when you drop down through that menu of the material, particularly just in relation to one subject matter, which is actually thinking about automated and zero emissions vehicles, as I indicated to Ms Stitt before there is a huge repository of knowledge about the capability, the systems that are required, the regulatory environment that is required, the infrastructure and the design elements—how they may impact upon planning, how they may impact upon the economy.

Ms VALLENCE: Minister and colleagues, thank you for your appearance. I refer the minister to budget paper 3, page 295, and of course the \$10.1 million for funding for the public administration advice and support, and that covers the Victorian Public Sector Commission—the VPSC. The VPSC was subject to a \$2 million business case as a study to how it could better support the Victorian public sector. What we are after is around that business case and if we could have a copy of that business case. We can take that on notice.

Mr JENNINGS: I think that might be a wise thing for us to do.

Ms VALLENCE: If we could have a copy of that business case on notice?

Mr JENNINGS: Yes.

Ms VALLENCE: Thank you, Minister. In June 2015 the VPSC had a 50.2 FTE staff and that increased over 30 per cent to 66.1 FTE staff in June 2018. What has justified such a large increase in the staff numbers?

Mr JENNINGS: It goes back to this capability question. It goes back to what in terms of professional development and other activities the Victorian government believes should be really in-house capability. As you have noticed, there are not many occasions in this, unless I am provoked, that I actually go into an overtly political space in this response, but I have to indicate to you that during the life of the previous government between 2010 and 2014 the VPSC was basically reduced to virtually almost a core establishment that basically did not have viability in relation to supporting professional development.

Ms VALLENCE: Excuse me, Minister, if you are bringing that capability in-house, is there some actual outsourced spend line items in previous budgets that you are now no longer spending, and if you could let us know what those are?

Mr JENNINGS: No, what I was talking about was a reduction of what was the Victorian Public Sector Commission during the life of the Baillieu-Napthine governments, which led it to be just reduced almost to an in-house consultancy that was basically seeking referrals in terms of either performance reviews or other reviews on a commission basis across the public service, so it was actually reduced to a very small comparatively boutique operation that did not actually undertake any of the responsibilities that had previously been associated with the public service board or see a responsibility for standard setting, or professional development, career development within the public service.

Ms VALLENCE: Right, okay, so you have sought to bring that in-house, that capability set?

Mr JENNINGS: We tried to bring that back in-house, yes.

Ms VALLENCE: This is a question to the secretary. Budget paper 2, page 57—here it is identifying \$685 million in reprioritisations and revenue offsets and \$251 million in savings. This follows on from reprioritisations and savings in the last year's budget. The Department of Health and Human Services has set a target of reducing their workforce from 13 000 to around 7000 in 2019–20. What is your department's target to achieve employee savings?

Mr ECCLES: We have a target for 19–20 of \$1.8 million—that is our 19–20 requirement—and we intend to address that through matters such as a reduction in our reliance on consultants, contractors, labour hire, some rationalisation of our accommodation, some further reforms in relation to our ICT investment. So I have no—

Ms VALLENCE: Would there be any fixed-term contracts lapsing?

Mr ECCLES: Fixed-term contracts lapsing—I would have to take that on notice.

Ms VALLENCE: Take that on notice, yes, and if we could have a list of how many fixed-term contracts in each unit of DPC.

Mr ECCLES: Excuse me, sorry, so not contractors? It means staff who are on fixed-term contracts?

Ms VALLENCE: Yes.

Mr ECCLES: My expectation is that we are intending, in relation to the current savings requirement of \$1.8 million, that there would not be any reduction in permanent staff.

Ms VALLENCE: Right, okay. Well if there is, if you could just review and take that on notice there. And that is the same for ongoing staff too, if you would not mind. With the budget forecast \$2.5 billion in reprioritisations over the forward estimates, how much of the \$2.5 billion will impact DPC?

Mr ECCLES: The only amount that has been allocated to DPC is the 19–20 number of \$1.8 million. The remainder of the requirement for savings is held centrally and is yet to be allocated.

Ms VALLENCE: With \$1.97 billion in savings in the budget forecasts over the forward estimates, how much of that \$1.97 billion will impact DPC?

Mr ECCLES: That is yet to be allocated. As I have said to you, Ms Vallence, the amount that has been allocated in 19–20 is \$1.8 million. The remainder is yet to be allocated and will largely be referenced to the work that is being undertaken through the base reviews, which I think has been discussed by this committee earlier.

Ms VALLENCE: So are you able to provide the committee with other staff reduction targets for each of the departments, both in terms of the head count and the financial savings?

Mr ECCLES: Ms Vallence, there are no staff reduction targets at the moment. The—

Ms VALLENCE: All right. In that case—and just back to the prior one there—with the \$1.97 billion impact, when will that be allocated? You said it has not been allocated yet; when will it be?

Mr ECCLES: Well, the allocation will follow in the normal course the conduct of the base reviews. That will give government an insight into how best to align its resources to its documented priorities. At that point there will be an allocation.

Ms VALLENCE: So any indicative time?

Mr ECCLES: Well, the base reviews are being undertaken to inform the budget for budget 20–21, and the base reviews themselves will be reporting to government at the end of the year. So I would imagine that the outcome of the base reviews will inform government decision-making for the next budget and subsequent budgets.

Ms VALLENCE: And finally, can you advise the date on which the CPSU was notified of the decision around keeping a departmental head count on the quiet—the change?

Mr ECCLES: Sorry, I did not catch that.

The CHAIR: Secretary, you will need to take that question on notice, as we have now moved into the last portion of this.

Ms VALLENCE: Just finally, Chair, we have a number of questions per your advice—

The CHAIR: You can put the questions on notice—

Ms VALLENCE: Yes, we have got those.

The CHAIR: and we can provide those to the officials and the minister.

Mr MAAS: Thank you, Minister, for your time in attending before the committee today. Still on Infrastructure Victoria, it was 2016 when Infrastructure Victoria first published its 30-year infrastructure plan. It is our understanding that that is due to be updated in 2020. So, Minister, I was hoping that you would be able to inform the committee how Infrastructure Victoria is planning for the update of this 30-year infrastructure strategy.

Mr JENNINGS: Thank you for that question. Yes, within the legislation and the commitment that we made for Infrastructure Victoria we did intend for it to acquit its responsibilities by providing rigorous independent advice that we can choose to contemplate and action on, and then if we accept Infrastructure Victoria's advice, then good and well, and if we do not, then we should explain why not. That is the discipline that we want to embark on, and it is an iterative process between what Infrastructure Victoria recommends in its strategies and then the government profile of investments. You will actually note, going back to the beginning of my slide presentation, that we have a huge series of investments that we have made, and in fact many of those investments that we have made are either totally in support of what Infrastructure Victoria has said in relation to the priorities or we have brought forward a number of projects. Earlier on we had a bit of an argument about when another one should be brought forward, way beyond its utility or its priority, and that was the nature of the debate we had the beginning of the PAEC today. But by and large Infrastructure Victoria does a quality piece of work. The government responds.

So now it is preparing next year to have a refresh of the 30-year strategy—2016. Now 2020 is going to be the next year. So in early 2020 there will be a scoping document and an interim report that Infrastructure Victoria will have developed by then, which will go public, and it will go public for about eight weeks early in 2020. The community and other stakeholders—interested parties—will be able to express views about what it purports to do to cover the 30-year horizon, about what our infrastructure needs may be, and then later on, in about the middle to end of 2020, it will be published in its final form. One of the things that they have been very good at in relation to transport matters is that they actually understand the need to plan well in advance of when you might start executing projects so that there are in fact good planning approvals, good design and good cost structures that are well in advance—about when you go to market or when you build something.

Mr D O'BRIEN: Like an east–west link, Minister, as we discussed earlier.

Mr JENNINGS: Exactly; in your absence I was drawing attention to the folly of your question in terms of the way in which these things need to be sequenced and progressed. So that is going to be an important element of the refresh. Also, in terms of what does it do for development right across Victoria—so a lot of focus continues to be on metropolitan Melbourne, but it should not be. It should actually be equated across the regions.

Mr RIORDAN: Overly focused.

Mr JENNINGS: Well, if you go back to my slide presentation in relation to the level of investment and the importance of employment in the public sector and our investments to regional communities, it is almost an untenable assault on the government in relation to regional development. But nonetheless, Infrastructure Victoria will be mindful of it. They are mindful of making sure that there are no pockets of enduring disadvantage on the basis of the provision of infrastructure. So that will be an overriding priority that Infrastructure Victoria bring to their discipline, and they want to make sure that it underpins economic activity, economic development and productivity. They will be a hallmark of its considerations during the course of next year.

Mr MAAS: I might cede my time back to the Chair.

The CHAIR: Without wanting to go over ground, Minister, with the 30-year plan, given the horizon, can you explain why you may or may not budget for items that are at the end of the 30-year plan today or why that 30-year plan will identify priorities and how you place those priorities into context for the betterment of all Victorians?

Mr JENNINGS: Yes, thank you, Chair. Ultimately this is an important thing for us to consider. There is the physical ability to create a number of projects at any particular one time. There is a financial constraint about how many projects you could acquit at any point in time. You have to get the sequence right of how much can be afforded in relation to the profile of the forward estimates, so that is one important consideration.

What is the appropriate level of revenue capacity? What is the appropriate level of debt capacity? What is the appropriate financing arrangements in relation to the long-term tail of being able to fund a certain piece of infrastructure? And we have got an infrastructure program that Victoria has never seen before—\$107 billion worth of projects in the ground or underway. The ability to financially manage them in terms of a cash flow—obviously there are limitations about keeping on piling on infrastructure on top of infrastructure in terms of the financial ability to do it, but also you actually end up with a constraint in relation to the construction industry and the number of skilled workforce, the number of engineers we actually have, the number of people who have embarked upon the construction. You have resource constraints in relation to gravel, to other material, in relation to concrete.

These things are absolute constraints that you have to manage, but within all of that the important thing is to actually do the projects that do the heavy lifting on behalf of the community and on behalf of the economy. So what are the projects that do the heavy lifting?

The CHAIR: Minister, apologies, but I get to do something that my colleagues around the table have wished I had done for a long time, and that is call time on myself. With that, can I thank you very much for appearing before the committee, Minister, today. The committee will follow-up on any questions taken on notice in writing and responses will be required within 10 working days of the committee's request.

The committee will take a short recess of 5 minutes to allow a changeover of both officials and also nameplates. I declare this hearing adjourned.

Witnesses withdrew.