

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into 2013–14 and 2014–15 Financial and Performance Outcomes

Melbourne — 18 February 2016

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Mr Chris Eccles, Secretary,

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

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

Mr Ryan Phillips, Acting Deputy Secretary, Governance Policy and Coordination,

Mr Andrew Campbell, Acting Executive Director, People, Culture and Operations, And

Mr Chris Miller, Acting 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 2014–15 financial and performance outcomes. All mobile telephones should now be turned to silent.

I would like to welcome Mr Chris Eccles, secretary; Ms Rebecca Falkingham, deputy secretary, social policy and delivery reform; Mr Simon Phemister, deputy secretary, economic policy and state productivity; Mr Ryan Phillips, acting deputy secretary, governance, policy and coordination; and Mr Andrew Campbell, acting executive director, people, culture and operations, Department of Premier and Cabinet. I would also like to welcome all witnesses sitting in the gallery. Any witness who is called from the gallery during this hearing must clearly state their name, position and relevant department for the record.

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, any PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Witness advisers 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.

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

Visual presentation.

Mr ECCLES — Thank you, Chair, and thank you to the committee for giving me and the department the opportunity today. As the first minister's department, DPC leads the public service in its stewardship of the public interest and in supporting the Victorian government to deliver its program and priorities. As you would be aware, we support the Premier, the Deputy Premier, the Special Minister of State, the ministers for Aboriginal affairs, equality, multicultural affairs, the prevention of family violence, veterans and women as well as the cabinet.

Our vision is to be recognised leaders in whole-of-government policy and performance leadership, and in support of that mission we have four objectives that relate to strong policy outcomes: citizens who are engaged in communities; policy-making and service design and delivery; professional public administration; and the high performance of the department itself. The vision and objectives make up our statement of direction, which has been communicated to all DPC staff, and guides everything the department strives for. The vision, objectives and strategies are underpinned by DPC's people capabilities, organisational capabilities and of course our public sector values of responsiveness, integrity, impartiality, accountability, respect, leadership and commitment to human rights.

In December 2014, the incoming government announced large machinery of government changes, which came into effect on 1 January 2015. As well as leading the implementation of these changes across the whole of the Victorian government, DPC was itself significantly affected, and I will quickly overview some of these changes. Arts Victoria transitioned from DPC to the new Department of Economic Development, Jobs, Transport and Resources as part of the newly created Creative Victoria. While the department continued to work with the Premier and Deputy Premier and the ministers for Aboriginal affairs, multicultural affairs and veterans, the department assumed responsibility for supporting the Minister for Women and also assumed responsibility for the new portfolios of the Special Minister of State and the ministers for equality and the prevention of family violence.

The Special Minister of State portfolio included a whole series of functions: public sector reform, public sector ICT, the integrity and watchdog agencies and responsibility for monitoring the performance, more generally, of government. The prevention of family violence portfolio is a signature initiative of the government. The portfolio touches on many areas of public policy and service delivery, meaning that the Department of Premier and Cabinet is logically placed to support unifying intelligence around its conduct and future recommendations

are crucial. These changes gave DPC a more direct relationship with the community through our increased direct community engagement and service delivery responsibilities.

During the machinery of government changes, DPC also assumed responsibility for a range of other significant functions, including Digital Government and the establishment of Infrastructure Victoria and Services Victoria, as well as support for the 15 agencies identified on the slide.

To ensure DPC remains best positioned to deliver the government's priorities and achieve its own vision and objectives, I put into place new departmental structural arrangements in March 2015. The department was reorganised into three new thematically clustered groups, each led by a deputy secretary and each with a strong embedded strategic and policy leadership focus. They are economic policy and state productivity, governance policy and coordination, and social policy and service delivery reform. Complementing these groups, the core functions of people, culture and operations and general counsel report directly to me as secretary. As well as restructuring the department to ensure its delivery of the government's agenda, I also looked to enhance our internal governance arrangements to ensure the department's ongoing high performance. This included the establishment of a DPC board and supporting groups, an increased focus on risk, finance, IT procurement and HR practices, an emphasis on risk and the development of a DPC risk appetite statement, and an increased focus on people and culture, illustrated by the establishment of a departmental culture strategy.

I will now highlight some of the achievements that have been a result. Strong policy advice: in 2014, the department's leadership coordination and stewardship role had its first major test, with the swearing in of the new government. Other achievements were the provision of high-quality advice to successive governments on a range of highly complex matters, including east-west link, the reopening of the Hazelwood mine fire inquiry and the support provided in relation to the appointment of Victoria's first female governor, Linda Dessau, AM.

We made significant progress in relation to a number of policy and reform priorities, including towards establishing Infrastructure Victoria, establishing the Premier's Jobs and Investment Panel, supporting establishment engagement with the Royal Commission into Family Violence and coordinating the Premier's China mission and the development of Victoria's China strategy, all of which occurred in the 2015-16 financial year.

We also supported strong Victorian engagement with the commonwealth government, including on the white paper on reform of the federation and developing a Victorian public sector reform agenda.

We also led the work, again in 2014-15, in laying the foundations for bilateral agreement between the commonwealth and Victoria for transition to the NDIS in Victoria. The agreement was signed on 16 September 2015, with Victoria and New South Wales being the first states to reach agreement with the commonwealth for transition to the scheme.

Engaged citizens — achievements in the area of engaged citizens included the delivery of hundreds of Cultural Diversity Week events, including the Premier's gala dinner and the Viva Victoria Multicultural Festival, the successful delivery of a large program of events recognising the Anzac centenary, the establishment of DPC's community resilience unit and the appointment of Victoria's first chief resilience officer, and initial work on a Service Victoria model to make it easier for citizens to transact with the Victorian government.

We also had a role in organising state funerals for the Honourable Lynne Kosky, MP; the Honourable Evan Herbert Walker, AO; Dr Alfred Bamblett; and the former Premier the Honourable Joan Kirner, AC.

In the area of professional public administration DPC led the public sector in preparation for the 2014 state election, and post-election we supported the new government efficiently and effectively, allowing it to immediately begin its work on new priorities.

The year 2014-15 also saw the operation of the Victorian Secretaries Board. This group comprises the seven departmental secretaries, the Chief Commissioner of Police and the Victorian public sector commissioner and works as a collegiate and collaborative forum for whole-of-government leadership, coordination and stewardship of the public interest and the public sector.

A high performing DPC — I have already mentioned strengthening our governance as well as the development of our statement of directions from 2015 to 19. In addition to this we have placed a large internal focus on

increased operational support and an explicit emphasis on organisational culture. Some of those matters are identified on the slide.

Finally, despite a very big year, we actually managed to ensure that for 15 outputs over half of all the targets were met. For those outputs where not all targets were met, you can see the outputs still managed to achieve a significant portion of their targets. Again in the interests of time I will not go into the detail, but no doubt we will interrogate some of those in the course of the hearing.

Our financial results for the year ended 30 June 2015 presented in the annual report reflect the machinery of government changes effective on 1 January 2015. As you can see from this summary table, there are substantial variances evident between 14–15 and the previous year as a result of MOG changes. Again in the interests of time I will not go into the detail.

The CHAIR — Thank you, Secretary. I might start with the first question if I may. There has been a lot of discussion of late in terms of larger businesses which engage with customers about big data and the utilisation of big data as a way of trying to predict consumer trends, to try and provide innovative product offerings or to look at trying to improve the overall offering that the companies sometimes offer consumers.

I know this is difficult because from the perspective of DPC you are somewhat removed, I think, from the day-to-day engagement with ordinary citizens, but nonetheless, many citizens have quite a high level of engagement with a number of different departments and agencies on a fairly regular basis, and within the realm of various government agencies and departments there would be a significant database or databases in relation to that sort of engagement. I am just wondering from the perspective of DPC and specifically in relation to the 14–15 financial year, has the department given any thought or consideration as to how you might be able to try to collect that data — harvest that data — to try and then look at more effective and efficient service delivery but also, I think, to some extent identify emerging trends and to be able to respond more effectively and nimbly than would be the case in the past?

Mr ECCLES — I think there might be two angles to this, and I will check in with you to make sure that you are comfortable with me taking it down the second course. The first is in relation to big data and our analytical capability. I think our distance from direct service delivery in fact provides us with an advantage in that we are able to bring objectivity and precision to a reform agenda. Indeed, as you speculated, we have an initiative underway, and it commenced in the 14–15 year — and I might ask Mr Phillips to take us in a bit of detail through that. Secondly, it bears upon the issue of Service Victoria, because that is at the heart of the retail exchange — the transactional exchange — between the citizens and government. If after Mr Phillips has given you the headline features of the reform initiative within DPC you are interested in me bringing the committee up to date on the progress with Service Victoria, I can assist.

The CHAIR — Terrific.

Mr PHILLIPS — The data analytics piece is something that DPC has identified as a real opportunity for government. There is clearly significant progress being made in the private sector, as you identified. We know that we are falling behind. There is helpful data that could be used in policy development and also to improve service delivery held across the public sector. There are also datasets that are held at the commonwealth level. We have commenced working with the commonwealth to obtain access to their datasets and vice versa, so those conversations are underway. We have also commenced a piece of work to build the data analytics capability centrally and also to work with departments to improve their capacity as well.

This is something I think that we will see continuing to emerge over the next few years as technology improves. However, we accept that there are shortcomings in the current system. They were identified as recently as last year in an Auditor-General's report that looked at some of the shortfalls in our information management system, so that will be a priority over the forthcoming year and beyond.

Mr ECCLES — Taking up the invitation to talk a little bit about Service Victoria, the 15–16 budget provided \$15 million to commence planning and development of Service Victoria to improve access to government transactional services. Currently these services are confusing for customers to navigate, with transactions and information spread across hundreds of phone hotlines and different websites, and customers can sometimes be overwhelmed by complicated government-centric information and frustrated when inefficient processes waste their time.

There are around 55 million simple, high-volume transactions completed each year, such as applying for a licence or a permit, and these services cost \$461 million to deliver. If they are not streamlined, future growth will push this to more than \$700 million in less than a decade.

Sixty-five per cent of Victorians would prefer to transact online at a time and place that is convenient for them if more services were available. While around 35 per cent of the Victorian government's transactions are partly available online, less than 1 per cent are fully end-to-end digital. Service Victoria is planning to develop and implement the digital distribution channel for government's simple, high-volume transactions and to solve roadblocks to fully online services, drawing on what is familiar to customers from their experiences in banking and retail.

In doing so, Service Victoria will set a new standard for customer service and make it easier for people to access government services in Victoria. The immediate focus is on working through detailed policy, technology and customer requirements with customers and with the departments and agencies responsible for our most common transactions.

The CHAIR — This has been a complaint, I think, for many governments historically across many jurisdictions. When governments try to implement a bespoke IT project, there are often challenges and difficulties with that, and sometimes it is difficult to try to buy something off the shelf, and I think in terms of looking at a lot of the programs that have been successful in more recent times — a lot of those apps — a lot of it has been consumer driven rather than top-down, which is a unique challenge for government because you often will have that information there and you are not necessarily prepared to share that with external providers or consumers.

I am just wondering, in terms of the 14–15 year, whether thought was given to finding ways in which, rather than the state trying to, as it were, impose a solution, where there is capacity to try to encourage that level of innovation and insight as to improving service delivery and whether the state can be somewhat of a partner. So you provide that information; someone else, Mark, develops an app, and then it is deployed.

Mr ECCLES — The Victorian Secretaries Board identified that very problem as a priority matter for attention, and we in fact initiated a shared services review. Again Mr Phillips might be able to help us with the detail.

Mr PHILLIPS — As a result of that review, the government will be seeking to address a number of the issues you have raised, so rather than procuring new systems, where possible the first thing government departments and agencies will need to do is to look to see whether there are existing solutions that are owned by other parts of the sector that they can then move to procure services from the other government agency. That helps manage the risk of needing to buy a new system and also minimises the cost for government. Also, if there is no such system currently in existence, it will then be a matter of going to market for a new system. However, rather than each department going to procure their own new bespoke system, the desire will be to find something as off-the-shelf as possible and that multiple agencies and departments will join together to effectively become a new shared service, again minimising the risk and cost.

The government has also prioritised looking for purchasing services rather than new systems, investigating opportunities to procure services from the cloud, which helps deal with issues such as system obsolescence. This new model is being rolled out as we speak, so we are starting to see the real operational implications of moving in this direction, and I think in a year's time we will be able to tell the committee in detail about how the new approach is going.

The CHAIR — Excellent. I look forward to that.

Mr MORRIS — Welcome, Mr Eccles. I am going to scoot out in a few minutes not because I would not like to spend the afternoon asking questions, but unfortunately something else has come up at the last minute, so my apologies for having to depart.

I refer to the government's election commitments in DPC, particularly things like strengthening the response to family violence, the *Betrayal of Trust* report, the family violence package, counselling services for children and women — basically some of the areas identified on page 3 of the questionnaire. I am just wondering what the total of that amount was for 14–15.

Mr ECCLES — I think Ms Falkingham might be able to help with that.

Ms FALKINGHAM — Thank you for the question. In relation to the establishment of the royal commission, 40 million was set aside for the royal commission to do its work, which, as you would be aware, will report on 29 March. There are a whole range of existing prevention programs that travelled from the previous Department of Human Services into DPC. There was a boost of 83 million in last year's budget to a range of new initiatives in relation to prevention of family violence and broader gender equality initiatives. Of that 40 million that has been allocated to the royal commission, 4 million has been set aside in relation to prevention and demand funding.

Mr MORRIS — For clarification, you mentioned last year's budget. I was actually asking about the period before the budget. It is useful information — I am not being critical of that — but can we have the amount that was basically available as a result of the election of the government up to 30 June 2015?

Ms FALKINGHAM — There was the money that was set aside in the budget that was deferred. We will take on notice the exact amount and come back to you on that.

Mr MORRIS — Okay, thank you. Can I go on not on this point but on the point of reprioritisations? In the questionnaire, question 21, you have identified reprioritisations of \$9.4 million. I am just wondering if we could have on notice — clearly not today, but on notice — at initiative or line item level a full list of reprioritisations from the 2014–15 budget and across the forward estimates, specifically the original amount allocated, the amount of that original amount that was reprioritised and the purpose for which it has been applied, on notice.

Mr ECCLES — Certainly, Deputy Chair. Thank you.

Ms WARD — Hi everyone; nice to see you. Thank you for coming along, and thank you for all the work you have put in in preparation to being here today. I appreciate it.

Mr ECCLES — Thank you.

Ms WARD — This is kind of going along on a similar thing to Mr Morris, I guess. You have spoken about the royal commission, and we know that one of the issues around family violence is around gender equality — or the main issue around family violence is around gender equality.

We heard from DHHS earlier today around the amount of women that they have in their workforce, which I think was around 68 per cent, but I could be a bit wrong, I might be exaggerating a bit. I see on page 130 of your annual report that within your workforce, 57 per cent are women. I am really interested in the kinds of strategies that you have employed to encourage women to participate in your department and the kinds of policies that you have got in place to help promote and encourage the participation of women.

Mr ECCLES — I thank you very much for the question. It operates at a number of levels. Notwithstanding the fact that we have 57 per cent of women within the department, we have a smaller number at the executive level. It hovers around about 40 per cent, so one of our signature initiatives is to look to increase representation of women at the executive level.

Ms WARD — Is that influenced by the government's policy of 50 per cent of boards being made up of women, or is that something you have come to on your own?

Mr ECCLES — I think it is, I mean, it is certainly encouraged by the government. There is no direct correlation between women's membership on boards and our agenda to support gender equality, but it helps when the government sends such a powerful signal of its gender equality intent; that provides us with the licence and authority to pursue our own initiatives within the department.

We have established a women in leadership initiative, with staff representation from across the department. That group actually has the responsibility of supporting me in my capacity as a male champion of change — one of 20 corporate executive leaders across the Victorian business community and public sector landscape who are committed to supporting an increase in the representation of women in the senior levels of our workforce. I do not know whether, Rebecca, you have anything more you can add.

Ms FALKINGHAM — Sure. You might be aware that the government has released a gender equality discussion paper, which goes to how do we take some of the work that is occurring, as the secretary has mentioned, in the public sector and broaden that out to the entire economy. We have a strong focus on how increasing women on boards and in the executive public sector and more broadly in business will have a massive increase to productivity in this state more generally. So that is open until March this year, but it sets out a range of different approaches as to how we might ensure more of our workplaces are much more inclusive of women at all levels of government.

Mr ECCLES — I have just been provided with some information about our draft gender equity action plan, and the initiatives that it will sponsor include improving flexible working arrangements for all staff; supporting people with caring responsibilities; providing personal and professional development opportunities for women; improving human resource systems and processes, particularly in relation to recruitment; addressing unconscious bias; and preventing and responding to violence against women.

Ms WARD — Thank you. With a number of those initiatives that you have just spoken about, or those policies, if you like, DHHS have indicated that it has been their culture to have those kinds of policies for some time and that they have got great participation in those. Is this something that is quite new for your department, or is it something that has been happening for a while as well?

Mr ECCLES — I can only speak for the last 15 months, and one of the reasons why I chose to have the people and culture team working not through a deputy secretary but directly to me was to support all initiatives related to the workforce health and wellbeing and the professionalisation of our culture. So I imagine that it has been a feature of DPC's agenda for a while, and to the extent it is not or has not been, it is one that is certainly at the top of my priorities.

Mr D. O'BRIEN — Mr Eccles, the royal commission was announced in early 2015 and I think \$36 million was initially expended for that. Are you able to advise us how much was expended up until 30 June 2015 and, given the extension, if there was any additional funding added to it?

Ms FALKINGHAM — There is absolutely no additional funding that has gone to the royal commission as a result of the extension to the royal commission. We can get you the exact number of what was reconciled at 30 June 14–15.

Mr D. O'BRIEN — If you could take that on notice, that would be good. By way of supplementary, like Ms Ward, we heard some evidence from DHHS this morning in particular about increased reporting of family violence. I know this was something that the minister herself talked about at estimates last year, when she said that we could expect a spike and there may be an increase in demand for services. Are you able to give us any advice on how many service providers came forward seeking additional support and whether any of that support was provided?

Mr ECCLES — I think Ms Falkingham mentioned that 4 million of the 40 million was set aside to deal with the upsurge in demand. I do not know whether we have data on expenditure.

Ms FALKINGHAM — Sure. It might be of interest to you to know, though — I am not sure if the Secretary of DHHS has mentioned this this morning — that there were 72 376 family incidents attended by Victoria Police in the 12 months to September 2015.

Mr D. O'BRIEN — Sorry, what was that figure?

Ms FALKINGHAM — Sorry, 72 376 family incidents attended by Victoria Police in the 12 months to September 2015. That was an increase of 9.6 per cent compared to the 12 months prior. Children were present at 34.5 per cent of those family incidents. In relation to the spike in demand — and we have been trying to manage that very carefully — we have had a process within DPC to constantly check in with service providers to test sort of how they are dealing with that demand. I can provide you with what has been allocated to date from that demand fund, but in relation to all of the requests, we will have to take that on notice.

Mr D. O'BRIEN — Yes, if you could do that, with who made the request and who go it. I am personally interested because I know one of my organisations did as well. But if we could get a breakdown of who asked for some additional support and then who got some, that would be fantastic.

Ms FALKINGHAM — Yes. It was pretty well looked at in terms of a geographical rollout, so there were not many organisations that came forward that were not given an allocation, but we can provide you that. I will find it.

Mr D. O'BRIEN — Great, thank you.

Mr DIMOPOULOS — Thank you, welcome. Just in relation to the equality function of DPC, I note that on page 115 of the annual report it gets a bit of a mention together with, I think it is women. The office of women and equality, is that right? The office of women and equality, is that where the LGBTI agenda is? Is it within that office?

Ms FALKINGHAM — That is right. Sorry, so within the budget that is how it appears together, because that is how the machinery of government change occurred with it coming across as the women and equality branch. It has now been separated. Given the increase in the workload of the equality branch and given the significant reforms and community consultations going on in that branch, they have now got their own separate budget allocation.

Mr DIMOPOULOS — Can I just say, I think the commissioner for gender and sexuality is awesome. Rowena Allen does an incredible job. She goes to as many functions as all the politicians combined. Everybody knows her.

Ms FALKINGHAM — She keeps us very busy.

Mr DIMOPOULOS — She is incredible. She is really the point of reference for the Victorian community, as well as the minister, I should say. If you do not mind fleshing out for me, Secretary or the deputy secretary, but with such an important function I think there are a couple of ways of looking at it. Being within DPC is in itself important, because of the role the DPC plays across the public service in terms of, you know, benchmark setting and a whole of those other leadership qualities that you express as a department centrally. But by the same token there is sometimes a view — and I had this when I was working in multicultural affairs — that you do not want to just have the multicultural affairs office worried about 43 per cent of Victorians because they do not have the budgets of DHS, justice and education.

Similarly, with the equality agenda, while probably in terms of budget it is not as impactful as the multicultural portfolio would be, how do you make sure that you are not the only ones arguing for equality in the entire public service? Despite your power within the public service, it will not be a match for every department being responsible for their cohort, their service delivery, their modelling to their own communities and their service provision fitting within the equality agenda — so, the tension between three people or four people in DPC running a statewide policy agenda, and the opposite being every single line manager or service provider being responsible. If you could flesh that out, that would be great.

Mr ECCLES — I might start. You are right, they are a small, tight team. And, while the commissioner is a force of nature, she has limited resources. Part of our — the deputy secretary's and my — responsibility is to ensure the scarce resources that she does have at her disposal are put to best effect. So her advocacy role, her access to the Victorian Secretaries Board via me as chair, and our encouragement to her to, if you like, get on her bike and get out and advocate and stimulate debate and promote the concept and encourage initiatives are all part of the support that we provide. We recognise that she cannot be tied up with the detail of day-to-day administration, so our support comes with the license we give her to be able to socialise her agenda comprehensively across the public service and to give her access to the highest reaches of the public service.

Ms FALKINGHAM — One of the other initiatives is the establishment of the ministerial advisory council that is co-chaired by Minister Foley and Brenda Appleton that has a really externally focused discussion with our leaders in the LGBTI community. On that committee we have deputy secretaries at Health and Human Services, at justice and at DPC. And there is a really strong work program in terms of what each of those departments is doing, so that we do see it as part of everything that government departments think about.

The other benefit of having equality in DPC is we are fortunate to see much of what goes on across government, so we are able to constantly test and make sure the LGBTI community is at the centre of policy thinking. A really good example of that is the work around family violence. So, given we are able to make those

connections internally in DPC, the focus around looking at what family violence means from an LGBTI perspective has been a really strong focus over the last 12 months.

Mr DIMOPOULOS — Just one more. Sorry, Chair. With both the ministerial forum and the other work that the commissioner and yourselves are doing — and I perhaps should know this because I have an interest through Minister Foley but I cannot recall, are there plans to have some reporting framework? I know government departments are a bit over reporting, but what is the yardstick for us in terms of the equality agenda if we are assessing it in two years time?

Ms FALKINGHAM — From the perspective of reporting — —

Mr DIMOPOULOS — Sorry, through you, Secretary.

Mr ECCLES — No.

Ms FALKINGHAM — What we are looking at are all the existing reporting measures. There is a concern obviously in the range of the portfolios the Secretary spoke about, and that you spoke about, of it becoming the responsibility of everyone. Aboriginal affairs is a good example of that, where we want it deeply embedded how we have a focus around self-determination with Aboriginal people. By that, we actually think about that in every one of our existing government performance measures.

Right now there are no plans to have an equality-specific report, but to actually look at all the existing reports government has, so that when we embed it in our reporting measures it does become the accountability of every departmental secretary across government.

Mr DIMOPOULOS — Thank you.

Mr T. SMITH — Thanks, Chair. Good afternoon, Mr Eccles. I refer to the Victorian government architect on page 6 of your annual report for 2014–15, and I understand that your department supports the Victorian government architect. I note that one report from the Victorian government architect dated October 2014 on lessons learnt and best practice on level crossing removals:

An elevated road or rail structure will have a significant physical presence and impact on a place and is typically not a preferred solution. New elevated structures, including ramps and retaining walls, can impact on visual amenity, permeability, viability of activity areas, the value of land and appetite for future ... development. They often provide a cheaper solution but a poorer outcome and therefore a false economy.

Can you advise whether this report from the Office of the Victorian Government Architect was provided to the current government on the change of government in December 2014 or in fact at any time in the 2014–15 reporting year?

Mr ECCLES — I do not know the answer to that question, Mr Smith, and I will take it on notice if you would not mind.

Mr T. SMITH — Thank you, Mr Eccles, I would appreciate that. By way of supplementary, are you aware of the Victorian government architect providing any further advice on elevated rail to the government in 2014–15 or to your knowledge has this been the only advice?

Ms WARD — And this is referred to in the annual report?

Mr T. SMITH — Yes.

Mr D. O'BRIEN — Yes, that is why we have a question about it. October 2014.

Mr ECCLES — I will have to go to the same place, and take that on notice.

Mr T. SMITH — Thank you very much; I appreciate it.

Ms PENNICUIK — Thank you all for coming in. I know you would have done a lot of work to prepare for today. If I can refer again to the annual report 2014–15, page 112, which is the bit about economic policy and state productivity and a group called the economic policy and state productivity group, which is responsible for advising the Premier and the cabinet on economic development, regional, local, international, infrastructure,

energy, resources et cetera policy, and offers policy leadership, contributes to the development of key policies and projects from a whole-of-government perspective, and provides high-quality strategic advice.

One of those branches of that group is called the energy, resources and environment branch, which is responsible again for providing that strategic policy advice to the Premier and the cabinet on issues, including environment and climate change; energy generation, energy efficiency and earth resources; and some others. I am very interested in that unit — environment and climate change, energy generation, energy efficiency and earth resources. If you could give the committee some idea of what is the make-up of that branch and what they were focusing on during the 2014–15 period.

Mr ECCLES — I will turn to the responsible deputy secretary, Mr Phemister.

Mr PHEMISTER — Thank you, Ms Pennicuik, for the question. The ERE branch, basically you have sort of read their terms out there. The make-up of that branch is there is a director, an assistant director and then a team of policy officers who do all of the above. There was obviously a change in 2014–15 in terms of focus on a lot of the work in preparation for the chambers' production of incoming government materials. However, the kind of issues that have been on the work program for that group this year, last year, the year before kind of remain pretty consistent. They have all the roles that you describe.

It does have a land role as well in terms of land use that corresponds to the environment and planning department as well, but the major focuses over the course of that period have been unconventional/conventional gas. Obviously with the parliamentary inquiry running that has been a major focus. A major focus on supporting the Victorian government's response to federal inquiries, particularly active around the wind — work that was coming out of the federal government not so long ago.

A lot of work on water. Water is a major part of ERE's remit and there is a big water plan coming out by government — the government has been consulting on it — soon. But water has been an ongoing issue since rainfall kind of dried up back in 2014 and it is a perennial issue now for ERE.

Then we have the kind of perennial issues that come up. So we need to make purchasing decisions around desalination once a year. There needs to be negotiation with the coal generators once a year on various aspects relating to their production, generation et cetera. Then there has also been preparation — sorry, I am straying into financial years — for the Climate Change Act review, which has been a major piece of work over the last 12 months in particular.

There is always the day to day that comes up. That is kind of driven by day-to-day issues that arise, but I think I have given you the sort of top list of priorities. One that I will add, sorry, in hindsight is the work of the timber industry, paper industry, forestry. Obviously there is a task force review process on at the moment. That is one that ERE supports through a secretariat function, but the work of VicForests and the work of the environmental groups around the coops and logging et cetera is also a focus of that group and also a perennial, because year to year the coops are negotiated, and that is something that group plays a major role in by way of advice to the Premier and the cabinet.

Ms PENNICUIK — Thank you for that very comprehensive information. I was wondering whether in 2014–15 the department had any involvement in an Ernst & Young modelling exercise on the costs and benefits of a staged closure of coal-fired power stations in Victoria?

Mr PHEMISTER — I can only speak from my memory, which is for the latter part of that period. I will have to dig back through and take that on notice. Not to my memory, but I have to take that on notice, I am afraid.

Ms PENNICUIK — And if not in that time, whether such modelling has commenced.

Mr PHEMISTER — From Ernest & Young on — —

Ms PENNICUIK — And the department's involvement in it, via that branch.

Mr PHEMISTER — Certainly.

Ms PENNICUIK — Thank you.

The CHAIR — I would like to ask a question in relation to inclusion. Jesuit Social Services have an arrangement with the National Australia Bank where they run the African Australian Inclusion Program. It is a social enterprise where Jesuit Social Services gets paid \$5500 per person and they identify highly educated young people from the Horn of Africa for placement in the NAB. It has been going for a few years now. There are two cohorts that are going to be inducted this year. The next cohort is about 50 individuals. The churn rate is quite low. I think it is about 15 per cent. So 85 per cent of those who participate end up getting jobs with the NAB.

In relation to the 14–15 financial year, I was just wondering whether you could advise the committee as to what programs are in place to address inclusion and whether you were looking at anything specifically in relation to the Horn of Africa community, both from a departmental perspective but if you have got a broader sense as to where this should be going, as a state.

Mr ECCLES — I can address the question as it relates to the department's initiatives for 14–15 and it will deal with both diversity and inclusion. During that year, we refreshed and developed the following suite of diversity plans: our Aboriginal Inclusion Action Plan, our cultural diversity inclusion plan and our Disability Action Plan. We are going to complement that suite of diversity plans with the addition of the recently endorsed DPC LGBTI inclusion plan. We have also developed a diversity and inclusion framework that aims to embrace diversity in our differing backgrounds, skills and experiences to achieve our goal. We are also developing a gender equity action plan, which I referred to earlier.

The important thing about these frameworks is not just that they exist but that they are supported by active staff networks that provide peer support by hosting a range of activities in which staff can participate. We have a DPC mental health and wellbeing network, which recently hosted presentations on trauma-informed public policy, and we have the parents and carers network, which has been active in DPC to develop flexible work practices. Examples of initiatives undertaken to foster diversity and inclusion within DPC include promoting the DPC Summer Internship Program to multicultural communities, including those from refugee backgrounds, and providing employment opportunities and placements for Aboriginal people, people with disabilities and others from diverse communities and cultures. To the extent that as part of that internship program we have not provided a focus on those who are present with us and arrived from the Horn of Africa, I am sure we can take that as a helpful suggestion about the focus of that program.

Taking your question more broadly, I might again turn to Ms Falkingham.

Ms FALKINGHAM — Sure. Thank you, Secretary. We have a range of programs that are in place through multicultural Victoria and we are happy to provide you with details in terms of what grants were allocated in the 14–15 year to the Horn of Africa communities.

You might be interested to know that we have actually gone through a process of consolidating all of the multicultural grants that currently exist so that they are really focused on driving key outcomes. One of the things that talking to a range of stakeholders has demonstrated to us is that the grants need to be open to more interesting notions of social impact investing — looking at social enterprise, social benefit bonds. That is one of the things you will see roll out over the next six months in terms of the consolidation of the grants programs to enable more opportunities. But we can get you details of what was provided through multicultural Victoria in relation to, typically, the Horn of Africa communities.

Mr ECCLES — I actually have some further information which bears directly upon the community you refer to, Chair. As part of the establishment of the community resilience unit in the Department of Premier and Cabinet, a Sudanese woman was employed three days a week from September to December 2015 as a community engagement officer, and this position engaged with the Sudanese and other Horn of Africa communities in Melbourne's inner north, west, inner east and south-east.

The CHAIR — Excellent. If you can provide any additional information in relation to the Summer Internship Program to the committee, that would be very helpful and useful.

Just one observation about multicultural grants, and I think that other members would have had a similar experience. I think one of the great challenges when English is your second language and you are newly arrived is that it is sometimes challenging and difficult to try to work that through and put something substantial and meaningful in an application that is within the right context and language. A suggestion might be, going

forward, that if there is capacity for some additional resources to try to help people go through that process, I think you might find that you get a broader range of applicants and probably a broader mix of recipients. That would be a guess.

Mr ECCLES — I understand we are already doing that.

The CHAIR — Excellent. Thank you.

Mr DIMOPOULOS — Sorry, just a quick follow-up. I noticed in the annual report that there is a drop in total output funding in the multicultural affairs portfolio by 1 or 2 million in the reporting year — I cannot recall now. Is that right? I just wondered what that was related to in the reporting year.

Ms FALKINGHAM — No, there was actually an increase, but Andrew might have those figures.

Mr CAMPBELL — Yes, I do not believe that is correct.

Mr DIMOPOULOS — Right, let me check that.

The CHAIR — We are meant to get things wrong, Dimo; you are meant to have it right.

Mr D. O'BRIEN — Secretary, just turning to the annual report for 14–15, on page 130 there is a table outlining the workforce. There has been an increase from June 14 to June 15 of about 51 extra FTE in the department, and probably two-thirds of those are in VPS or executive level. Can you explain the reason for that sort of top-heavy increase?

Mr ECCLES — The answer is contained within the machinery of government changes, and I think the number aligns with your number. The workforce numbers for core DPC have increased by 64.84 FTE in June 15 in comparison to June 2014, due to machinery of government changes.

Mr D. O'BRIEN — Sorry, what was that number again?

Mr ECCLES — It was rounded up to 65 FTE, and again, as I speculated, it was due to machinery of government changes from 1 January 2015, which included the transfer into DPC of digital government, the Office of Women's Affairs and infrastructure functions. We also had a requirement to resource new government initiatives and projects, including the Royal Commission into Family Violence, Service Victoria and our leadership role within DPC in relation to the NDIS. The net effect of all of that was to require not only officers to support the new initiatives but also an executive workforce to support the leadership of DPC in relation to those initiatives.

Mr D. O'BRIEN — I guess pages 3 or 4 of your slides show the changes. Does that indicate more of a centralisation of control within DPC?

Mr ECCLES — I would prefer never to characterise our mission as the centralisation of control. It is to enable us to exercise unambiguous leadership and to involve appropriately those within other areas of government who can work with us on the areas that have been identified by the government as priorities.

Mr D. O'BRIEN — Just a clarification: the figure in the actual annual report is 51 point something FTE; you said 64. Is that an updated figure then perhaps?

Mr ECCLES — I think I will have to come back with you to reconcile the two figures, if you do not mind.

Mr DIMOPOULOS — I might have two bites of the cherry. One goes back to the previous question, and then I will get to my substantive question. On page 31 of the annual report, Secretary, the total output cost shows that 24.4 million was the target and 21.8 million was the actual. That may have just been about what funds went out the door rather than actual cuts. Is that right?

Mr CAMPBELL — That is correct, yes.

Mr DIMOPOULOS — Is that just delayed grants or something?

Mr ECCLES — No. I do not think we know the answer to that yet.

Ms FALKINGHAM — We did have a carry forward in multicultural output, so that was 2.4 million, but we will provide you the specific detail.

Mr DIMOPOULOS — Okay. That might be useful if you can provide that. I know that some of the bigger ones cover precincts and there is a time lag while they are done.

My question: back to the equality agenda, I put on the record that I am very proud of the government's equality agenda. In the 14–15 financial year — understanding that some of the outcomes for LGBTI Victorians rest within the powers of the federal Parliament; the second context-setting thing is that the Premier has made it very clear that he wants Victoria to be a leader nationally in a whole range of policy areas and definitely social policy areas and advocacy, as we saw with the open letter to the Prime Minister about taking in the refugees recently, the asylum seekers — what activity was undertaken by your department at COAG or other associated COAG-type infrastructure that progressed an agenda around equality, whether that be marriage equality or any other thing that does not rest within the Victorian jurisdiction?

Mr ECCLES — I do not recall an explicit COAG reference that dealt with the issue of equality. In fact there was not a specific issue. There was a significant focus on family violence. In that respect, Victoria's leadership is public and the fact that the commonwealth government is also exercising a substantial role is also well known. Addressing matters of family violence: the recognition that at the heart of those issues lies the fact of gender inequality, a matter that I think — well, I know — the royal commission will address. That to me is the only bit of the recent COAG agenda that bears upon the equality agenda.

Mr DIMOPOULOS — Stepping away from COAG for a moment, are there any other intergovernmental forums that Victoria is engaged with — they may be outside DPC but they are supported through the equality gender — where the equality agenda is being progressed? It cannot just be contained within Victoria, because we do not have the power of the Marriage Act, as an example.

Mr ECCLES — There is an intergovernmental forum, the women's safety ministers, and Ms Falkingham supports the Minister for Women in relation to that function.

Ms FALKINGHAM — One of the big areas that that safety committee has been looking at is obviously the rollout of a national campaign that both the previous Prime Minister and the current Prime Minister have committed to, which is looking at targeting attitudes and behaviours, particularly by young men towards women, for which there have been focus groups with the LGBTI community around how some of those messages would play out as well.

Mr T. SMITH — In the 2014–15 annual report, in your financial statements, I am struggling to find the expense line for the project which was to refurbish the Premier's private office. I was just wondering if you could give me an indication of the cost of that modification and what it constituted in terms of new furniture, equipment, replacements, additions, modifications and the like?

Mr ECCLES — I was not aware that there was a refurbishment of the Premier's private office. In fact I am pretty sure, because I do not recall there ever being any change to — —

Ms WARD — I am sure it would not have been as extensive as the refurbishment to the Lodge.

Mr T. SMITH — I think there was certainly some new furniture, was my understanding.

Ms WARD — Yes. It is a big issue.

Mr T. SMITH — At the very least new furniture.

Mr ECCLES — That does not constitute a refurbishment as such. I will come back to that particular point around the furniture in a sec, but we did spend 682 000 on refit in the tenancies located on the Treasury Reserve. Fifty-five per cent of this related to the construction of a ministerial suite as part of our support to a new minister, so that is the extent of the refurbishment expenditure. In relation to the furniture in the Premier's office, that was the subject of a leasing arrangement.

Mr T. SMITH — Can you come back to me with the specifics on that?

Mr ECCLES — Yes, of course.

Mr D. O'BRIEN — Sorry, Secretary, you said the tenancies of the Treasury precinct?

Mr ECCLES — Treasury Reserve. We pay rent for tenancies located on Treasury Reserve and several locations in the CBD.

Mr D. O'BRIEN — Do you pay rent for the Treasury precinct to Treasury?

Mr ECCLES — Yes.

Mr PHILLIPS — We are a tenant.

Mr D. O'BRIEN — You mentioned 55 000 for a ministerial office refit?

Mr ECCLES — No. Sorry, I probably raced through that. We spent in 2014–15, 682 000 on refits in all of those tenancies, and 55 per cent of that — or \$373 000 — was expensed on the establishment of the new ministerial suite to support the new DPC minister, being the Special Minister of State.

Mr D. O'BRIEN — Special Minister of State.

Mr ECCLES — That is correct.

Mr D. O'BRIEN — So 378 000?

Mr ECCLES — Three seventy-three.

Mr D. O'BRIEN — Three seventy-three. Just for the Special Minister of State?

Mr ECCLES — It was an expense associated with the construction of an entire new office. I would have to say that, having spent time in that office, it is modest, indeed spartan, in its design and in furniture.

Mr D. O'BRIEN — Is that in the Premier's office, the Premier's part of it?

Mr ECCLES — No, it is actually on the third floor, so it is adjacent to the Deputy Premier's office.

Mr D. O'BRIEN — Okay. Thank you.

Ms WARD — I could make facetious comments about gold-plated taps, but I will not.

Mr T. SMITH — Beard has his own palace.

Mr D. O'BRIEN — Spartan palace.

Mr T. SMITH — Spartan Beard has his own palace.

Ms WARD — Spartacus! What I am interested in is going through the 2014–15 period and how within the budget the cuts from the federal budget to Indigenous affairs were adapted to and worked with. I understand that around \$534 million — over half a billion dollars — will be cut from Aboriginal affairs by the federal government over the five years from 2014. How has the 2014–15 budget adapted to that and what services have been affected by those commonwealth budget cuts?

Ms FALKINGHAM — Those commonwealth budget cuts were on the whole direct grants to individual organisations so in terms of the Victorian budget it has had a fairly minimal impact.

What we have been doing through the work that Minister Hutchins has been leading around self-determination in talking to regional communities is about how the impact of those cuts are playing out. The commonwealth government has obviously been in contact with all of those organisations as well in terms of understanding what those impacts are, but we, through our processes of engaging more with Aboriginal communities more directly now on self-determination, are having better conversations in terms of what the aspirations are for those communities, what support we can provide and also what support we can advocate for the commonwealth to provide into the future.

Ms WARD — So, in terms of the services that have had their funding cut, and you refer to it in your annual report regarding self-determination and working with communities, but how is the gap being filled by those services that are now no longer funded?

Ms FALKINGHAM — There are a range of things. There have obviously been other funding sources, so some of those organisations have applied for grants through health and human services. Some of those have applied for grants through other commonwealth agencies.

Ms WARD — So there is an overall cost to the state government from those funding cuts?

Ms FALKINGHAM — No, what those communities have done is that they have redirected and changed their business models in relation to the sorts of funding and support they get from the state government. It really is still on state services. We are not stepping into the fold to fund services the commonwealth government would normally fund. It has been actually looking at their business models and working out how we can make them sustainable in the future. That might mean, for example, increasing their services in the health space or increasing their services in education, but within the existing funding pools that our government departments already have.

Ms WARD — So how do communities cope with over a \$100 million being taken from them each year?

Ms FALKINGHAM — It has been very difficult and the conversations obviously have been very difficult, but, as I mentioned, we are not stepping into the fold for areas that we think the commonwealth government should continue to support. It has been really about what is the new conversation we have with communities about what support the state government needs to provide into the future under the umbrella of self-determination.

Ms WARD — So there still is a gap in terms of service provision that has not been filled by the commonwealth because of these cuts, and it is not a space that we can step into as a state.

Ms FALKINGHAM — That is correct and so we continue to lobby and advocate through the commonwealth, through the COAG processes and through other ministerial council processes for a reinstatement of that funding. We are also keen, given the recent *Closing the Gap* report release, to really focus our efforts around how we catch up in a number of those areas for the Victorian community. So, for example, in the connect community space we are working with our Shepparton community over what that would mean now that the commonwealth has suggested a different approach to empowered community. So us looking, again, through the self-determination lens of how the state government and how local government wants to work with those communities into the future, but we continue to advocate to the commonwealth for the reinstatement of that funding.

Ms WARD — Thank you. Thanks for continuing to advocate as well.

Ms PENNICUIK — If I could turn to the energy, resources and environment branch of the economic policy and state productivity group and just ask a follow-up question as to whether that branch has been involved in any modelling of a state-based renewable energy target or done any work on that particular issue?

Mr PHEMISTER — Where that branch commissioned or was working on it?

Ms PENNICUIK — Commissioned and/or is working on it — has anything to do with any involvement with that particular issue.

Mr PHEMISTER — Of course. I cannot attest to the time, from memory, but there is ongoing work constantly with the department around monitoring household impact of different scenarios around energy. Whether one of those is specifically related to the renewable energy target at a federal or state level, I will have to go back and look. I suspect, and definitely from memory, that there are components of various pieces over the last couple of years where that was one of the reference points for the modelling. I will have to go back and have a look through and I daresay the answer will be different components of different pieces of work from time to time. So, for example, when we get stakeholder submissions for budget, we will model impacts just for advice and also whenever there is any potential change at the commonwealth level or murmuring at the commonwealth level around policy change, we will do some early preparation work in anticipation of potential

policy change. So we have some stats and models that we go to for that modelling and they are kind of an ongoing source of advice for us. So the answer would be: a few different pieces.

Ms PENNICUIK — Would you be able to provide some detail on those?

Mr PHEMISTER — Yes, of course. And these will be all part of the publicly disclosed contracting, contracts and consultancies. I think what I will need to do is also dip into the department to get some advice from the department around what they had done where we have just played an advisory role rather than a commissioning role as well. It is taken on notice.

Ms PENNICUIK — I appreciate that. Thank you.

The CHAIR — I have a question in relation to productivity. I note that productivity comes from three sources: investment in physical and intangible capital, investment in human capital and in innovation. The Victorian economy has been growing at a significant rate for probably the best part of 20 or 25 years. A lot of that is obviously driven by population growth and the commensurate increase in demand on services. I was just wondering from a DPC perspective whether you have got any thoughts or insights, in your view, of what you were looking at in terms of 14–15 terms of raising Victoria's productivity rate.

Mr ECCLES — You are correct in drawing attention to the historical strength of Victoria's population growth and in particular growth supported by population movements from other parts of Australia. In fact we excel as a state in attracting migrants, if you like, from other parts of Australia. That growth has tended to conceal — I think, again, it is implicit in your commentary — some flatter workforce productivity growth. So it is not as strong as the government would like, and so there are a number of initiatives that are underway within the state to support an uplift in productivity, one of which is the agenda being run by the skills minister to support the workforce development of Victoria.

The other would be in relation to the infrastructure investment. That, clearly, when it is mature, will have a significant impact on the productivity of the state in a number of domains — the movement of goods and services, the movement of labour. So yes, it is a challenge, and yes, the government is determined to address it. I might ask Mr Phemister to supplement my comments.

Mr PHEMISTER — Thanks, Secretary. Chair, absolutely right. What has been a feature of productivity across Australia, particularly in Victoria, over the last 10 years is the slowdown. There was all the sort of micro-economic reforms which boosted productivity kind of in the 80s, 90s. There has been a global phenomenon in the sort of developed world around a slowdown of productivity. When you look at the national tables, Victoria looks like it is lagging. That is because the productivity numbers are so skewed by the mining boom. Productivity is kind of outputs from inputs, and the prices of commodities have just made the other, the mining, states look as though they are highly productive when in actual fact it is more a function of markets.

What we are seeing at the moment is continued strong population growth in Victoria, but productivity growth has been really flat, it is fair to say, over a number of years. So to sort of add a different dimension to your three, which I absolutely agree with, there is kind of the private sector productivity and public sector, and public sector is a big part of the Victorian economy and so we are constantly looking at how we can make the private sector and the public sector more productive. They are kind of two different dimensions to the three categories you disclosed.

The infrastructure agenda is obviously a big play in productivity, and take a project like the Tulla widening project, with — and I do not think it is a contentious one — the flow from the port that flows into Melbourne; it dramatically increases productivity, on the goods and services side. Then on the human capital side, obviously the skills agenda is the major player. But we also have created, this year, in the bureaucracy Startup Victoria, which was an election commitment. That is an area where Victoria has seen a little bit of a jump in the last little while. So traditionally kind of the start-up economy has not put a dent in the overall productivity numbers, but increasingly globally the start-up activity is playing a larger and larger role in terms of driving productivity. It is fair to say New South Wales has led the way on that with start-ups, but Victoria is rapidly catching up. Just so to add to the secretary's list of productivity-enhancing, if you like, investment, Startup Victoria is one that we kind of hold great hope for in terms of sending that chart upwards again.

The CHAIR — There was a book published — I think it might have been last year, or it might have been 2014 — by Detter and Fölster, and it is called *The Public Wealth of Nations*. It focuses on better utilisation of public sector assets in order to increase the efficiency in the delivery of public services. Specifically I think their thesis is that if you can look at trying to separate, from the operational level of government, assets and you put them under professional management, run them better, increase their rate of return, then you can look at providing more services or a commensurate number of services but at a cheaper price.

One of the areas they focus on, for example, is the issue of public sector accommodation. I think there was a finance minister in Belgium who won a eurozone award for public servant of the year because they identified the fact that there was surplus office accommodation in place and encouraged people to work from home. Therefore it dealt with the issue of congestion on our roads and our rail network, because there was greater flexibility; it freed up capital because some of those buildings could be offloaded; and it just led to a more efficient delivery of public services.

Mr D. O'BRIEN — Is that a question, Chair?

The CHAIR — This is a longwinded supplementary question. But I was just wondering, in relation to the 14–15 financial year, has the government given thought or consideration to looking at more flexible working arrangements, having more hot desks in place or encouraging people to work from home, and is there the IT infrastructure in place to enable that to occur, to again look at increasing productivity and efficiency?

Mr ECCLES — I can talk specifically about DPC, but unfortunately the story does not begin in 14–15 so much as in the latter half of last year, where — —

Mr D. O'BRIEN — I will have to rule it out there, Chair.

Mr ECCLES — If you would accept my contribution on the basis that it technically falls outside scope?

The CHAIR — Of course.

Mr ECCLES — We recognised from our workforce that it not only relates to the caring responsibilities of a number of people in DPC but also the productivity generally of the workforce. So we made a significant investment in ultra-mobile laptop technology to enable people to — within DPC, rolled out across the entire department, at a cost of?

Mr CAMPBELL — I would have to check with our chief financial — —

Mr ECCLES — At a cost of a lot — many millions of dollars. To support the — —

Mr CAMPBELL — About 2.

Mr ECCLES — About \$2 million, so that every individual has access to this technology, and we put in place the authority for managers to be able to support the work of their staff outside the department. So that is the investment that we have made specifically within DPC. I am not familiar with whether there has been a similar investment in other parts of government, but — Ryan are you aware of — —

Mr PHILLIPS — No, no I am not.

Mr ECCLES — So I can only talk about the investment in DPC. But I do know that, again, at the Victorian Secretaries Board we have a general commitment to maximising the productivity of our workforce, and I have no doubt that if we dug into various parts of government, we would see similar initiatives directed at assisting the workforce in being as productive as possible, which in a number of cases means working other than in the CBD.

The CHAIR — Excellent; thank you.

Mr D. O'BRIEN — While we are having an economic policy debate, there was a study a number of years ago, in fact, talking about under-utilised assets that highlighted that there was in fact a very good economic case for decentralisation because many of our schools, hospitals and other public facilities are actually under-utilised in country areas — i.e., they were built for 500 kids, there are only 400 there now; you can put them in there

without having to build a new one at Cranbourne or Point Cook or anything. So I throw that in just to one-up you and highlight that I read something occasionally too.

The CHAIR — I think you got that from the National Civic Council, but anyhow, continue.

Mr D. O'BRIEN — I just want to go back to staffing matters. In the annual report there is a reference to the establishment of the infrastructure entities group in January 2015. Can you advise how many FTEs were assigned to that group and what the mix of VPS and executive staff was in that area?

Mr ECCLES — I am having a look now to see whether my briefing includes the number of FTEs, and it does not, so I will have to take that on notice. But indeed we established the infrastructure entities group essentially to advise on the establishment of Infrastructure Victoria, so there was the preparatory work for Infrastructure Victoria, and it was led by Dean Yates as the special adviser, infrastructure. We seconded some staff from within DPC, and there were some staff who were migrated from the former transport department. My recollection, because they worked on my floor, was that it was a modest crew. There may have been two executives, but I will certainly come back to you with the breakdown. And nor was it a static number, because we were bringing people in and out — —

Mr D. O'BRIEN — Building up.

Mr ECCLES — Indeed. And now with essentially Infrastructure Victoria having been launched and operating outside our office, their complement is progressively being boosted.

Mr D. O'BRIEN — They were established, though, to do Projects Victoria as well. Can you update on how that is gone?

Mr ECCLES — No, the Projects Victoria was a separate commitment from the government, and it is still being considered by government — its final form.

Mr D. O'BRIEN — Okay, but the annual report does say that that group specifically was Infrastructure Victoria and Projects Victoria. That is still the case?

Mr ECCLES — No, they are entirely separate. It ended up that they were grouped for convenience and then with the trajectory of Infrastructure Victoria being pretty prominent it ended up moving at a pace, and Projects Victoria still remains an exercise in progress.

Mr D. O'BRIEN — So is there a separate group now being set up within the department to consider Projects Victoria?

Mr ECCLES — Projects Victoria is being developed through a combination of the input of Treasury and DPC, so it does not actually have a — —

Mr D. O'BRIEN — Separate group.

Mr ECCLES — Not in the same way as there was an infrastructure entities group. Its development work is being done as the general policy development work of the two departments.

Mr D. O'BRIEN — Okay. I was going to ask you: any idea on a timeline for that?

Mr ECCLES — It is a work in progress.

Ms WARD — 2014–15 would have seen a great deal of planning, I suspect, for this year for the Long Tan commemorations that we have coming up, and in fact this weekend I know a number of us will be at graveside vigils on Sunday. I will be at one in Eltham, which I think will be pretty amazing. Given that this year is the 50th anniversary of the Battle of Long Tan and the Vietnam War, can you please advise us of the work that has been undertaken throughout 14–15 to get us to the point where we are commemorating this period?

Ms FALKINGHAM — There have been extensive preparations. There has obviously been work with the veteran sector itself. There has been work with schools. There has been work with the galleries in relation to the visual representations they will have around for Long Tan. Activities have been planned that link the experiences of veterans in both Long Tan and the Vietnam War. So there is a long program now; I am sure you

have got access to it, but we are happy to send it to you as well. It has been a really iterative program across government.

Our partners at the Department of Education and Training have been heavily involved, and our partners in creative industries have been involved, so it will be a fantastic commemoration this year and one that I know the Premier has been very keen to ensure that school communities are really aware of. We are talking about bringing kids in from lots of local school districts to be part of the commemoration. But there is quite an extensive program of activities.

It has a strong focus on local activities as well and a focus on the regions as well in terms of sharing some of the work we have done around not only the memorials but also the museum and other partners being involved in that.

Ms WARD — I know there has been interaction with Vietnam Veterans Association of Victoria. What has been their feedback about the scope of things that are planned for this commemoration?

Ms FALKINGHAM — I think they have been very happy and very supportive. They have been involved from the very onset in terms of how the planning occurred, so I am not aware of anything we are not doing that they have requested. It has been a very extensive community consultation process, and obviously funding for it was decided in last year's budget to be able to do that work. We did get the \$5 million over four years that has been spread across the entire commemoration period. We work actively with all of our veteran partners to make sure that the celebration is very much in keeping with the cohort and what they are able to participate in over the four-year period.

Ms WARD — I ask because I think that consultation is really important, especially for the Vietnam veterans community. I know for my own DViets — the Diamond Valley Vietnam veterans association — that it is particularly important for them to be able to have their own views considered and be a part of the conversation.

Ms FALKINGHAM — I will just mention this also: obviously the centenary committee has had a strong focus on that. It is obviously led by the former Premier of Victoria, who has been having lots of local consultations as well.

Mr T. SMITH — Secretary, I turn to the capability review, which was announced, into Mr Somyurek's office and the recommendation from you that capability reviews be conducted into all ministerial offices. How many ministerial offices other than Mr Somyurek's have a capability review underway or completed, and what was the specific cost of the capability review into Mr Somyurek's office?

Mr DIMOPOULOS — On a point of order, Chair, I just remind Mr Smith and potentially the witness that the comments should relate to the 14–15 financial year.

Mr T. SMITH — Given that Mr Somyurek was stood down on 23 May 2015, I feel that this is entirely appropriate.

Ms WARD — Is it referred to in the annual reports?

Mr D. O'BRIEN — Mr Somyurek is.

The CHAIR — Just on this point, I think Mr Smith is indeed correct that Mr Somyurek was stood down in May of last year. I am not sure when the decision around capability reviews was made. I believe it might have been actually post 30 June 2015. But if the secretary is happy to provide comments or provide a response to Mr Smith in relation to that period of time from May 2015 when Mr Somyurek was stood down until the end of the financial year, then I am happy for the question to stand.

Mr ECCLES — I do not have before me the breakdown of the costs, which would enable me to disclose the cost of Mr Allen's capacity review, but I am happy to bring that back to the committee. In relation to the conduct of capability reviews more generally, I am not aware that any other capability reviews have been commissioned.

The CHAIR — We might break now for 15 minutes, and then we will resume.

We might resume now. I know the members of PAEC are starting to look like the actors or the contestants from *I'm a Celebrity ... Get Me Out of Here!*. We are now down to five so if anyone feels the need to leave the room, we will be inquorate. If that is the case, we will pause — we will be lacking a quorum.

Mr D. O'BRIEN — Like any competition though, the best are the ones that are left — the stayers.

The CHAIR — Thank you, Warney!

Mr DIMOPOULOS — In terms of the challenges into the future in the multicultural portfolio or service delivery to multicultural groups, I have a significant multicultural or culturally diverse constituency. I have been approached several times by different groups, and they centre around two key things for me. The Indian community specifically — growing, established yet emerging, wanting spaces to meet, wanting their own venue to call theirs, whether it be associated social support services they provide in — —

I understand that the Victorian government does not fund spiritual centres and temples and stuff — places of worship — but the communities are more complex than that. They have associated services around their place of worship that provide support to their community, including English language classes, including food, counselling and support services, companionship. Similarly, Greek and Chinese communities, particularly Chinese communities around aged care — culturally appropriate aged care. There is a whole range of things that I foresee and others, I am sure, also foresee that may be an impost on the budget — or may be a call on the budget really rather than an impost; I think they are good things to do. I just want to get a sense within the reporting period what work — and it is really strategic work: forecasting demographic changes, forecasting needs, and that will be across portfolios rather than just in DPC — has been done or perhaps what work will be done in relation to those kinds of needs beyond your normal festival grants, that kind of stuff.

Ms FALKINGHAM — Under Minister Scott's leadership there has been a real refocusing around multicultural affairs to move it from being a grants events-driven organisation to a deep policy and outcomes-driven entity. So we conducted a capability review, which was led by Warren McCann, to actually look at what were our planning capabilities, what were our service mapping capabilities. What we have found through that process is a bit of a road map around how we transform that organisation. It is fair to say we do planning around new and emerging communities and existing communities in a fairly ad hoc way at the moment in terms of service mapping within each of our service portfolios, so a lot of the work — —

Mr DIMOPOULOS — Sorry, that is my understanding too, and I think it is largely driven by the communities rather than by government. You know, it is good to be driven by the communities, but we seem to be responding.

Ms FALKINGHAM — Absolutely. We have started a dialogue with local government as well in terms of their role in actually looking to the future in terms of how we plan for new and emerging communities, and the complexity that comes with new and emerging communities settling with existing communities in terms of the work that Mr Phillips is leading around to social cohesion. But you will see that there will be a lot of work that will be discussed over the next six months in terms of what is our future direction in terms of multicultural affairs, with a particular focus on what whole-of-government support do communities need. They are in the productivity space around ensuring that people are settled in areas where they have good access to public transport and access to good jobs.

We do think there is a significant role for the commonwealth to play in working much more closely with the states around settlement, and we have a range of settlement governance mechanisms with the commonwealth, but I think that that will gear up, particularly with our new intake around the Syrian refugee cohort. We are trying to have as much engagement as we can with the commonwealth to start planning much earlier, but in terms of the existing landscape, multicultural affairs is doing a lot of thinking and a lot of planning as to what does the shape of Victoria look like over the next 10 years.

Mr DIMOPOULOS — Just a quick follow-up. In terms of the capacity — I cannot remember; was it a capability review or something? I do not need any detail really. Apart from the actual personnel and the structure of the bureaucracy in that area, was there any focus or attention given to the way the multicultural and other communities, including business, influence the public service? When I was there we had interfaith councils and advisory bodies and a whole range of those structures. Do they work? Who drives who? Was there any effort on that aspect of the portfolio — any attention given to that in the capability review?

Ms FALKINGHAM — Mr McCann’s report talks about the need for consistency in engagement with the private and the NGO sector around bringing their capabilities to bear in working with our multi communities. We are having lots of discussions through multicultural affairs looking at job opportunities into the future, in terms of looking at different programs that we run and support. The secretary mentioned work we are doing looking at things like unconscious bias, which we think it is important that the public sector really leads on in relation to looking at our employment practices. The DPC has been doing some trials around some of that work, but how we share that learning with the broader business sector is really important.

I think that having a focus in multi around really looking at where the opportunities lie into the future, as I said, with the new intakes of refugees that will become more and more important, and that is why we have looked at the capabilities that you need to have — you know, dialogue with business. We obviously work really closely with our DEDJTR colleagues in relation to some of that work, and a lot of the settlement planning is done in collaboration with them as well.

Mr DIMOPOULOS — Just one final question — sorry, Chair. I am interested in unconscious bias. There was a report done by the equal opportunity commission several years ago, probably eight or nine years ago, and there are probably more recent ones, and from memory I think if you had a particularly Greek-sounding name — my birth name is Stavros, not Steve, so Stavros Dimopoulos — you would be three times less likely to be picked up from a résumé to be interviewed for a job. If you had a non-anglicised Vietnamese name, you would be five times less likely to be picked up for an interview, from memory. That is profound discrimination, because a whole range of things flow from having a job. I would love to see an opportunity where you have no name on an application in the Victorian public service — a whole range of those obstacles — and you just appear purely on your merits, so it would be interesting to hear what thought you have given to that.

Mr ECCLES — I have not given any personal thought to the deidentification of applications. I think our preference might be to work to address the problem, which is to deal with the issue of bias, rather than the more direct approach that you have identified. It would make for an interesting situation at interview when you call them ‘candidate A’ or ‘candidate B’.

Ms PENNICUIK — There could be discrimination between candidate A and candidate B.

Mr DIMOPOULOS — I think once you appear for the interview all bets are off, but I think to get to the interview is where the key thing is.

Mr ECCLES — All joking aside, it is a serious issue. The Victorian Public Service Commission is looking at everything that is associated with our recruitment practice in the VPS, and within that is very much the issue of unconscious bias. It is one of the things that emerged for me as part of my Male Champions of Change role when I conducted a series of focus groups of aspiring executive women and aspiring executive men to find out what their lived experience is in terms of recruitment, and even in what I would hope is a progressive organisation bias appears in subtle ways in many forms, not just as explicit and deliberate as the bias associated with a particular ethnic name, so it is something that we need to pay constant attention to.

Ms PENNICUIK — That is a very serious issue that has been raised there by Mr Dimopoulos, but I would like to go a bit more technical and look at an issue that I know Dr Carling-Jenkins has been raising with the departments, and it is in regard to the impact of machinery of government changes and the costs associated with those. When initially asked the question regarding this by the committee in the questionnaire in 2015, costs were reported as being absorbed within existing budgets, but a figure of 341 430 was supplied as the costs associated with machinery of government changes when questioned by the legal and social committee inquiry into the same, conducted some six weeks later. Firstly, could you supply an explanation as to that difference?

Also, in the general questionnaire received by PAEC there was a bulk cost figure of 325 000 for IT and records management, which appears to be quite high compared to other departments, but that may be expected in terms of your department. But also in the questionnaire, on page 3, it says there was \$1.3 million required for a section 30 transfer of arts and then, on the next page, collectively about \$810 000 for transfer of operational costs for the public record office, the Office of the Chief Parliamentary Counsel and the Ombudsman. Anyway, the theme is: what were the total costs, and why do there seem to be such different figures?

Mr ECCLES — The total cost was \$343 000, so there is a slight variation to the published figure, but I might ask Mr Campbell to help us with the detail.

Mr CAMPBELL — I assume you are referring to the table that was provided as part of the inquiry, which has the breakdown around consultants, relocation, telephony — —

Ms PENNICUIK — Yes. I am just seeking clarification.

Mr CAMPBELL — So your query is the amount differing from what we have supplied in that document — —

Ms PENNICUIK — Supplied in various documents and also the IT, but also the issue of transferring public records. There seems to be a figure associated with that.

Mr CAMPBELL — It is work that needs to be done as part of machinery of government changes — movement of documents and things like that — so that would have been part of the public records effort, so I imagine that would cover that amount. In terms of IT and records management, we mentioned before the work we did on the mobile workforce, so some of that cost will be linked to investment by the department in relation to that, and anything else I am happy to discuss further.

Ms PENNICUIK — In this financial questionnaire, on page 5 I can see the 50 000 and 60 000 for the Ombudsman and chief parliamentary counsel, but the 700 000 transfer for operational costs with the public record office seems to be over and above the total cost that you are talking about.

Mr CAMPBELL — Sure. Perhaps we can take on notice any further detail on their work, but as context I understand that they have been progressing a transformation project in terms of their record management which may be aligned with the machinery of government work that they were trying to progress. But let us go forth and check that.

Ms PENNICUIK — It seems to be double the entire cost that you have been referring to.

Mr CAMPBELL — Sure.

Ms PENNICUIK — Anyway, it is just unclear.

Mr ECCLES — I am sure there is an explanation in there somewhere, but we will come back to you with it.

The CHAIR — I just want to return to your engagement in 14–15 in relation to the white paper on the reform of federation. I know former Premier Jeff Kennett talked about an amalgamation of Victoria, South Australia and Tasmania as a concept and idea, which is clearly not particularly plausible. But leaving that to one side, I am just wondering, given the fact that Victoria has tended to surf the curve and lead the way in terms of good quality service provision and public service delivery for decades — I mean, let us be fair and reasonable, I think the coalition deserve their fair share of credit in this regard as well — —

Mr D. O'BRIEN — Absolutely.

The CHAIR — And given the fact that if you were to look at South Australia and Tasmania as standalone entities, they are economically marginal at best.

Mr D. O'BRIEN — Mendicant states.

The CHAIR — 'Mendicant state' has been a term that has been used, yes. I am just wondering, from the point of view of Victoria, has thought or consideration been given in that 14–15 year of Victoria being able to provide services to those mendicant states on a fee-for-service basis?

Mr ECCLES — I have been around the issue of intergovernmental relations for a while, including in my role as the chief executive of the South Australian Premier's department. We certainly were not at that time interested in outsourcing the service provision to Victoria. And I do not think, having switched hats to Victoria, that I recall that there was a renewed appetite on the part of South Australia to contract with Victoria for the provision of services.

There is, however, a flow of services across borders, usually the private sector, you know, tendering for the provision of a service, say, education in prisons. Historically Victoria was able to provide vocational education and training into New South Wales prisons. So there is a flow of service activity across borders, but never to my

knowledge has there been a suggestion that a sovereign state would outsource its human service delivery to another state.

The CHAIR — I suppose service delivery in itself is problematic because often at that frontline level you are talking about frontline services. But I wonder in terms of some of those other functions of the state which might not necessarily involve service provision but, for example, if you look at procurement, if you look at contract reviews, if you look at technical advice in relation to PPP delivery — I mean Victoria has traditionally been outstanding in that area — whether that as a concept could be done with those states.

Mr ECCLES — Look, I mean, yes, and perhaps I read down your inquiry too narrowly because absolutely the history has been of Victoria sharing its intellectual property with other jurisdictions in relation to a number of areas of public policy. We have Infrastructure Victoria at the moment which will be leading a debate with Infrastructure New South Wales, Infrastructure Australia and Building Queensland around the approach to benefit-cost ratios. So we take a leadership role in many forms. I see and probably my colleagues have got examples of where there has been the migration of Victorian IP into other jurisdictions.

The CHAIR — Do you think that could be monetised? I mean, it is one thing to share and to collaborate, which is a very good thing, but the notion that Victoria could monetise its IP to those other jurisdictions?

Mr ECCLES — I had not heard of the idea of monetising our IP as a public sector with a view to getting a return through its sale. COAG tends to be slightly less transactional, less driven by the opportunity for profit at the expense of other jurisdictions, and we do tend to share our learning and our experience and our innovation and our intellectual property. I am not sure it would be in the interests of the federation and the sharing of excellence and expertise for us to retreat — I suspect it might be a bit of a retreat — to the monetisation of our effort and then be putting it up for sale.

Mr D. O'BRIEN — Mr Eccles, I just want to go back to the office that you mentioned. The 373 000 that you referred to for the Special Minister of State's office, was that just for construction, or was that fit-out as well?

Mr ECCLES — I do not know the answer to that.

Mr D. O'BRIEN — Could we get that on notice, then — —

Mr ECCLES — Yes, we will get a breakdown.

Mr D. O'BRIEN — With a breakdown of the fit-out as well?

Mr ECCLES — Yes.

Mr D. O'BRIEN — And, by way of supplementary, is DPC responsible for all ministerial offices, or only those within the department?

Mr ECCLES — Only within the portfolio.

Mr D. O'BRIEN — Okay. Could we also then get a breakdown for DPC of any ministerial office fit-outs or upgrades since the change of government and to the end of 2015?

Mr ECCLES — Yes, I would see no issue with that.

Mr D. O'BRIEN — Including furniture and electronics et cetera?

Mr ECCLES — Yes, we can do that.

Mr DIMOPOULOS — Secretary, just going into your presentation and your mention of the Premier's Jobs and Investment Panel, I just want to get a sense of the activity in the financial year that we are looking at in relation to that. I know we only had a few months of that financial year. I mean, I know what the aspiration of that panel is, but what are some of the achievements that it has set itself, some of the tasks it has set itself and some of the achievements it wants to meet?

Mr ECCLES — I have had the benefit of being on that panel from the beginning, and under the chairpersonship of Harold Mitchell it has delivered some extraordinary outcomes. I will leave Mr Phemister to fill in the blanks.

Mr PHEMISTER — Thanks, Secretary. Thanks, Mr Dimopoulos. You have got the terms of reference, which you are obviously familiar with. Harold Mitchell, AC, is indeed chair, and the members include three ex officio members, so the secretaries of DPC, Treasury and Finance, and Economic Development, Jobs, Transport and Resources, and then there is a range of other members who you are probably familiar with, but I will whip them off really quickly: Amanda Banfield, Dr Megan Clark, Professor Glyn Davis, Ms Belinda Duarte, who is a director, with a social policy background with a particular interest in Indigenous affairs. She brings a really unique view to the group. Tracey Fellows, REA Group, so that is realestate.com, so kind of the innovation side. Sorry, I should have also given you the CVs for Amanda and Megan as well.

Amanda Banfield is Mondelez, so Kraft and all of that. Megan Clark, a former CEO of CSIRO. Tracey Fellows I mentioned. Graeme Ford, VFF. Luke Hilakari, Victorian Trades Hall Council. Tim Piper, AI Group. Margot Spalding, Jimmy Possum, Bendigo, so an innovative furniture manufacturer and retailer. Mark Stone, VECCI. And Ms Jill Walsh, who is a partner in a metals industry in the south-east of Melbourne, who has been doing some really interesting stuff in the transition of south-east Melbourne manufacturing from auto industry to new opportunities.

Mr DIMOPOULOS — What is her company name, sorry?

Mr PHEMISTER — So, Jill Walsh is Actco-Pickering Metal Industries, and she is a partner there.

Mr DIMOPOULOS — Is that in Dandenong? I think I may have met her.

Mr PHEMISTER — It is indeed. Yes, that is the one. So it is unique. It is a great group of individuals, and they have carriage for direction of the government's \$1 billion Back to Work plan. The group has met four times and has brought together a bit of a framework that they work under, and it is within that framework that they have achieved the majority of their gains.

Business environment is one, and there has been a whole lot of work being done on the planning environment for business — the regulatory environment — and different industry opportunities that exist in government's six priority sectors. And Tim Piper and Mark Stone kind of lead that group. As I said, their major focus to date has been around business regs and business planning. What it has done is it has brought the voice of the business community directly to the Premier, if you like, without any intermediaries. It has been quite effective, and they have achieved a work program on red tape reduction and regulatory reform. So that is really great.

Livability is chaired by Glyn Davis, and that is looking at cities. Obviously there is a big cities agenda at the moment bringing together the strands of environment, transport, livability into the cities, and that is something that Melbourne holds dear — livability. It is one of our major assets. And that has positioned us really well for the commonwealth cities agenda that we are anticipating in the next couple of months, just by way of how we can think about how Melbourne defends its livability status and how you can grow livability and economic activity in regional cities as well as the centre.

Inclusive growth is another committee, and the group views diversity and equity as an economic asset of the state. It is very much in that frame of mind, so inclusive growth is not a nice to do, to paraphrase Harold, it is an essential as part of a contemporary healthy economy.

So you have got the working groups that are well under way. Major achievements of the groups thus far have been sign-off of the funding guidelines around the Premier's Back to Work program. That includes the Future Industries Fund, Regional Jobs and Infrastructure, and the Premier's Jobs and Investment Fund as well at a strategic level. Where the group is moving at the moment is to how you measure impact from all these different activities.

One other dimension that I will touch on briefly is the access Harold has given us through Asia and particularly through Indonesia. So he is accompanying the Premier in his first trip to China, but his access to high net worth individuals globally has been a real fillip for our trade and investment agenda as well. The same can be said for a range of other people on the panel; I just pick Harold out as an example.

Mr DIMOPOULOS — Just a quick follow-up. With the cutting of red tape, that obviously would go to the local government sector as well — the recommendations would be.

Mr PHEMISTER — Absolutely. The 25 per cent red tape reduction target rolls on. And that is for state government, but if you think about something like planning, which is a big regulatory environment — for good cause in some respects and in others we are always looking to reform — it has to touch into local government. So people like Jill Walsh and Margot Spalding, who are real rocks of communities both in south-east Melbourne and Bendigo, bring that real local perspective to the red tape reduction agenda. So, yes, very much.

I think one of the real strengths of the group is it is tier of government agnostic, if I can say. Like, if there is something they see in the way of government, they are informing our commonwealth-state negotiating position, they are informing our relationship with local government and they are informing direct state level policy agenda as well.

Mr DIMOPOULOS — A nice term, tier agnostic. I think most of my constituents are tier agnostic as well.

Mr T. SMITH — Thanks very much, Chair. Mr Eccles, I will return to the issues surrounding the review into Mr Somyurek and the day of 23 May 2015. I am just interested to know around conversations that you had that day and on the previous two days — the 21st and 22nd — with Mr McLindon, and whether or not any internal Labor Party issues were discussed in those discussions. I am also interested to know how you arrived at appointing Mr Strong to investigate Mr Somyurek. I was wondering if you could detail those conversations to the committee, particularly the appointment of Mr Strong.

Mr DIMOPOULOS — Point of order, Chair. I would like to know many things too, but the reality is I think private advice to government is just that. I do not know how that relates to the budget documents.

Mr T. SMITH — The question is within the reporting time frame and I think it is entirely appropriate.

The CHAIR — I am not sure what discussions Mr Eccles may or may not have had with Mr McLindon are relevant for this exercise. But in relation to your question about the process around the appointment of Mr Strong, assuming Mr Strong was appointed prior to 30 June, I am happy for that to be asked of the secretary.

Mr ECCLES — Taking that part of the question that appears to remain in order, which is that relating to Mr Strong, we canvassed a range of possibilities internally — that is, internal to DPC — as to who had the necessary background and experience to discharge the role. Mr Strong's experience as a respected former judge was a significant part of our consideration. We offered that recommendation to government and government accepted the recommendation from DPC that former Judge Strong take on the role.

Mr T. SMITH — Were any other names recommended?

Mr ECCLES — There were other names that were canvassed internally within DPC. I do not believe, to the best of my recollection, that any other name was offered to the government by DPC. That is correct.

Mr T. SMITH — No other name was suggested?

Mr ECCLES — No other name was suggested.

Mr D. O'BRIEN — Could I just jump in there for a sec, Chair? Correct me if I am wrong. I think we asked about the cost of Mr Strong's report, which you do not have. Did you take that on notice?

Mr ECCLES — There is a global cost that I understand was disclosed by the Special Minister of State in the Legislative Council. I do not have before me the breakdown of the costs associated with Mr Strong's investigation and Mr Allen's capacity review. You have asked me and I have offered to provide the breakdown as it relates to Mr Allen's review, and I am happy to do the same for Mr Strong's investigation.

Mr D. O'BRIEN — The other question on that, Mr Eccles, is with respect to legal advice provided to the parties. I think the government had agreed to cover that. Is that standard practice in these sorts of situations? Again, if we could get a breakdown of the costs of what the government has covered for the parties.

Mr ECCLES — The practice is conventional, and I am happy to look at the breakdown further of the amount that the Special Minister of State disclosed in the Council.

Mr T. SMITH — In terms of the way Mr Strong conducted his review, I am just intrigued to know why some of the former minister's witnesses were not interviewed.

Mr ECCLES — That would have to be a matter for Mr Strong. He was given complete authority to conduct the investigation in a manner that he saw fit, and so I have no insight into the methodology that he chose.

Mr T. SMITH — And why, for example, statements were not taken under oath.

Mr ECCLES — The same response.

Ms PENNICUIK — I want to go to the issue of performance measures. The annual report, page 24, reports a higher than anticipated satisfaction rating for policy services provided by DPC and reports that this result is higher than the target because there was an increase in satisfaction of policy services provided by the department. I am just wondering, in terms of clarity, meaningfulness, robustness et cetera, how does the department actually measure this? I mean, are people asked to do a survey, are ministers involved or other departments involved, are external groups involved? How do you actually measure that, because it is a qualitative performance measure? Given that DPC is the sort of lead department on the sorts of issues that we have been talking about before, I would like some information to unpack how you work out that you are performing higher than you were previously.

Mr ECCLES — I assume it is done through surveying of our clients. Precisely who we survey I do not have at my fingertips, but I am very happy to give you as much information as we hold around the methodology associated with that particular measurement.

Ms PENNICUIK — That would be great, thank you, Secretary, especially as you have declared yourselves as performing higher in 2014–15 than you were the previous year.

Mr ECCLES — It is a very, very simple question. Mr Campbell might make a comment.

Mr CAMPBELL — The one thing that should be noted is that DPC has been doing work to rationalise or find performance measures that are challenging, make sense and pick up on the feedback from stakeholders. That is arising from reviews, as you know, from VAGO about improving the types of measures and their coherency for people such as you to be clear about what has been achieved. I understand you have had other discussions with other departments, and the thing I would want to mention is that DPC has done a lot of work in trying to strengthen its measures and continues to do that, so what you are seeing today in terms of outputs reflects both the MOG changes but also work that we are doing to improve our measuring of performance.

Ms PENNICUIK — Will you be leading other departments in that regard too?

Mr CAMPBELL — It is up to individual secretaries to progress their work, but obviously as a central agency we have an interest in making sure we are doing the best that we can in terms of good governance and appropriate performance measurement.

Ms PENNICUIK — Thank you.

Mr ECCLES — Hear, hear.

The CHAIR — Secretary, last year was the 40th anniversary of the arrival of the first Vietnamese boat people as a result of the end of the war in Vietnam. I think all members would agree that the Vietnamese community have had a profound influence on our community for the better. They have made a terrific contribution in broadening our engagement with Asia and making us a richer and better society as a result of their decision to choose Australia, as opposed to any other country in the world. Although the arrival and the anniversary of the arrival were outside the reporting period, I am just wondering, in relation to the 14–15 year, in anticipation of the 40th anniversary, if you might be able to share with the committee some of the work that DPC may have done to prepare for the anniversary of this great event.

Ms FALKINGHAM — It is a similar answer to the previous response in that the extensive work of the centenary committee, led by the previous Premier of the state, Ted Baillieu, is continuing to guide the development of that activity. We are able to share with you a program of activities in terms of how the program will act locally as well as at a state level, so we can share that information with you.

The CHAIR — Okay. Excellent.

Mr D. O'BRIEN — Moving to a veterans affairs question, and it follows up something that we tried to deal with in estimates last year. In the 2012–13 budget — bear with me, Chair — there was an allocation of 22.5 million for the shrine's gallery, a remembrance project, which was to have been matched by the federal government. It was not for various reasons. It was topped up by the state, and we are still, as I understand it — or at estimates last year we were — all waiting to see whether the federal government was going to repay that amount. Do we know whether that has happened or not?

Ms FALKINGHAM — That has not happened as yet. We continue to correspond with the commonwealth in relation to that, but we have not had a response.

Mr D. O'BRIEN — Still not had a response from it?

Ms FALKINGHAM — No.

Mr D. O'BRIEN — Okay. When and if it comes in — presumably it will come in eventually — will it be hypothecated straight back to the shrine project, or will it go into general revenue to fill a gap that we had to fill before?

Ms FALKINGHAM — You are very optimistic; we are probably not as optimistic. We would consider what additional money we have had to put in to supplement that money to work out how much money would be hypothecated back in, versus what sort of money we would have to look at consolidating, but the intent would be to keep that within the veterans portfolio.

Mr D. O'BRIEN — Righto. So just to clarify, we have written but we have not even had a response from the federal government.

Ms FALKINGHAM — To the best of my knowledge, no, but we will confirm that for you.

Mr DIMOPOULOS — Secretary, in June 2014 the then member for Frankston announced to the world and to the government that he would support a no-confidence motion against the government on the floor of the Legislative Assembly. That was June. Could you tell me if from July 2014 to June 2015 — obviously it would not be past November, but nonetheless — in that financial year was there any legal advice obtained externally for then Premier Napthine or the Department of Premier and Cabinet in relation to this constitutional crisis, as it was described at the time?

Mr ECCLES — I will have to take that on notice.

Mr T. SMITH — Going back to your previous comments with regard to capability reviews into minister's offices, I just want to clarify that no capability review has been broached with you or begun by your department into Minister Allan's office.

Mr ECCLES — No.

Mr DIMOPOULOS — On a point of order, Chair, he needs to contain the remarks to 2014–15.

Mr T. SMITH — The answer was no.

The CHAIR — I am sorry, I did not hear whether the secretary had answered the question. I would agree with Mr Dimopoulos's point of order. These hearings are confined to those matters in relation to the 14–15 financial year.

Mr T. SMITH — And the answer is no, so that is fine. Thank you.

Ms PENNICUIK — I would like to ask a question about the 2002 *Guidelines for Submissions and Responses to Inquiries* from DPC. In 2013 there was an indication that those guidelines were being reviewed, and DPC indicated in 2014 that the review was in progress. The committee itself has made a lot of recommendations with regard to those guidelines, and most recently DPC said they were about to be released, so can you give us an update on that?

Mr CAMPBELL — If I could comment, within our general counsel — and we have our general counsel here, so if there is further detail required I am sure he would be pleased to provide that — there is a project team within general counsel which is progressing the work as per the response in the questionnaire. It has not stopped. These dedicated officers are getting on with the task of pushing that through.

Ms PENNICUIK — My question included whether the recommendations from the committee are being considered by that group.

Mr CAMPBELL — I believe so. We will just invite the general counsel to give you that further detail. Chris Miller, our general counsel, Chair, if appropriate, will join us to answer the question.

Mr MILLER — Good afternoon, committee. Thanks very much for your questions. That work is being progressed by the department, and it is a collaborative effort by my team, the office of general counsel, and the team of Mr Ryan Phillips, the deputy secretary for governance, policy and coordination, so I am not aware of the precise progress of that, sorry. I cannot talk to the precise progress of that particular piece of work, but that is certainly something that I can provide on notice.

Ms PENNICUIK — That would be fantastic. I think the committee would be very interested. Thank you.

The CHAIR — Secretary, I just want to follow up on comments made previously in relation to the answer to Mr Dimopoulos's question about the jobs and investment panel, and I ask this question, I suppose, on behalf of myself as well as Mr O'Brien, given the fact that we are both co-chairs of the Australian Indonesian Parliamentary Friendship Group. You made mention of the fact that you are looking at working with Mr Harold Mitchell in relation to his engagement and his linkages into Indonesia, and I am just wondering whether you could elaborate in a bit more detail as to some of the strategies and tactics you are looking at deploying in relation to furthering Victoria's engagement with Indonesia, which is our most important strategic partner in South-East Asia, I think. Mr O'Brien, would you agree?

Mr D. O'BRIEN — Well, it is certainly one of them, Chair, and I am very happy to have the answer, but I would note that this has nothing to do with 14–15.

The CHAIR — No, it is because it relates to the establishment of the Premier's Jobs and Investment Panel, so I am just wondering in relation to 14–15 what work was done in relation to the work of the panel with Indonesia.

Mr D. O'BRIEN — I note the leniency and breadth of the question.

Mr ECCLES — The jobs and investment panel has a more indirect role in relation to the government's international trade and investment agenda. We have a branch within Mr Phemister's group that drives the international activities of government, so I might just ask him to elaborate on the specific Indonesia component of that.

Mr PHEMISTER — Thanks for the question, Chair. It is hard, again, to constrain the answer to a particular financial year. The relationship with Indonesia and Victoria is longstanding at a number of levels, including parliamentary friendship. We have also had a well-established Victorian government business office operate out of Jakarta for quite a while, and Brett Stevens, the VGBO commissioner to Indonesia, is now well-established and producing really great results by way of both direct investment and trade.

Over the last 18 months there has been a build-up to forming a more enduring relationship with Yogyakarta. The Sultan of Yogyakarta has been out a few times very recently to declare an intent to enter a memorandum of understanding with Victoria for closer ties, which in terms of doing business in Indonesia is a big and substantial step. Bearing in mind that governments come and go but the Sultan remains, to get engagement by the Sultan of Yogya is a really great and potentially enduring step forward.

The specific role of the jobs and investment panel, as the secretary pointed out, does not really have an international dimension per se; however, with a goal of increasing trade investment in Victoria and with having this list of eminent Victorians available to us by way of advice or indeed activity, we take full advantage. Of course Mr Mitchell, with his longstanding history with the Indonesian business council and his connections through there, has been a great source of advice to us forming our Indonesia strategy and informing the Premier on matters of when and where to travel, for example, and opportunities for trade investment improvements and increases. There has not been an official trip by the Premier to Indonesia, but as I said, the Sultan coming over here will certainly be reciprocated at some point in the near future by senior government officials, and having someone like Mr Mitchell accompany is something that we will certainly look at as well.

The other thing that the panel has done is to help on the international side understand supply chains more deeply. To talk about Victorian manufacturing, you need to think about both supply and demand, and thinking about how our manufacturers in Victoria, how indeed any organisation or firm in Victoria, access international supply chains is another dimension of the Premier's Jobs and Investment Panel. It is not just about exporting our product or importing investment but about how we can tap into processes and systems and relationships and networks, and that is something where the jobs and investment panel holistically, not just restricted to Mr Mitchell, has been invaluable.

The CHAIR — In relation to the Indonesian strategy, was that devised and developed in the course of the 14–15 financial year?

Mr PHEMISTER — No. The work began, so there has been an evolving process of regional and then national strategies that our colleagues in the economic department have been leading on, so they have been refined over the last six months. The work certainly has its roots in 14–15, but the products have been rolling out in this current financial year.

The CHAIR — In relation to that early work in 14–15, are you able to elaborate a little bit more in terms of some of the things that occurred in that period of time? Was it desktop studies? Did you talk to the Indonesian consul-general?

Mr PHEMISTER — Yes, definitely desktop. ASEAN is actually a really exciting part of the world for Victoria. We kind of get seduced by China, India and some of the older traditional relationships, but ASEAN is a powerhouse of growth, and Indonesia is only growing, in terms of both population and its status as a world economy. The same can be said, I should say, for Vietnam and Thailand; the whole ASEAN community is quite an exciting place for us. It has definitely been desktop by way of analysis, but our VGBOs are our primary source of advice in terms of more qualitative inputs, and we also have a pretty fabulous network of consuls-general in Victoria and around Australia as well. My colleagues from the economic department could elaborate more, but Brett Stevens of the VGBO in Indonesia has been a fantastic source of advice, as have the consuls-general who are based here in Melbourne or across Australia.

Mr D. O'BRIEN — Terima kasih, pak. Mereka teman bagus. They are good friends. It is great that the VGBO decision was a former coalition decision, and I might further note that there were some excellent applicants for that job at the time, Chair. But anyway, onto other matters.

The annual report, page 65, highlights various costs, including supplies and services. I note from the year 2014 to 15 supplies of goods and services increased from 51 million to 65 million. That seems to me a very significant increase. I am wondering whether you can give an idea as to why that is and what it might have entailed.

Mr ECCLES — Mr Campbell might be able to assist.

Mr CAMPBELL — The significant cost is related to digital government coming into DPC for half of the year, for the six months as part of the machinery of government changes.

Mr D. O'BRIEN — Did that require a lot of purchases of goods or services?

Mr CAMPBELL — Correct.

Mr D. O'BRIEN — Both?

Mr CAMPBELL — Yes.

Mr D. O'BRIEN — Is it possible to get a breakdown perhaps of the whole lot, but of the key — —

Mr CAMPBELL — Yes, sure. Happy to do that.

Mr D. O'BRIEN — On notice. That would be great, thank you.

Mr DIMOPOULOS — Secretary, you have mentioned in your presentation that one of the policy outcomes of the last financial year was laying the foundations for the bilateral agreement between the commonwealth and Victoria on the NDIS. There has been some public commentary, and then that has fed back to me and probably other MPs in their electorates, about what exactly the definition is of where you fall into the NDIS and where you do not and where that lies.

A specific group in my community has spoken to me specifically in relation to mental health. I do not know enough about the NDIS other than I think it is a fantastic concept. Not entirely, but probably unlike other ailments, mental health can be sporadic — it can come in and out, and you may be okay for a few months and then you are not. That for me is just one example. In the negotiations in 14–15 that you have referenced here in terms of the bilateral agreement, is Victoria talking around those kinds of complications and criteria, or is it at a different level of conversation altogether?

Mr ECCLES — Because of the leadership role that the Premier has expected DPC to exercise in relation to the transition to the NDIS, we formed a dedicated branch that sits within Ms Falkingham's group. She may take the opportunity to locate your question within a broader exposition of the reforms that Victoria is now participating in.

Ms FALKINGHAM — You would be aware that the eligibility under the NDIS falls within the commonwealth legislation around the NDIS act. It was always clear through the launch process of the NDIS that we would have a lot of work to do to really understand eligibility as they apply to tiers 1 to 3 in terms of the services that will be provided to people with disability. You go to the very heart of an ongoing concern that Victoria has in relation to how people with mental health are treated under the NDIS, and the very nature of sporadic was not really envisaged when the Productivity Commission first commissioned its work in terms of eligibility. So what we have been doing is working really closely with the NDIA, looking at the Barwon trial site and really understanding the sporadic nature of the episodes and trying to actually build services around people with mental health.

It has actually been a really successful process in that in both the Hunter trial launched in New South Wales and the Barwon trial we have been able to get more and more people through a re-examination of that initial assessment stage for people with mental health. But that will become a bigger issue in relation to our final agreement that we have to reach with the commonwealth, which is around full scheme rollout. So we really see the transition and the launch period as the time to really hone and finalise, to get the maximum supports available under the NDIS for all people with disability, including people with mental health.

Mr DIMOPOULOS — Thank you, that is excellent. Can I just ask you a bit further on that? Other than budget, which is the driver of almost everything, what are the drivers in those conversations? Obviously there is budget, but beyond is there anything else?

Ms FALKINGHAM — There are significant issues in relation to being able to plan, so when we talk about our working around planning, it is often over a three to four-year period before you have a reassessment of those individualised plans. So when you are dealing with sporadic incidents of mental health, it is often very hard to plan for those occurrences. Beyond budget, there is obviously the ongoing perennial issue of the views around cost-shifting between the NDIS with both the federal and state universal platforms. This will be an issue for us over the next three years in terms of the commonwealth wanting assurances that we are not trying to push people into the NDIS that in their mind should be actually managed within the existing universal mental health platform. But really, to be fair to the NDIA, they have been really open to have different conversations working with mental health NGOs around looking at issues of eligibility. Minister Foley and Minister Jennings now lead a task force, which has a very strong mental health representation on it from the stakeholders that are invited on it. And so it is something that plays on our minds. We are actually having a whole workshop with the

commonwealth tomorrow that actually looks at some of the quality and safeguards and risks associated with the longer term rollout of the NDIS, and mental health is one of the ones that Victoria continues to prosecute.

Mr DIMOPOULOS — Thanks again, that was very knowledgeable. Is there anything that fits similarly in the bucket of mental health in terms of the NDIS catchment? Are there other health issues that would have similar characteristics in terms of difficulty of placing them in the NDIS?

Ms FALKINGHAM — Probably children is the other area in relation to the NDIS. South Australia, as you would be aware, led a launch around a statewide rollout — for all children being part of their launch. That has uncovered a huge area of unmet demand. I think it is really important that we work through really carefully with parents and with schools in terms of what their expectations are under the NDIS, because, again, we have got this issue of focusing with the universal platform. So when we talk about reasonable and necessary justice, which each child should get access to within the school setting, we do not want the education sector to be unclear as to what their role is versus what the role of the NDIS is. We are doing a lot of work with parents during the planning process to understand their rights and their ability to negotiate on behalf of their child, with their child being involved in the process, so they can have a conversation with their school community, their school principal and their wellbeing coordinators around what services they would like in terms of aspiration for their child's future, supplementing it with what is available under their package. That is an area we are probably concerned about.

Mr DIMOPOULOS — The other interesting element, just as a final comment to finish off — again, I do not know enough about it so it may be unfounded — is that essentially it is moving away from something that has been in core government service delivery, allowing Bupa and all these other private providers to come in and that there is probably a loss of capacity over time within the public sector in terms of understanding those issues directly at the coalface through service delivery, or just in negotiations. I do not necessarily want a response, but it is an interesting idea so I hope that there is something in the NDIA that feeds back as a feedback loop.

Ms FALKINGHAM — I will just mention briefly that the complexity of social service reforms in the country generally at the moment is very much dominated by workforce issues. So when we look at into the future around family violence, a lot of the same capabilities and expertise in the future that we needed in that system at the same time — we have got the pull on the disability system that is trying to grab all of those staff. It is something we are really mindful of in terms of transferring workforce to the new system. It will be about how we retain capability. The Victorian government is deeply committed, as you are aware, to disability inclusion in the longer term. So while we will have a national disability insurance scheme, it gives us more opportunity to think about what happens with the state service sector, be it around more inclusionary transport planning policy, so it is really important that we try to capture some of that existing capability and retain it in the Victorian government.

Mr T. SMITH — Turning now to the Community Resilience Unit, Secretary, can you detail how much has been allocated to programs associated with the deradicalisation of Victorians from the Community Resilience Unit and what whole-of-government approach was taken during the 2014–15 period?

Mr ECCLES — I will call upon my colleagues to break down the components of the program expenditure, such as it was in 14–15. The formation of the Community Resilience Unit and the appointment of Victoria's, and I think Australia's, first chief resilience officer was motivated by the state and national attention to the issue of countering violent extremism and the fact that Victoria has historically taken a more sophisticated approach than one just around law enforcement, which is deep connection into the communities impacted by violent extremism. We thought we should have a more explicit focus on that and so not only did we create the unit — the unit being populated by representatives seconded from the police force and the education department and the multicultural affairs community — and not only did we appoint our first chief resilience officer, the very respected public servant Mark Duckworth, we also formed a cabinet subgroup, the social cohesion and community resilience taskforce, that is chaired by the Deputy Premier and has the ministers for multicultural affairs, police and youth affairs. That is a measure of the seriousness with which the state takes the issue and the leadership that we are taking nationally. In relation to the particular program expenditure, I might ask Mr Phillips to fill you in.

Mr PHILLIPS — The work of the Community Resilience Unit — and we will come back to you with a specific breakdown of costs, if that would assist — is really leading the way in Australia in addressing

countering violent extremism. Some of the key examples of the achievements of the unit are — recently they have released the *Strategic Framework to Strengthen Victoria's Social Cohesion and the Resilience of its Communities*. Now this, when you look across the various jurisdictions, is really a very, very progressive and exciting development. It really focuses on building very strong relationships with communities, and through that strengthening the capacity of these communities to deal with, I guess, the risks that they face and the pressures that those particular segments of the community face.

The CRU, in partnership with DHHS, is leading the design and development of a community support group concept. This is a concept that aims to provide support to communities who are concerned about young people who show signs of being radicalised. It is also designing and has commenced a research grants program, which opened in December 2015. The chief resilience officer also represents Victoria at the national CVE task force and participates in several task force subcommittees, including families and high-priority communities, to influence the initiatives. That will feed back to the COAG process. With those initiatives again I think Victoria is really driving the conversation with the commonwealth around how to engage with communities, and I think having recently been in Canberra and in speaking with New South Wales and other jurisdictions, we are well ahead of the game, and other jurisdictions are looking to us and to the CRU in terms of how to model best practice engagement with communities.

Mr T. SMITH — This unit is specifically focused where, shall we say?

Mr PHILLIPS — Physically or policy?

Mr T. SMITH — Physically and geographically and at a policy level?

Mr PHILLIPS — Physically it is located in the Treasury precinct, so 3 Treasury Place. It is focused on Victoria, so Victorian communities, and it is focused, from a policy perspective, on putting strategies in place to counter violent extremism and build strong relationships with the community, working very closely with Deputy Secretary Falkingham's team, who looks after the Office of Multicultural Affairs. The connection with that unit is very, very important.

Mr T. SMITH — Okay, thank you.

Mr D. O'BRIEN — Sorry, I think Mr Smith's question also talked about grants programs?

Mr ECCLES — We will come back to you with a breakdown of the programs and the expenditure.

Ms PENNICUIK — Very important issues were raised by Mr Dimopoulos and Mr Smith and there was very, may I say, interesting information from the department on those. But I have a different issue, which is regarding the Public Record Office Victoria, and I did allude to it slightly in one of my other questions. Of course the public record office, which I went on a tour of a little while ago, a couple of years ago, is a great asset and a great resource for Victorians. I notice that in the 2014–15 annual report at page 36 it said that a technology problem slowed the rate of transfer of digital records in the latter part of that year. I think the target was 200 000 and it got to 189 000, so it was a shortfall of some 11 000. It is not massive, but it was due to a technology problem. I was interested in it as well in terms of what I thought was around \$700 000 that was given to the public record office for its transfer of operations. I just wonder if that problem has been resolved, given that people are much more likely now to go for digital records than to go into the office and look at the hard copies.

Mr PHILLIPS — My understanding is that significant progress has been made to resolving that issue. Certainly the digitisation of records is a high priority for the public records office. They have entered into agreements with a number of different third party providers — they are really, actually, exciting agreements with Ancestry.com.au and other commercial providers — who come in and then digitise records, in some cases at no cost to the Victorian government and therefore to the Victorian public, and then make those records available for general use. So there are some interesting initiatives that are helping, I guess, address the backlog and the fact that many of the records have not been digitised. Obviously the technology involved in the digitisation process is complex, and I think PROV experienced that last year, but yes, as I said, my most recent discussions with the Keeper of Public Record has indicated that, I think, they have worked through those issues and things are back on track.

Ms PENNICUIK — A follow-up question, Chair —

The CHAIR — Sure.

Ms PENNICUIK — which is with regard to local groups like local suburb-based historical societies et cetera. Is PROV looking at or working with those groups to digitise those records held by some of those smaller groups around — —

Mr PHILLIPS — Yes, I understand they are working with some church, religious, organisations; they are involved in digitising records. They have got particular interest in tracking their genealogy back, so they have particular programs in place. I cannot say beyond the commercial entities and the religious entities, whether there are any others, but I could speak to the Keeper and come back to you on that.

Ms PENNICUIK — There is a wealth of information out there. Thank you.

Mr PHILLIPS — But certainly it is an absolute priority, and as part of the government's broader ICT agenda there is a real desire to ensure that, to a greater extent, records are digital when they are created, and then there is a technology pipeline that transfers them directly to the Public Record Office so we are not in a position where we are going to have to go back and effectively scan things into the record system.

Ms PENNICUIK — And just one more follow-up, following on from Mr Dimopoulos's lead, with regard to the hard-copy older files and records — they will still be available in the Public Record Office?

Mr PHILLIPS — That is right. There are some records of a historical value that even though you are digitising them you will still keep them for posterity and for historical research purposes. There are other records that are, I guess, of less significance — that once you digitise them you can discard the hard copy. The Keeper of Public Records sets standards that prescribe which categories particular documents fall into, so obviously you would want to make sure that the judgement is exercised appropriately.

Ms PENNICUIK — Indeed. Yes, thank you.

The CHAIR — Just coming back to your presentation, when you referred to achievements in 14–15 and strong public outcomes you made mention of your engagement with the commonwealth government in relation to the white paper on the reform of the federation. I was just wondering whether you might be able to share with the committee some of the highlights from that engagement — how that transpired and what some of those outcomes are that were achieved.

Mr ECCLES — It is always a highlight when we work with our commonwealth colleagues on the reform of the federation — so many highlights it is difficult to know where to begin. In all seriousness, it has been a journey over the past nine months in working our way through issues as complex as hospital benefits and coordinated care, school education, vocational education and training and early childhood education to work out: what are the respective roles and responsibilities of the parties, and what are the interests of the clients of those service systems; and then working out what the appetite is for reform and then how that appetite might get translated into different design models for the federation, different funding arrangements. So at the moment we are in the process of finalising, for the purpose of a COAG meeting that has been foreshadowed for early April, documents that take those reform areas — there are five of them — to a particular point where we have agreement to the principles, agreement to the design features and agreement in principle to what might be the consequences for expenditure and funding.

So I would say that it has been characterised by considerable goodwill on all sides, by intensive effort at the deputy level, and I might ask Ms Falkingham, who has had the benefit of working intensively with the commonwealth in a number of those areas, about her perspective in doing the heavy lifting of the work. But from my experience the highlight is probably the ongoing nature of the cooperation between the various parts of the federation in driving reform in these important areas of human service delivery.

Ms FALKINGHAM — I think a highlight in terms of the process has been a better understanding across jurisdictions in relation to the cost pressures that both the commonwealth and the states face. I think in particular the work that Victoria has led around coordinated care — which the Premier has driven, and the need to actually look the complex clients, to actually look at ensuring there are the best pathways for people within our health care system — has been a real highlight. When we started this process no-one was even really at the table willing to talk about different approaches to health care in the future, and now every state and territory and the

commonwealth, I should say, are actively involved in what coordinated care will look like into the future, and we hope that lands with the people at COAG.

I think that it has been a process that has been changed quite significantly over the period, particularly in relation to the changes in health and education expenditure at the commonwealth level — that it has kind of started to drive the reform of the federation process in a way that I do not think any of us envisaged at the start of the journey. But in particular the other area in relation to education has been a real focus on early childhood education — to actually have states and territories and the commonwealth actively talking about, you know: what does the model for early childhood education look like into the future, be it looking at the existing preschool structures, our kinder structures and our long day care centres. So we hope that that is an area of reform that we can work quite closely with the commonwealth on, particularly given their changes to child care in the previous budget.

Mr ECCLES — Just to finish, one of the particular challenges is the relationship of the federation reform agenda with the issue of tax reform, because there are expenditure implications associated with all of the initiatives, and to have an alignment between the tax reform agenda and the federation white paper reform agenda has been a particular challenge because the tax discussion, the revenue discussion, tends to lag the discussion around service delivery reform.

Mr D. O'BRIEN — Mr Eccles, could I just go to issues concerning IBAC. In 2014 actually there were a number of investigations, including into the education department. Does DPC, as the effective head of the public service, provide any assistance or advice to departments that are under investigation, and therefore does that pose any conflict for you, given the role with the Special Minister of State and IBAC as well?

Mr ECCLES — No, we do not have any formal role in relation to providing advice or assistance to departments who are the subject or object of review by IBAC, so there is no conflict associated with the fact that we are the portfolio and the Special Minister of State is the minister who holds, if you like, the purse strings.

Mr D. O'BRIEN — I would not expect you to be aware, but in March 2015 there was a \$110 000 contract awarded to a company called Building Policy and Practice by the department of education. It was to assist in the IBAC hearings' coordination project by supporting the department during the period of the IBAC hearings consultation and managing a project team. Has DPC given any advice to departments in respect of whether they can engage consultants to assist with IBAC investigations?

Mr ECCLES — I am not aware that we have given any advice of that character, but I can go back and check.

Mr D. O'BRIEN — Would that be a concern for you, do you think, as a principle or is that something that a department would do?

Mr ECCLES — I cannot imagine why DPC would be activated by departments for that purpose.

Mr D. O'BRIEN — Okay. No problem. Thank you.

Mr DIMOPOULOS — Secretary, I just want to ask you a bit about the state apology to the LGBTI community. Sorry, I keep hammering the same dep. sec! I cannot recall the genesis of it other than the commitment by the Premier, to be frank, so I do not know what work was done in 2014–15 in relation to it, but I would like to hear that. Again, I think it is excellent and it is the right thing to do, but also the language has to be careful and relevant, I think. I just want to see what work you have done to inform that. In fact is it in your scope? Is it in the DPC?

Mr D. O'BRIEN — Is it in the scope of 2014–15?

Mr DIMOPOULOS — I am asking for the work done in that period, yes.

Mr D. O'BRIEN — On the apology?

Mr DIMOPOULOS — On the preparation for an apology. It might just be a simple apology to you, but it takes a lot of preparation, I am sure.

Ms FALKINGHAM — I cannot talk about the genesis of the original commitment, but I can talk about the work that has been done by our equality branch in helping to understand what prevents people from the LGBTI community coming forward and seeking support for the process and the trauma they have experienced. I think that a lot of the work we did through the ministerial advisory council in understanding some of that reluctance for people to come forward, to share their story and to look at their records has put a real emphasis in our equality branch in terms of what more we can do to get a whole-of-community understanding of the trauma people have experienced. I think that a lot of the thinking behind, obviously, the apology is how we as a community can start to understand and share the experience the LGBTI community faced.

Mr DIMOPOULOS — Just in relation to that, the mechanisms you put in place to inform the apology are the ones you described earlier — the ministerial forums and those other ones. Just to be really direct about it, do you have any men who were convicted or have a criminal record because of sodomy, in the advisory group?

Ms FALKINGHAM — Not on the advisory group and not on the ministerial advisory council, but we definitely do in terms of their work online. There is one individual in particular, who is really helping to shape the apology, and his lived experience. So we are trying to go out as broadly as we can to talk to more people in the cohort in terms of what their experience is and what they would like to see from government in terms of an apology and from the Parliament. So that work will continue, and the drafting, as you pointed out, is going to be fairly complex and challenging to ensure that we are as inclusive as we can be.

Mr T. SMITH — Just before I ask my question, I just want to put on the record that it was the former coalition government that expunged convictions for those convicted for their sexual preference, which was incredibly wrong. I am very proud that it was the previous government that expunged those convictions, to follow up on Mr Dimopoulos's point.

The CHAIR — Thank you, Mr Smith.

Mr T. SMITH — Whilst we only have a couple of minutes left, Secretary, I am wondering, with regard to functions at Government House, what role your department plays. Did the invitations come out of your protocols office, or are they handled by the Governor's office?

Mr ECCLES — They are handled by the Governor's office. Our role in relation to Government House is one where we are the source of funding for Government House but we do not involve ourselves in the day-to-day operational aspects of the running of the house.

Mr T. SMITH — Government House is immune from FOI, correct?

Mr ECCLES — Yes.

Mr T. SMITH — So if there were interest with regard to attendance at, for example, the swearing in of the ministry, as to who attended as guests of the ministers, would that be potentially available?

Mr ECCLES — That would be a matter that we would have to raise with Government House. Perhaps I could ask Mr Phillips to supplement that answer.

Mr PHILLIPS — To the extent that records are held by DPC, and we would need to check, but if there are any records held by DPC, then, yes, a request could be made in relation to those documents, and it would be assessed in accordance with the FOI act.

Mr T. SMITH — If you could assess on my behalf who were guests of ministers at the swearing in of the Andrews government, on whatever date it was in December 2014, I would appreciate that.

Mr ECCLES — We will examine whether we have records related to that event. It is possible that we do not, and if we do not, then we will not be able to provide the information.

Mr T. SMITH — If you don't, you don't, and if you do, I would be very willing to continue that conversation.

Mr ECCLES — Thank you.

The CHAIR — I am conscious of time. Ms Pennicuik, I am not sure whether you have a last question left in you.

Ms PENNICUIK — Seeing it is 4.15, I would be happy to pass and go home.

The CHAIR — I will ask the next question, and then, Danny, I will throw to you. Secretary, I will just refer you to question 13 of your response. This relates to variances. Under ‘Other income’, question 13, which is on page 13, the budget for 13–14 for other income was 26 million — this is in relation to arts agencies — and it was 30.7 million actual. The reason provided is, ‘Primarily due to higher than expected private donations to the art agencies’. It is a significant increase in a percentage sense, but also in the raw numbers — \$4.7 million brought in greater than anticipated. I was just wondering whether you might be able to provide any advice as to what was the driver for that in terms of the increase in private donations. Was that just sort of a very lucky year — people were particularly generous in 13–14 — or was it the result of some unspecific government action?

Mr ECCLES — I do not know the answer to the question.

Mr CAMPBELL — We could say it was a lucky year, but we do not have the detail.

Mr ECCLES — We will come back to you with an explanation.

Mr D. O’BRIEN — Just a quick one about FOI. I am after, as at 30 June 2015, how many FOIs were overdue or with the FOI commissioner or outstanding at the time, and I appreciate you probably need to take that on notice, unless you have it there.

Mr ECCLES — No, I do not.

Mr D. O’BRIEN — What you might be able to answer, though, is if you could detail the process for handling FOI requests at the department, so who processes the application? How detailed are the checks et cetera — looking for documents? Does it go to the Premier’s private office for review? That sort of thing.

Mr ECCLES — Mr Campbell can help, but if it suits you, in the interests of time, we could document the process and provide the information to you.

Mr D. O’BRIEN — If you can give a 1-minute take-home now, that would be great.

Mr CAMPBELL — The assurance I give you is that it is a very disciplined process within the department. As the secretary has offered, we are happy to document that, but in terms of speaking of the team that exists in the people and culture area, they spend a considerable amount of time evaluating each request on its full merits and giving consideration to full access as much as they can in line with the FOI act. The challenge for the department in recent times has been the large volume of requests. For the first six months of this reporting year we have had a huge increase. That is great for the system and what it is about, but it just means that it puts pressures on the department in terms of getting through those in a thorough way and in an efficient way. Yes, we are happy to come back to you with the further detail.

Mr ECCLES — We have supplemented our resourcing within the department to support the increased workload.

Mr D. O’BRIEN — Thank you. I look forward to getting the numbers and the process on that.

The CHAIR — I would like to thank the witnesses for their attendance. Thank you, Mr Eccles, Ms Falkingham, Mr Phemister, Mr Phillips and Mr Campbell. The committee will follow up on any questions taken on notice in writing. A written response to be provided within 21 days of that request.

Committee adjourned.