

TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2018–19

Melbourne — 12 June 2018

Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Mr Steve Dimopoulos

Mr Tim Smith

Mr Danny O'Brien

Ms Vicki Ward

Ms Fiona Patten

Witnesses

Mr Robin Scott, Minister for Finance,

Mr David Martine, Secretary,

Mr Simon Hollingsworth, Deputy Secretary, Budget and Finance,

Ms Amy Auster, deputy secretary, economic,

Ms Gayle Porthouse, Deputy Secretary, Corporate,

Ms Tania Reaburn, Chief Finance Officer,

Mr Joe Calafiore, Chief Executive Officer, Transport Accident Commission, and

Ms Clare Amies, Chief Executive, WorkSafe

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2018–19 budget estimates.

All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Finance, the Honourable Robin Scott, MP; Mr David Martine, Secretary of the Department of Treasury and Finance; Mr Joe Calafiore, Chief Executive Officer, Transport Accident Commission; Ms Clare Amies, Chief Executive, WorkSafe; and in the gallery, Mr Simon Hollingsworth, Deputy Secretary, Budget and Finance; Ms Amy Auster, Deputy Secretary, Economic; Ms Gayle Porthouse, Deputy Secretary, Corporate; and Ms Tania Reaburn, Chief Finance Officer.

Any person 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.

Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

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

Visual presentation.

Mr SCOTT — Thank you, Chair. With a brief indulgence, I congratulate people for getting through up to the last week of PAEC.

Ms SHING — Don't mozz it, Minister.

Mr SCOTT — I hope people's immune systems are holding up to the workload. Good morning and thank you for the opportunity to present to the committee.

The first slide here is on the financial performance of the Transport Accident Commission. The TAC is in a financially sound position. In 2016–17 the TAC funded \$1.35 billion in support services and benefits to Victorians. Performance from insurance operations are known as the PFIO. An indicator of the scheme's underlying financial performance was a positive 142 million in 2016–17. The favourable PFIO result was achieved through continuing strong claims management, efficient business operations and effective marketing and road safety programs. The TAC recorded a net result after tax of a positive \$1.34 billion, which was driven by a strong PFIO, favourable economic factors due to an upward movement in discount rates and better than expected investment returns. The Transport Accident Commission's accounting funding ratio, as of 30 June 2017, is 96.4 per cent and is within the target range of 80 to 120 per cent. The TAC's economic funding ratio — and I note that I have on many occasions before this committee dealt with the comparison of the two —, as of 30 June 2017, is 164 per cent and remains strong.

The TAC is continuing to innovate to support and promote the recovery of those injured on our roads. Last year I updated the committee on the TAC's Residential Independence Pty Ltd initiative, also known as RIPL. This is

an investment in purpose-built housing that allows TAC clients who have been seriously injured as a result of a transport accident to regain their independence. Wholly owned by the Transport Accident Commission, the RIPL initiative is delivering a unique portfolio of accessible housing that is enabling clients to achieve greater independence and assisting with the financial viability of the transport accident scheme through savings in and avoidance of rises in future attendant care costs. All RIPL homes incorporate assistive technology to maximise the independence of the persons living within. RIPL has completed four projects to date, and 21 of the TAC's most seriously injured clients are now living with the independence they deserve. RIPL is now proceeding with additional developments which will collate a further 25 clients, including at Wheelers Hill, which is under construction and due for completion in June 2018, a second development in Glenroy due for completion by the end of 2018 and developments in both Geelong and Bendigo.

I will now move on to how WorkSafe is performing on safety measures. We have continued to see an improvement in workplace safety. The key safety measure claims per million hours worked continue to decline, reflecting the efforts of employers, WorkSafe employees and other stakeholders. In 2016–17 WorkSafe inspectors made 45 751 workplace visits across our community. Tragically during 2016–17 there were 21 work-related fatalities reported to WorkSafe. In 2017 WorkSafe launched the WorkWell program, providing \$50 million over five years to give employers tools to minimise risk to mental health in the workplace. Expressions of interest were accepted for the first round of grants in February 2018. Two more rounds of grants will be offered in July 2018 and early 2019.

The Andrews government has taken action to reduce death and serious injury involving quad bikes. We have taken a lead on this issue by introducing a \$6 million rebate package for Victorian farmers to buy safer equipment. Figures as of 2 May 2018 show that 3265 rebate applications were approved and just under \$3 million paid to farmers for the purchase of a safer alternative vehicle or an operator protective device; 1967 operator protective devices have been fitted and 1298 safer alternative side-by-side vehicles have been purchased.

The Andrews Labor government welcomes the release of the *Quad Bike Safety: Issues Paper* by the ACCC. The ACCC commenced a safety investigation as a step towards creating a safety standard for quad bikes. The national safety standard will support the action we have already taken to reduce the risk of fatalities and injuries from quad bike rollovers. From March 2018 WorkSafe inspectors have issued 87 notices directly related to the safe operation of quad bikes and small utility vehicles. These include 69 notices relating to rollover hazards and 28 notices for a combination of helmet use, vehicle maintenance and operator training.

Turning to the Victorian Managed Insurance Authority, the VMIA is the state risk adviser and insurer. The VMIA continued to deliver a strong financial performance in 2016–17, finishing with a strong net result of \$340 million positive. The VMIA performance from insurance operation, which represents the VMIA's underlying financial performance, was a positive \$241 million in 2016–17. The strong result in 2016–17 was due to favourable claims experience. The VMIA's accounting funding ratio as of 30 June 2017 was 128 per cent, and the economic funding ratio — a more realistic measure — was 196 per cent.

Suppliers have been appointed to the security services state purchasing contract closed panel. Two of the major purchase order contracts have been awarded under the new state purchasing contract within a no-less-than-favourable mechanism used in awarding those contracts to protect the pay and conditions of existing staff. All new purchasing order contracts tendered under the new security services state purchasing contract will be subject to the mechanism and the supplier code of conduct. The mechanism will allow for value for many to be achieved whilst protecting the pay and conditions of the security staff.

Victoria's Social Procurement Framework enables government to increase the value of all procurement activities. By leveraging the government's significant buying power, the social procurement framework is designed to achieve social and sustainable outcomes through procurement. These outcomes support other government policies and legislation initiatives. Social procurement objectives include opportunities for Victorian Aboriginal people, opportunities for Victorians with disability, opportunities for disadvantaged Victorians, such as long-term unemployed persons, disengaged youth, workers in transition, women's equality and safety, supporting safer and fair workplaces, sustaining Victoria's social enterprises, sustaining Victoria's Aboriginal business sector and sustaining Victoria's regions. The sustainable procurement objectives are environmentally sustainable outputs, environmentally sustainable business practice and implementation of climate change policy objectives. The framework applies to procurement of all goods and services, and

construction, and adopts a scalable approach based on procurement activity. The framework was formally launched on 26 April 2018 and will apply to all government departments and agencies from 1 September 2018. The Department of Treasury and Finance is establishing a measurement reporting framework to ensure that progress against social and sustainable objectives and outcomes in the framework will be measured, monitored and reported over time. I am happy now to take questions.

The CHAIR — Thank you, Minister. I might lead off, Minister. I will just refer back to your presentation where the slide, ‘WorkSafe Victoria — OHS performance’ and ‘claims per million hours worked. That shows a decline particularly from 14–15 to 16–17. Are you able to outline to the committee what actions you have taken in the current financial year to help that rate fall further?’

Mr SCOTT — When you say ‘in the current financial year’, the reporting has been up to — we have not finished the financial year, but I might get Clare Amies to supplement this. Since coming to office we have recruited 83 inspectors and 11 investigators. One of the objectives in the role that I have — WorkSafe is an independent regulator, so I am not intervening on a day-to-day basis about the decisions that take place in any particular workplace investigation — is to ensure the appropriate resources exist for WorkSafe to undertake its activities. There has been an expansion as of May 2018 — an over 10 per cent increase in inspectors since Labor came to office. In 2016–17 20 inspectors were recruited, and as I indicated over 45 000 workplace visits were made across the community. In 16–17 WorkSafe also had a higher prosecution success rate with 90 per cent of prosecutions succeeding out of 103 prosecutions that were completed. This is in the context of a 1.272 per cent average premium rate across employers within Victoria who are covered by WorkSafe, which from memory is the second lowest in Australia except for Queensland, which has quite a different scheme to the Victorian scheme.

As noted in the presentation, the injury claims continue to decline. We have also been looking at the enforcement of Victoria’s OH&S laws and regulations. There was an independent panel which is required to report to government — to WorkSafe. There were 22 recommendations made, ranging from the need to clarify aspects of legislation to evaluating strategic initiatives. The work is underway from WorkSafe to implement that review. We have also been looking at issues such as regulatory changes including, for example, changes to improved safety in relation to lead in the blood of workers, as defined by regulation 186 of the OH&S regulations. The threshold that relates to the levels of lead that one can be exposed to from airborne concentration of lead over a 40-hour working week has been reduced so that it cannot exceed, as I understand, the average of 0.15 milligrams per cubic metre. This is ensuring standards that exist in Victoria keep up with other jurisdictions and are in keeping with the current evidence. Those changes will be implemented over, as I understand it, a two-year period to ensure that employers and other stakeholders have time to implement mitigation strategies for those issues, as is the normal practice to work cooperatively with both employers and employee representatives to ensure the effective implementation of such programs. There has also been work that we have been undertaking more generally in communication of issues. I might get Clare to supplement this, but we have been looking at safety, particularly in workplaces where there is a risk of occupational violence and other matters like that.

Ms AMIES — As the minister said, our ability to increase the number of inspectors ensures that we are able to focus on where there are high risks and make sure that we are targeting those risk areas, and that has been particularly increased in our regional presence as well. As you would be aware, we have also had a focus on agriculture in terms of farm safety, so really being able to put people on the ground to talk to farmers and the community about what more can be done in farm safety. The occupational violence and aggression campaign was specifically designed to respond to the issues in health care and aged care. However, we also are aware of and working with our stakeholders more broadly on the issues of occupational violence for workers in the state. They are the main focuses also, as the minister has already stated, in terms of key activities for us to continue to focus on how to improve on our current safety record.

The CHAIR — The minister mentioned in an answer to my original question implementing the review. Are there other initiatives that the government is considering implementing as part of that that have not already been implemented?

Mr SCOTT — I might get Clare to respond in detail to that. My understanding is that all the recommendations are being implemented, but in terms of the detail of that I will refer to Clare.

Ms AMIES — Obviously there was an independent review in terms of the implementation of the enforcement and compliance policy under the Occupational Health and Safety Act. The panel consulted extensively across the range of stakeholders, and we received the final report in December. There are 22 recommendations in total, and they are focused on WorkSafe's compliance and enforcement framework; our approach to planning and targeting the provision of information and support to workplaces, both employers and workers; and the approach to collaboration and engagement. All 22 recommendations were accepted by government in principle, and we are currently progressing the implementation of those recommendations. This also complements work that has already been undertaken by WorkSafe as part of our WorkSafe 2030 strategy, and is particularly focused on ensuring that Victoria's approach to OHS meets the expectations of the community in the future. The significant program of work underway at the moment is in terms of making sure that our information and guidance and services are streamlined, that they are easily accessible and that they are also delivered in a way that focuses on what workplaces can do in terms of prevention. There is also some work occurring to ensure that our technology is updated and modernised so employers and workers can receive that information on any platform, be it a smartphone, a tablet or on the website as well.

The CHAIR — Is the government also looking at making any further regulatory changes in relation to addressing workplace safety?

Mr SCOTT — Yes. There are further regulatory changes that are being looked at. There is legislation currently before the Parliament and I do not want to conduct a parliamentary debate in here, but it is fair to say — I will speak in general terms — that we are looking at issues around how we pay compensation for non-economic loss in the circumstances where workers pass away before claims can be finalised and also that allow family members of deceased workers to access compensation for expenses to attend a funeral without a claim needing to be accepted. You can understand the circumstances in which that may arise, particularly in the sad case —

As I said, in 2016 there were 21 fatalities. While these are circumstances which are not common, they are still too common, if that makes it clear to the committee; these are very serious matters. And also improving the ability of workers to attend hospital, particularly for those Victorians who live at a great distance from where the person may be treated, and there are many examples. As we indicated, there is an over-representation of accidents within the farm sector, the agricultural workforce, and of course persons engaged in the agricultural workforce can live quite a distance away if the specialist treatment is, say, being performed in Melbourne. There are examples in those areas where we are looking to improve.

I have to say there is a continuous process within both WorkSafe and — without stepping into another space — the Transport Accident Commission, looking at how services and how the regulatory framework can be improved continuously over time, because these are matters which, both in terms of the evidence that is drawn from international jurisdictions and other states in Australia but also from the experience within Victoria, we are continually seeking to improve and learn lessons on and ensure that the provision of services and the regulatory framework meets the needs of the changing Victorian economy and workforce.

The CHAIR — Thank you, Minister. In relation to some of the surpluses that WorkSafe have generated and are predicted to generate, has consideration been given to increasing the compensation payments?

Mr SCOTT — There have been changes in terms of the coverage of compensation, for example, in previous legislation, particularly as applied to jockeys and apprentice jockeys. There are also, in terms of the matters which I touched upon — for example, the compensatory arrangements, and this is a matter before the Parliament, so obviously I do not want to debate the merits of it here — there are propositions in relation to travel expenses, for example, and the provision of funerals, so that is about the breadth of the provision but also about the level of compensation that could be payable to family members in order to attend a family member who is injured in hospital. Typically you would be dealing there with very serious injuries in order for the increase in compensation to be necessitated. We do examine the adequacy of compensation and look at there being examples. This again relates to both the Transport Accident Commission and WorkSafe, but there is a continuous process to examine where there may be anomalies, or may be examples, where there are situations where the compensatory regime can be improved.

That is something that has taken place on a number of occasions through this term, and it is certainly something we will be looking at in terms of the estimates period to continue to examine where there are cases. And there have been cases — and I am thinking particularly about some of the more tragic events that have occurred,

where there have been mass injuries — where there has been action taken expeditiously to ensure that the compensatory arrangements, where there may be inadequacies, have been dealt with in a matter befitting the values upheld by the Victorian community.

So beyond the legislation that is currently before the Parliament — as I said, I do not want to get into a discussion too much on the merits of that, because we are getting into an anticipatory space — there have been a series of compensatory changes both in terms of the access to compensation and the levels of compensation, which have principally been designed to deal with anomalies or matters where issues have arisen that highlight an increased need for remuneration in certain circumstances.

Mr MORRIS — Good morning, Minister. Continuing with the WorkSafe theme — as a subset of that — you are also the minister for the Victorian Asbestos Eradication Agency, are you not?

Mr SCOTT — I am, yes.

Mr MORRIS — You issued a ministerial direction to VWA to establish the agency in 2016, and it was due to commence operations in early 2017. Has that occurred?

Mr SCOTT — Yes. So there —

Mr MORRIS — So, when did that occur?

Mr SCOTT — I could just quote the exact time. I am just trying to —

Ms AMIES — Two thousand and sixteen.

Mr SCOTT — There is 2016, but the board was — I can provide some information. There is some further information I will seek to provide.

Mr MORRIS — I understand the direction was late 2016, but I am just interested in when operations actually began.

Mr SCOTT — I can just go to that. I will go exactly to the question you made. The Victorian Asbestos Eradication Agency was established in 2016, as you indicated, as a state body under the State Owned Enterprises Act, and therefore in effect is a subsidiary of WorkSafe, though it has its own board. I will get to those matters. The VAEA board was appointed in December 2016 and is chaired by Dianne Foggo, AM, with Ms Simone Stevenson and Mr Ross McCann, AM, as directors.

Mr MORRIS — They are still the directors?

Mr SCOTT — Yes, and there is —

Mr MORRIS — And no additional directors have been appointed?

Mr SCOTT — I do not believe so. No, I do not think so. It is currently working on risk assessment methodology, as part of developing a schedule of prioritised asbestos removal. So in terms of —

Mr MORRIS — Sorry; just before we get to the operations, which I certainly do want to come back to, can I just ask you why it was established as a subset of the VWA rather than as a freestanding agency?

Mr SCOTT — I think there is a view in government that we have a large number of freestanding agencies within the Victorian public sector. It certainly has its own board and is not fettered by the arrangements — by its relationship to WorkSafe — in the work it undertakes and I think is able —

Mr MORRIS — But it does not report independently in terms of annual reporting?

Mr SCOTT — No, but I am happy to provide information. It was not done — if the inference of the question — in order to —

Mr MORRIS — No. I am just trying to step through the mechanics, because it is not something we have looked at —

Mr SCOTT — Yes. No, I understand. To try and go to the reasoning at the time in 2016, I would say this: I think there is a view in government that there is a very large number of independent statutory bodies within the Victorian public sector, and the establishment of the Victorian Asbestos Eradication Agency did not require the establishment of a separate body. In fact there has been support that has been provided for its work from within WorkSafe itself. So there is a natural synergy between its establishment and the operations of WorkSafe and the expertise that exists within WorkSafe. So it is currently working on risk assessment methodologies —

Mr MORRIS — Yes. I have a few more structural issue questions before we get to that. Page 52 of the WorkSafe annual report indicates that the agency is not controlled by WorkSafe.

Mr SCOTT — As I said, it has an independent —

Mr MORRIS — In other places it seems to indicate that it reports to you. But can I ask you formally, who is it controlled by?

Mr SCOTT — Well, it has a board. So it has its own governance and it has a board, as I indicated.

Mr MORRIS — So it is not a controlled entity and it is responsible for its own board.

Mr SCOTT — It has a board that operates, as I said —

Mr MORRIS — So who is the board responsible to?

Mr SCOTT — Well, it has legal responsibilities in its relationship to WorkSafe and also reports to me ultimately as the minister.

Mr MORRIS — So ultimately it is responsible to you.

Mr SCOTT — I mean, ultimately there is a responsibility, as with any element of WorkSafe. So there is an ultimate responsibility to myself.

Mr MORRIS — Yes. I guess the question arose because, as I said, page 52 of the VWA annual report says the VAEA is not controlled by WorkSafe.

Mr SCOTT — As I said, it has its own governance arrangement but does have a relationship. But ultimately I am responsible for any elements that relate to WorkSafe, as the minister.

Mr MORRIS — Okay. Thank you for that.

Mr SCOTT — As the minister, I do not shirk those responsibilities.

Mr MORRIS — No, as I say, I am just trying to get some detail about the operations and the structure because it is a bit thin on the ground. Page 96 of the WorkSafe report indicates that in terms of related parties, the key management personnel of the agency comprise its board members. There is a figure for total remuneration included on page 96 of the annual report which totals to \$3.656 million. I am just wondering what proportion of that amount is attributable to the VAEA.

Mr SCOTT — I am happy to provide further information to you on notice. I do not have the exact figures on hand. I could speculate, but I think that is unhelpful. I can certainly provide that information to you.

Mr MORRIS — On notice would be good, thank you.

Mr SCOTT — It is within the normal sort of regulatory processes that exist within government.

Mr MORRIS — Yes. As I say, I am interested in the proportion. I just want to clarify, given that the report indicates the remuneration of key management personnel is to the board members, I just want to confirm, and on notice would be fine, what amount is to be paid to the board in 2017–18 and 18–19 and each year of the forward estimates, if the agency is going to continue its operation for that period?

Mr SCOTT — I will seek to provide appropriate information. Obviously I cannot speculate past the election in some senses about what will happen, but I will certainly provide the relevant information — on the assumption within the assumptions that exist within the budget.

Mr MORRIS — As you indicated earlier, Ms Foggo is the chair and Ms Stevenson and Mr McCann are also directors. I noticed on the website Ms Stevenson is identified as an executive director. What exactly does that mean?

Mr SCOTT — I might get Clare Amies to supplement my answer.

Ms AMIES — Simone Stevenson is also the chief executive officer. She is both appointed, I believe, as a director as well as oversight in terms of the management and operation.

Mr MORRIS — So she is the CEO of the agency?

Ms AMIES — That is correct.

Mr MORRIS — Okay, because that has not been clear thus far at all. Hopefully internally, but not —

Ms AMIES — In terms of the exact title, I might make sure we clarify that.

Mr MORRIS — That is the effective function?

Ms AMIES — Yes. It is a joint role.

Mr SCOTT — Yes, it is the effective function.

Mr MORRIS — That is just what I am trying to establish. So she reports to colleagues on the board?

Mr SCOTT — Yes. It is the normal governance arrangements. I am happy to provide information on the operations of the agency and within the construct of its relationship to WorkSafe as well.

Mr MORRIS — Where is her remuneration reported?

Mr SCOTT — That would be reported within the WorkSafe annual report, would be my expectation.

Mr MORRIS — So it is as one of the I think 11, from memory, executives.

Mr SCOTT — Yes. Within the normal reporting framework, but in the normal reporting framework.

Mr MORRIS — Within the report, but not separately identified?

Mr SCOTT — I do not think individuals are separately identified in any of the executive —

Mr MORRIS — Not by name, no, but not as separate from WorkSafe?

Mr SCOTT — No.

Mr MORRIS — So it is rolled into WorkSafe. Minister or Ms Amies, whoever is able to answer these questions, how many people are employed or seconded to the agency or were employed or seconded to the agency on 1 July 17?

Ms AMIES — I would have to take that on notice because I do not have that direct level of oversight in the agency.

Mr SCOTT — I can provide some information if it is of assistance, Deputy Chair.

Ms AMIES — FTE.

Mr MORRIS — If we can have the offer of information on notice taken up, I am happy to hear whatever can be added now.

Mr SCOTT — I mean, I can give you the budget. I have got that information at hand.

Mr MORRIS — Yes, that would be helpful.

Mr SCOTT — It is bigger for the work that has been undertaken, which I think is very important work, which in 2018–19 is 3.22 million and in 2017 was \$3.71 million.

Mr MORRIS — That is for the calendar year?

Mr SCOTT — The financial year, so 18–19 and then 17–18, yes. So it operates of course on the normal.

Mr MORRIS — Okay. Building on that point about employees, can we have information on notice: how many employees either employed directly or seconded to the agency in bands 1, 2, 3, 4, 5, 6 and other as of 1 July 17, 30 June 18 and the anticipated level for 30 June 2019. Can we get those on notice?

Mr SCOTT — If I understand correctly, you are seeking the sort of information that would appear in an annual report.

Mr MORRIS — Would normally appear in an annual report, but because of the reporting arrangements does not, yes.

Mr SCOTT — I am certainly happy to provide appropriate information on notice, and I would say the work that has been undertaken is quite important and is about prioritising and working through the asbestos that exists within government buildings with a view to ensuring that it is both appropriately managed and the removal of asbestos is taken out with the best interests of the Victorian community.

Mr MORRIS — I have one other matter, but I will come back to that when I next have the opportunity.

The CHAIR — Ms Shing has got a couple of questions for Ms Pennicuik.

Ms SHING — Yes. Thank you. What I will be doing is asking questions on behalf of Ms Pennicuik, if they can be taken on notice, and then down the track I will do the same thing for Ms Patten. The questions that Ms Pennicuik has here relate in the first instance to budget paper 5, page 177. Ms Pennicuik would like to ask: according to the budget papers and the reference of flood and storm events, we have already been experiencing these events in terms of storm events, although the budget papers do not make this implicit link. My question is: have the state's potential financial liabilities in regards to climate change been estimated over the short, medium and long term or are these still considered 'out-of-sight events'?

The next question in this: are you comfortable with the current level of VMIA's capital position in terms of the potential indemnity for climate events?

I might break at that point and indicate that that appears to be asking for an opinion, but I will leave that to you as to how you wish to respond.

The third component of that question would be: does the note in the budget papers mean that it is still considered impractical for a long-term analysis such as a sensitivity analysis of the financial risks of climate change to the state to be undertaken? If this is the case, then can we assume that there has been no effort to prepare the state's balance sheet for such risks?

Mr SCOTT — Sorry, if I understand correctly, the intention is that you request that they be taken on notice.

Ms SHING — All of these should be taken on notice because Ms Pennicuik is not here. I am sorry if I caused you all to have a moment and want you to respond now.

Mr SCOTT — I can start giving answers.

Ms SHING — I am sure Ms Pennicuik would like to receive those in writing, given that she is not physically here.

Mr SCOTT — I think there are some aspects of the question that relate to my portfolio and some which relate to other portfolios is my initial response to that.

Ms SHING — The other question that I had for Ms Pennicuik relates to budget paper 5, page 21, ‘Dividends by entity’. The question is about public non-financial sector dividends, particularly for water corporations. Ms Pennicuik notes that expected dividends are \$20 million over last year’s estimates, but they are expected to fall and then rise again further by 2021.

Mr SCOTT — I can indicate pretty quickly that that is likely to be — I am happy to take things on notice — outside of my areas of responsibility.

Ms SHING — Excellent.

Mr SCOTT — There is a significant change in the nature of the follow-up question.

Ms SHING — Ms Pennicuik goes on to ask a review is being undertaken by the ESC in regard to water pricing. However, the Consumer Action Law Centre estimates that about \$50 a year could be saved by each household if the state government reforms its financing arrangements with the water corporations, effectively reducing the dividends received by the state government and handing over those savings to households. The question is: is the government going to review this arrangement?

So if those could be taken on notice, incorporating any of the issues you have raised in the course of hearing these questions now, Minister, and witnesses, that would be appreciated.

Mr SCOTT — I suppose what I would say is that I will respond on notice in so far as they relate to my portfolio areas. On a number of the matters raised, the ESC is my responsibility, but the matters in relation to the ESC principally seem to relate to other ministers’ portfolio responsibilities.

Ms SHING — I am sure Ms Pennicuik may well raise these questions again in the context of another hearing. In the event that she is not here I will do the same for her on her behalf.

Mr SCOTT — Okay, thank you.

Ms WARD — Good morning everyone, happy third last day of PAEC. Minister, thank you for your presentation. A couple of slides in you spoke about the WorkWell program of \$50 million over five years and the first round having already gone out. Could you please take us through the WorkWell program and give us some information about it in more detail please.

Mr SCOTT — I am very happy to, and again I might seek the CEO of WorkSafe Victoria to provide some additional information. Members may be familiar with the previous WorkHealth program which existed under the former Labor government. It existed in part under the former coalition government, it existed for a period of time, but it existed principally under the former Bracks-Brumby Labor governments.

Upon coming to government there was a review undertaken, an advisory process, through a tripartite advisory group, looking at what the future would be of the previous WorkHealth program because there was an election commitment to reintroduce WorkHealth. That process was chaired by Todd Harper, who may be familiar for his work across government to this committee and also for his work with the cancer council. He is someone who is a very dedicated individual who serves the community of Victoria both in and outside of government very well, and he certainly undertook an excellent consultative process in relation to this.

What emerged from this process was the issue arising around the need to tackle mental health injuries in the workplace. This reflected the advice of many employers who wanted more support about how they respond to mental health injuries. It is an issue that is of increasing importance both in terms of the WorkCover scheme but also in the broader society, and there is greater recognition of the nature of mental health injuries and the nature of the impact that they have on the lives of Victorians and Victorian businesses. I have to say I was not aware at the time we came to office about where I expected the program to evolve to; this was not the space in which I thought it was originally going to come. This was very much an evidence-driven approach where the views and input of experts, and in particular employers, helped shape the process to ensure that we were focusing energy on where there was greatest need.

The program is being delivered by WorkSafe in partnership with the Department of Health and Human Services. It is integrated with Victoria’s 10-year mental health plan and was launched in 2015. If I was being very accurate, I said \$50 million; I think it is actually \$49.9 million, but in discussion of these matters that is

often rounded up to \$50 million. That is to run as a cost over five years to provide support to Victorian employees through the WorkWell tool kit.

At this early stage it is important to note that concerns were raised particularly by employee representatives such as trade unions about issues of privacy, but the principal focus is really about providing workplaces with the tools to better both prevent and respond to mental health injuries. It is not seeking to fund the treatment per se in that sense. It principally supports employers to conduct mental health — this is including the programs, but it is not the only aspect — case studies, guidelines and more tailored support to allow employers to conduct a mental health check on their business. The program does not provide for psychological checks on individual employees; it is more about ensuring the processes and how a business operates supports the mental health of the workers within that workplace. The program also includes a \$17 million mental health fund to support new and existing workplace mental health and wellbeing programs. I understand the allocation of the first round of funding is currently underway and has generated strong interest. I might get the CEO of WorkSafe to supplement it in terms of the grant program.

Ms AMIES — As the minister said, there is a grant program. There will be three rounds in terms of the grant program for industry and others to apply for those grants. It is about focusing on prevention really: how do workplaces understand the mental health of their workplace, but also how can they improve that as well? The online tools that will be available will enable workplaces to do a mental wellbeing assessment of their workplace and provide case studies, but they are also tools they can use and implement in their workplace to ensure that they are responding to the issues raised through that tool.

At the moment we have got over 660 businesses registered on the website to receive information and to engage with not only the grants but also with opportunities to speak to and meet with leaders in this area to enable them to have conversations, build networks and share ideas across business as well. As the minister said, we are just finalising the first round of grants, and then the second round I believe will be released a bit later on this year.

Mr SCOTT — Can I just supplement that. In terms of the nature of the work that has been undertaken, it has really drawn upon both the desires of business — not only businesses but principally in this case businesses — and other employers to have tools available to ensure that workplaces are safe both in terms of not just the physical workplace but also the mental health of workers, and it has also drawn upon international best practice. There is certainly a Canadian influence, it would be fair to say, that have been further down this track in terms of this issue. This is part of what I indicated in an earlier answer drawing upon both the need as elucidated through consultative processes of Victorian workplaces and international best practice to ensure that we are continuously responding to what is an evolving area of public policy. I think it is fair to say — and I think the figures are — that one in five Victorians will experience a mental illness. Unfortunately that manifests itself far too often in response to issues related to a person's workplace. It is important that the scheme and the broader society as well respond to this emerging need, which of course has always existed, but I think there has not been the awareness within the society, within the WorkSafe scheme and other areas of society to the need of ensuring a safe workplace in the context of mental health.

Ms SHING — Can I just ask in relation to the Canadian example, given that they are much further down the track, what is the correlation in relation to success of these programs in the context of outcomes for workplaces? Sorry, I am just springing this on you. You may not have it to hand, but any additional info —

Mr SCOTT — I think Clare and I discussed some of this at length during the process itself.

Ms AMIES — In Canada they have obviously got a mental wellbeing charter that has a number of areas that are the focus areas so that if you implement those areas successfully, that will have the biggest impact. The first is obviously identifying leadership and making sure that it is being driven from the top of an organisation. There is training of leaders as well as workers around understanding what the nature is and how different aspects of work can create or contribute to people's mental wellbeing.

Ms SHING — So culturally and systematically?

Ms AMIES — That is right; that is correct. There are also areas that look at better reporting, so better collection of information, data, and actually having a baseline and then understanding what you need to do to improve from that baseline. I think it also recognises that once you start to have these conversations you can

actually see an increase in the issue, but it is more about creating that safe environment where people can not only talk about their physical safety and health needs but also their mental health and safety needs.

Ms SHING — So this is based in those principles that are set out in the Canadian jurisdiction?

Ms AMIES — Yes, that is correct.

Mr SCOTT — In the brief period of time I will just touch upon this. One of the vehicles for looking at mental health and wellbeing within the Victorian public sector has been the public sector occupational health and safety leadership group. Within that, one of the key areas of work — and I know my time is limited — has been working on mental health issues and particularly within the Victorian public sector. There has been the development of a mental health and wellbeing charter within the Victorian public sector. The occupational health and safety leadership group — in fact one of the other witnesses and I chair that group with secretaries of departments, so it is dealt with at quite a senior level within government. We participate in the group. The charter commits every Victorian government department and Victoria Police to create a mentally healthy and safe workplace. Now, I think time is elapsing for me to give further details.

Mr MORRIS — Just coming back briefly to the VAEA, Minister, I am interested in the register that is being produced and that is currently underway and the scope of that work. The agency identifies pretty clearly on its website what is included and also what is not included — things like bridges, car parks, jetties, piers, traffic lights and those sorts of things. I do not know whether the fact that they are all outdoor facilities is relevant, but it seems to make sense. The exclusion that did surprise me, though, relates to premises leased or subleased to tenants by the director of housing. Does that effectively mean that no house or unit or apartment that is made available to clients of the director of housing — public housing tenants — is being assessed for asbestos?

Mr SCOTT — I want to be careful because there are separate processes, so I may take that on notice because of the specific nature of the question.

Mr MORRIS — If you could, because I think it is an important point. I know that the new agency within DHHS is doing some work. We are of course more familiar with the work of the Victorian School Building Authority and the work they have done with asbestos. If you could perhaps take that specific question on notice, but could you also give us some information about the relationship between the education agency — the building agency — and the DHHS building agency?

Mr SCOTT — There is certainly work within both departments being undertaken in relation to asbestos, so I will seek —

Mr MORRIS — I think it is important in terms of coverage that we understand how it all works together.

Mr SCOTT — Just so we are both clear, what it is I understand you are seeking is information about the relationship of the work program that exists for the Victorian Asbestos Eradication Agency with both the Office of Housing and the work in relation to them and also in terms of the school building authority. Is that a fair summation?

Mr MORRIS — Yes, there is the agency itself and then there is the school building authority and the asbestos work they have done, which has been reasonably well documented, if not entirely transparent. We have got some idea of what they are doing — with DHHS, less so. But I think the issue that I am really keen to explore is when you look at the website for the asbestos eradication agency they specifically say that educational facilities are included, so it clearly picks up the work of the school building authority and the asbestos removal that is being undertaken there. But the same website specifically says that properties under the control of the director — I am just looking for the actual quote:

Our establishing scope does not include premises leased or subleased to tenants by the director of housing.

So there would seem to be recognition that educational facilities are in and the agencies work in with the school building authority.

Mr SCOTT — I am happy to provide —

Mr MORRIS — But this point about public housing I think is very important, because obviously as a state we own a lot of properties and public housing tenants are potentially exposed to asbestos. It is unclear whether in fact, particularly given the age of many of the buildings, those properties are picked up anywhere, so I am keen to have that information.

Mr SCOTT — I will come back to you with relevant and specific information as is appropriate.

Mr MORRIS — Thank you. Sticking with WorkSafe but moving to the agency itself, I am particularly interested in the trend in agent performance. If we look at pages 112 and 113 of the annual report but particularly in the first instance page 112, it shows that the performance of all five of the ongoing agents — if we look at the return to work index which is the second indicator reported — has been identified as having deteriorated.

When you look back to the year before, three of the six had deteriorated So we know that every agent's performance has deteriorated; we just do not know by how much. I was trying to look at the 2 per cent decline, which is apparently the determinant for having deteriorated, and there does not seem to be a match between the two years. I am just wondering, can we get an idea, on notice if necessary, what the actual deterioration has been?

Mr SCOTT — I can give some. I have just got information about it. There is an issue with return to work and a deterioration in the performance, and it has been across a number, as indicated. The target in 16–17 was 19.47 per cent — no, that is an aggregate figure, 19.47 per cent — and in 16–17 the result was 21.53 per cent, so that gives you a framework of reference to the —

Mr MORRIS — Yes. The targets may have been met but —

Mr SCOTT — No, no, in fact they were not.

Mr MORRIS — what I am keen to know is why the performance of every single one of the ongoing agents is reported as having deteriorated?

Mr SCOTT — I can provide some. I might ask the CEO to supplement, but there has been — and this is one of the reasons why I was just touching upon WorkHealth — an increase over a period of time in mental health injuries, and mental health injuries typically — I might get Clare to supplement in terms of some of the detail, but mental health injuries typically have a much lower return to work rate. I will probably keep speculating around the reasons. There is a lot of work in fact going on around the reasons why that is the case, but it is —

Mr MORRIS — Given that it is a pattern for two years, I was going to ask about whether in fact it is tracked and whether the pattern is continuing this year. I think it is an important issue.

Mr SCOTT — I am happy to provide some further. But I want to say the underlying — and it is something I am certainly interested in and I have some knowledge of, but I will get Clare to provide some further information — over a period of time there has been a trend for an increase of mental health injuries and it is in fact, as I have said, one of the reasons why the focus of WorkWell is on preventing mental health injuries, because the best response is actually prevention of that injury. Also there has been work undertaken in terms of ensuring a better response once someone —

Mr MORRIS — Minister, perhaps Ms Amies may be able to respond because I am just really interested to know what has been done to try and arrest that trend.

Mr SCOTT — Well, I was touching upon one of the issues to try and arrest that —

Mr MORRIS — You are talking about the symptoms rather than the cure. I am interested in the cure.

Mr SCOTT — No, no, no, but to be frank, I was not, because the sort of policies around WorkWell are specifically designed to reduce the number of injuries and if you reduce the number of injuries of an area which have proven to be more difficult to return an injured worker back to work, you are in fact addressing more than the symptoms, but I am happy to have the CEO respond as well to that question.

Ms AMIES — It is correct that there has been two years of deterioration in return to work and it has mainly been due to an increase in the mental health claims in the scheme. It has required us to work with our agents to understand what are the different approaches we need to take in terms of servicing people with a primary mental health injury in terms of their return to work. As the minister has indicated, unfortunately people with a mental health injury are significantly less likely to return to work at the six months, which is the indicator that you are referencing in the annual report. In fact, it is only 45 per cent, considering the number of increase.

This year we are seeing a trend in terms of actually the agents and the new models of working with people have responded. A key initiative that the agents have implemented is the mobile case management, where key claims and people with more complexity can receive the case manager actually in the workplace assisting with doctors' appointments, approvals on the spot in terms of the work and actually working with the employee and the employer to improve the experience, not only of their treatment and recovery but to ensure that they can have a successful return to work. So this year the trend has improved and we are confident that we will at least meet our target, hoping that the next year will have some further improvements.

Mr MORRIS — So just to get an indication of the level of improvement, are we talking about a return to stable or are we looking at actually?

Ms AMIES — We are looking at returning to stable, with a view to hopefully have some improvement. Obviously I do not have the final figures for this year —

Mr MORRIS — Clearly, yes.

Ms AMIES — but we are seeing some significant improvements in what we had seen over the previous two years.

The CHAIR — Order! Ms Shing to read out some questions for Ms Patten.

Ms SHING — Thank you. I am now going to ask questions as the nominated de facto question asker for the crossbenchers. On behalf of Ms Patten —

Mr SCOTT — A noble cause — or not?

Ms SHING — Well, it's a cause; let's just leave it at that.

Mr SCOTT — I think Ms Patten's questions — I am sure — actually usually are very good. So continue.

Ms SHING — To say nothing of all crossbenchers' questions, absolutely. So let's go to the first question. 'TAC suspends police funding after revelations officers faked 258 000 breath tests' was a headline on 30 May 2018. The Victoria Police assistant commissioner, Russell Barrett, recently confirmed that the TAC has suspended funding of police operations in light of the scandal surrounding the falsification of preliminary breath tests. The stated figure in media reports has been \$4 million in suspended funds.

The first part of Ms Patten's question is as follows: the TAC initially raised concerns with Victoria Police about their preliminary breath test data, which represented five years worth of tests. Leaving aside for a moment the responsibility of Victoria Police to identify their own unacceptable work practices, what was it about the data that the TAC had concerns about and how was it that this data anomaly was only recognised by TAC after five years worth of testing?

The next component to this question is as follows: will practices at the TAC change in light of this situation so that future data issues or issues more generally around Victoria Police workplace behaviours with regard to road safety are identified earlier?

Question 2 from Ms Patten — this is all on notice, by the way, for avoidance of any doubt —

Mr SCOTT — As I have indicated to the Chair, I am happy to provide an answer. Do we wish to do that or take things on notice?

Ms SHING — I think Ms Patten is usually grateful for answers being —

The CHAIR — Taking it on notice will be fine.

Ms SHING — taken on notice and provided in writing, given that she and Ms Pennicuik are not here on this occasion. You may have other comments to provide at the end though.

Question 2 from Ms Patten is as follows: budget paper 3 reveals a number of funding outputs that are attributed to the Transport Accident Commission, one of which is ‘Policing and crime prevention’, ‘Additional drug tests on our roads’, with 11.3 million in 18–19 and 8.8 million in the following year, at page 92. The first question on this: does this particular output incorporate the \$4 million in suspended funding? The next component: to what extent is this suspension expected to impact on police operations? The next component: what is the current state of negotiations with Victoria Police, given I presume they will be doing what they can to assure the TAC that their practices have changed and they are therefore still deserving of the funding? The next component: if this suspension remains in place, where will that funding be redirected? And the final component of this question is: if this funding is resumed, can we agree that to the layperson on the street one government entity (TAC) withholding funding briefly from another government entity (Victoria Police) seems to be little more than an exercise in public image?

I will break cover there and indicate that again that appears to me to be asking for an opinion, in breach of the standing orders, but that is a question for you to perhaps consider in answering those questions.

Mr SCOTT — I suppose again I would say the following. I am happy to take things on notice, particularly as they relate to my portfolio areas. A number of the questions, in fact perhaps all of the questions, would relate to the road safety portfolio as opposed to my finance portfolios, but I am willing to take the matters on notice and respond appropriately as they relate to my portfolio areas.

Ms SHING — I am sure Ms Patten thanks you for your assistance.

Mr DIMOPOULOS — Good morning, Minister, and officers. Minister, I want to take you to TAC and budget paper 3, page 34. It talks about the investment in the Towards Zero campaign, which includes obviously road infrastructure improvements. Can you outline some of the work being done in terms of supporting those who have been injured on our roads? Despite all the infrastructure improvements, people will always unfortunately be injured on roads. Can you elaborate a bit further on those supports?

Mr SCOTT — Thank you. That was relevant to my portfolio areas and also tied to a budget paper reference, so —

Mr DIMOPOULOS — Tick, tick.

Mr SCOTT — Tick, tick. The government — and again I may have the chair of the Transport Accident Commission, Joe, provide some supplementation to my answer — has been improving compensation for injured Victorians, which of course, although the change has been made, will take effect and influence the lives of Victorians during the estimates period. There have been a series of changes, including the repeal of amendments to the Transport Accident Act; restoring appropriate access to mental injuries claims, particularly related to emergency services personnel; and increasing benefits to families to attend funerals of loved ones. That picks up an issue which was dealt with previously in an answer in relation to the WorkSafe portfolio.

We have recently amended the act to remove the medical excess of \$651 that previously clients had to pay before the TAC could pay for a non-hospital treatment. I would say this is a really important change. I might get Joe to supplement, because one of the things that has been found with the Transport Accident Commission, and similar issues also apply for the WorkSafe scheme, is that in the early treatment and early interventions in a person’s life, one of the journeys — and I think there has been excellent work done at the Transport Accident Commission in this area — that government and social insurers have been on, and I think the Transport Accident Commission has actually been playing a leading role in this, there is a need to change the conceptualisation of what is occurring from being an arrangement where you are dealing with a compensatory scheme to being focused much more on the needs of individuals and the person who has been injured and what actions can be taken to ensure that their life is returned to a normal place. Sometimes that is quite difficult if the injuries have been serious, but it is about returning to a place where a person — what I mean by normal — has agency within their own life.

I might get Joe to supplement, but the removing of the excess reduces delays and the administrative burden experienced by clients as they recover from an injury on the roads. I think this is really important. And of course

it removes a financial barrier, particularly for those in society for whom \$651 can be quite a sizeable sum — for many in the community. This is about ensuring that people have the support in the interventions that they need in their own life so that they can get the agency and ability to control their own life and get on with their life subsequent to a transport accident. I might get Joe to supplement.

Mr CALAFIORE — I am Joe Calafiore, CEO of the TAC, and as the minister just indicated, one of the great advantages in Victoria not just for the TAC but for our sister agency in WorkSafe is that we are very data rich. So we conducted a longitudinal study where we tracked 1500 TAC clients, starting five years ago. What really shone through the evidence locally is what we see overseas, which is the importance of early intervention. Something such as a medical excess, quite common obviously in commercial insurance schemes, is a bit of an anomaly in a social insurance scheme, even in Australia.

We have already seen just really terrific not only just client feedback about the ability to be an early responder but also feedback from providers. So we have physiotherapists that have really been saying it has just been a wonderful relief that when the patient turns up at the counter with clearly obviously a transport injury they are able to now get straight in and commence that treatment. So the removal of the medical excess is really sitting on a significant evidence base about early intervention.

If we think about the TAC and that evidence base, whether it is prevention, compensation or rehabilitation, or a long-tail insurer, it is about anything we can do at the front end into either the direct TAC service delivery or, what I would say, the operation of the system from the trauma hospitals to the treaters — what we call that wraparound care. These trials have been going for two to three years now, and they are showing really, really positive results. These are things that we obviously then seek to operationalise into our core business.

Mr SCOTT — If I could supplement what was said before, because I think this is important, delay in getting help to someone's life and the supports that someone has needed, the evidence — and I had a number of discussions at the Transport Accident Commission — is that it is really deleterious. So you want the interventions to be as quick as possible, to allow people to get the treatment that they need. There has been a lot of work done at the Transport Accident Commission about triaging and examining the type of injury someone has and the sort of supports that the person is likely to need to get those interventions as quickly as possible. Obviously having medical excess and the sort of problems that that creates about seamless transitions to receiving treatment has been identified as an area that, while there is cost to the scheme of 6.5 million, I think it was a year, of removing the excess, the benefits I am sure will outweigh that both in terms of the impact that it had on people's lives in getting that early intervention and not having that hold up because of an excess that can exist, but also in being able to seamlessly work without there being an issue which prevents a treatment occurring quickly.

Mr DIMOPOULOS — Thank you. While it is a fundamental issue of access and quality, really, for treatment, it may show some economic results as well because, as you said, of the earlier you get intervention. I have spoken on a bill and I am very proud to in the Legislative Assembly. I just wanted to get a sense, though, of the link between early intervention and the excess, is it because people hold on for a few weeks or months to save enough to go to the physiotherapist? Is that the reason?

Mr SCOTT — I might get Joe to respond, but that was the evidence.

Mr CALAFIORE — That is absolutely right and in fact sometimes years. If you think of those tragic events of Flinders Street or a Bourke Street type of arrangement, even though obviously society's attitudes about mental health are changing, which is fantastic — the ability for people to put their hand up once they have witnessed a traumatic event — it is often years post-accident that might be the first approach to a treater or to the insurer. Providers have told us time and time again that people present at the counter and have been told you have in effect got to go away, rack up the bill and then come back. So it is a significant practical barrier to early intervention which has now been removed, which is terrific for the client but also in a financial sense early intervention and better return to work, assists us to maintain the financial sustainability of these schemes.

Mr DIMOPOULOS — It is an excellent investment. Well done.

Mr SCOTT — So the evidence is really strong that the quicker the interventions can be, the better someone's recovery is and the more agency they have on their life. The outcomes are both good for the scheme but much more importantly, because this is a social insurer, good for the people themselves. It is not as if there

are no problems about claims, but if people who have been engaged in a transport accident do not seek out as a choice, this is something where the role of the —

Mr DIMOPOULOS — And if they do, they should not be treated differently subject to the capacity of their bank accounts.

Mr SCOTT — So if someone is injured, having a financial impediment to treatment just does not fit in with the values of the modern Transport Accident Commission or, I would contend, the Victorian community.

Mr DIMOPOULOS — Thank you, Minister.

Ms WARD — Minister, if I can get you to go back to WorkWell, you mentioned in your response to me that there was a WorkHealth program under the previous Labor government. Could you talk us through what the connection is between WorkWell and WorkHealth? You also referred to looking at Canada. Is that the difference between WorkWell and WorkHealth?

Mr SCOTT — The first WorkHealth program was principally focused on health checks that occurred in the workplace. So there was a very large number, certainly hundreds of thousands, from memory, of health checks that occurred in the workplace and they were about early identification, particularly of things like diabetes, heart disease, high blood pressure and cholesterol levels. That work had been undertaken and there was a very large amount of data that had been collected. The utility of continuing with the same program was not seen as being the best intervention that could be done. With all due respect, and I think it was excellent work undertaken in the first WorkHealth program, the view that was formed during the consultative process — and this evolved really with consultation, looking at best international practice and also the needs particularly of employers in dealing with their workplace, and employees, of course — was that there should be a change in the focus.

In one sense this is the continuation of WorkHealth but it is looking at a different aspect of health and seeking to address emerging issues that exist within the workplace. What was identified through that advisory process was that the issue of mental health injury within the workplace and particularly prevention of workplace injury was a greater priority than seeking to re-establish the program as it was.

Mr MORRIS — I just want to return briefly to the issue of the agent performance at WorkSafe. The same page, the duration and percentage of workers on weekly payments. In the report there are 13 weeks, 26 weeks, 52 weeks and 134 weeks, and there are five ongoing agents — so effectively 20 indicators, if I can put it that way. If we look across the 20, two improved, eight deteriorated of the five ongoing agents. Just reasonably quickly, are the contributing factors to that similar to the contributing factors to the six-month figures that we were just talking about?

Ms AMIES — There are a number of issues. In terms of the return to work performance, there have definitely been some issues around us redesigning the opportunities to early intervene around the issues of mental injuries. You will have noticed in the report that there was a change also in our agents, so we have a new agent into our scheme and an agent exit the scheme. That also can create some deterioration based on just the transition and transfer of those claims. So there will be a number of reasons in terms of that deterioration.

Mr MORRIS — So there are, as I said, eight flagged as having deteriorated, excluding the former agent and the new agent, so it was sort of eight out of 20 that were going downwards and only two were going up.

Ms AMIES — That is correct, that is right. So with an agent exiting the scheme, there was not only a new agent coming into the scheme but there was also market distributed among some of our existing agents.

Mr MORRIS — Right, okay. Can I move to an entirely different subject, and I might come back to those figures if time permits a bit later. Minister, with your hat on as the minister responsible for land sales, in 2015 it was reported that you had awarded the Australian Education City consortium a preferred bidder status for some 400 hectares of public land in East Werribee. In March this year the *Age* reported your spokesman as confirming the proposal was still under consideration. Can I ask you: at what stage are the negotiations?

Mr SCOTT — It is difficult to give an ongoing commentary, because there is still consideration of matters in relation to the East Werribee land and the Australian Education City proposal. I probably do not want to give a running commentary on the negotiations, but there is still consideration of the matters at hand.

Mr MORRIS — So are we any closer to a conclusion than we were, say, 12 months ago?

Mr SCOTT — Because I do not want to conduct a negotiation via the committee, I am trying to be careful in my considerations.

Mr MORRIS — Which is why I am trying to couch these questions in an appropriate manner.

Mr SCOTT — Of course we are 12 months closer to any resolution by the nature of the effusion of time, but I do not want to give a running commentary. What I would say is that from my perspective the role that I have is not just to ensure the maximising of the financial outcome per se in relation to any particular disposal of land but to ensure — this is quite a complex matter and it relates to a complex proposal and complex interrelated matters — that any outcome in relation to the disposal of the land in East Werribee maximises the benefit to the state in terms of both the economic and social outcomes. It is a complex matter — I would certainly say that — in fact one of the more complex matters.

Mr MORRIS — With my limited knowledge I would say, yes, I would agree with you. Can I ask you: does this budget contain funding for any infrastructure to be developed should the project proceed?

Mr SCOTT — No, because there is not a decision that has been made. So in terms of —

Mr MORRIS — No, and nothing in the forward estimates either, I assume?

Mr SCOTT — No. If there is not in effect a cabinet decision for the budget — because the budget itself goes through the cabinet — if there is not a decision that has been made, there is not a representation within the budget, because —

Mr MORRIS — So there is not a cent in the budget for any project associated with the proposal?

Mr SCOTT — There is not a specific line item in the budget, but —

Mr MORRIS — I understand that, and I am asking you whether there is a dollar or a cent.

Mr SCOTT — There is not funding for matters in relation to it. I want to be very careful, because matters relating to whether the state makes a contribution are of course matters for consideration.

Mr MORRIS — So was that a yes or a no?

Mr SCOTT — There is not funding that has been approved within his budget.

Mr MORRIS — Okay, thanks. It has been reported that investment bank JP Morgan had told investors that PowerChina, which is a Chinese state-owned enterprise, was a \$3 billion backer. Obviously I am not going to ask you about the level of that investment, but can you confirm the report that that organisation is involved?

Mr SCOTT — I might check what we can say. I will probably take on notice anything about commercial considerations.

Mr MORRIS — Okay. Other reported strategic and financial partners include the China Development Bank, which I understand is one of the three policy banks of the People's Republic of China and finances a number of very large projects, including the Three Gorges dam; the China Railway Construction Corporation, which is also a state-owned enterprise; a further firm called China State Construction, which I understand is a listed company; and Citic Construction, another state-owned enterprise — so number of state-owned enterprises. Can you also take that on notice and confirm —

Mr SCOTT — I would take on notice those questions. How would I put it? I would not want to reveal information which is commercial-in-confidence or relates to some of the considerations in an inappropriate way, so I will take those —

Mr MORRIS — No, but I think it is reasonable to ask who are the people behind the —

Mr SCOTT — It is perfectly reasonable for us, but I want to make sure that the response is appropriate. I do not want to freewheel on the subject.

Mr MORRIS — Despite the connections, and I put no value on them at all, the executive director of the project is also reported as saying that the entity behind the plan would remain Australian owned and that at least one of the key backers — and I think that was PowerChina — would have no level of ownership. I understand that this is still a work in progress, but can Victorians be confident that, should you allow this proposal to proceed, any resulting development and the land upon which it is built will in fact remain Australian owned and will not become, given the apparent make-up of the consortium, a de facto asset of the People's Republic of China?

Mr SCOTT — Again I would want to take that matter on notice, because there are some issues that I probably want to examine in responding to that question.

Mr MORRIS — With the last one I understand that you may wish to take it on notice, and that is fine — I am happy for you to do so — but I guess the question is in a policy sense about your disposition towards the ultimate ownership and whether the ownership of that property and the development, which if it proceeds as reported, will obviously be a very significant asset, will in fact remain Australian owned rather than an asset of a foreign power?

Mr SCOTT — I would respond on notice because there are some contradictory elements in terms of the information that you have provided. I want to check the nature of some of the issues you have raised in relation to the questions, so I will take that on notice.

Mr MORRIS — Yes, well, I am solely going on public reports.

Mr SCOTT — I understand that.

Mr MORRIS — It would perhaps be useful if we could establish the veracity or otherwise of those public reports just to put a frame around it. Can I ask you, finally, what due diligence you have undertaken regarding members of the consortium?

Mr SCOTT — Sorry, what due —

Mr MORRIS — What due diligence have you undertaken regarding members of the consortium?

Mr SCOTT — Again these matters that would in fact have cabinet elements to them I want to take notice because there are cabinet processes in relation to those matters, but I can give you an assurance that there have been processes within government to ensure that decisions are made within the context of both maximising the benefit to community and safeguarding the community benefit as well.

Ms SHING — I would like to, Minister and witnesses, go back to the presentation and also to a number of components of the discussion that we have heard today around agricultural safety and deaths on farm. This is an issue which has been a source of enormous grief and trauma for farming families and communities throughout Victoria, and the initiatives that have been allocated to improving quad bike security and on-farm security have come not before time.

I noted, Minister, that you indicated, I think in your presentation, that there had been 3265 quad bike applications approved and that there was a significant volume of resources going into addressing this leading cause of serious injury on Victorian farms. We have seen 14 workers die in the agricultural sector in 2017, and along with livestock crushes this has been a large source of the numbers of fatalities. So in implementing the new quad bike safety strategy to reduce the number of deaths and serious injuries, what is the uptake like for the rebate scheme for access to the assistance, and how is that being received by the wider community?

The other part of that is the sort of operational response that is being implemented, and I noticed that you have had 87 notices on quad bikes since March 2017. What does that regulation and compliance component look like as well in the work to tackle on-farm fatalities?

Mr SCOTT — I am very glad to receive this question because it is something I am quite passionate about. The original work that was undertaken on decisions in relation to quad bikes was driven in fact in part by some inspectors, and I think of one in particular within WorkSafe who was very passionate about this issue. We talk about statistics and numbers of persons, but if you can think from the context of an inspector who goes out to a site where someone has been seriously injured or killed in relation to a quad bike, for particularly experienced

WorkSafe inspectors who have been undertaking this work over a long period of time, this is something they were very passionate about.

Ms SHING — And it is devastating, absolutely.

Mr SCOTT — It is absolutely devastating. I think, in touching upon it, one of the issues is of course family members can be often the victims in quad bike accidents — of the operator of the farm themselves — so there is a particularly brutal and terrible tragedy that occurs in so many cases with quad bike injuries and deaths. In terms of the take-up, as I indicated with those figures, I might get supplementation in terms of Clare, but that there has been a very strong response is the information that I have received. I would comment that the Victorian Farmers Federation has been very proactive in supporting the scheme that has been undertaken, and in fact it has played a lead role in the implementation of it. There has been a very strong response from farmers' representatives because farm communities themselves are very aware of the issue of quad bikes and the challenges. It is important to understand that that toll is very disproportionate compared to the broader Victorian workforce. I think the figure is 3 per cent of Victorians work on farms but 30 per cent of workplace deaths occur there. So I will get supplementation from the CEO.

Ms AMIES — In terms of the purchase and the uptake, to date there have been 1967 operator protection devices fitted and there have also been 1298 safer alternate side-by-side vehicles purchased through the quad bike rebate scheme. That rebate scheme continues, and what is important is that the enforcement activities enable people using the equipment, being a quad bike, if the assessment is that they are at risk of rollover based on the approach, then that rebate is still available for people to be able to rectify and ensure that the equipment they are using on the farm is safer, whether it be an OPD or a different vehicle.

Ms SHING — In the 7 seconds we have remaining, is there anything that can be done to incentivise people to buy safer vehicles? If there could be something taken on notice about that information for the community, that would be gratefully received.

Mr MORRIS — Minister, just quickly — because I would like to get back to WorkSafe if the time permits — in terms of the number and size of cost outputs, you are on record in the committee in May 2015 talking about 'the capacity to make resource allocation decisions and hold departments to account' being diminished by 'poor specification of outputs'. You particularly highlighted that there were 350 outputs when Victoria first started on output budgeting and a fourfold increase in appropriation but a reduction of outputs to half. Of course in this year's budget we have outputs of DHHS admitted services, \$11.2 billion; DET school education primary, 5.7 billion; and school education secondary, 4.5 billion — so 21.14 billion, or 34 per cent, of total spending, excluding Parliament and the courts. You talked about reviewing service delivery and performance reporting. We know you have done that. I have read all the documents that have come out. But I am just wondering, what work is DTF undertaking now in terms of reform of the output system?

Mr SCOTT — I would note, in terms of ensuring that outputs are accountable to the Victorian people via the Parliament, there is the increase in performance measures that has been attenuated and the reform in performance measures, but I might get the secretary to supplement. While the number of outputs has not increased, the number of related performance measures has increased over a period of time — there has been more specificity in terms of the performance reporting. But I might get supplementation from the secretary.

Mr MARTINE — As the minister mentioned, there has been quite a bit of work the department has undertaken, particularly around the veracity of the performance measures. You will see in each budget there is a range of performance measures that are proposed to be discontinued to essentially be replaced by measures that are a bit more meaningful. Sometimes the right performance measure is a qualitative performance measure, not necessarily a quantitative performance measure, because sometimes quantitative performance measures lead to perverse outcomes and perverse behaviour. There has been quite a bit of work undertaken both by my department but also with the other departments to try and improve the performance reporting framework that is articulated in budget paper 3.

Mr MORRIS — If I can move on and come back to WorkSafe and the next page in its annual report, page 113. I am particularly interested in terms of both the weekly payments paid within seven days but particularly in terms of medical reimbursements paid within 11 days. By my arithmetic, in 2016 that figure sat at 94.5 per cent and seems to have dropped to 89.8 per cent in 2017. Four of five of the ongoing agents, again

their performance has deteriorated. I am wondering what steps have been taken to address that issue given that it is obviously going to have a significant impact on clients of PWA.

Ms AMIES — The main focus for us has been ensuring that all information that we receive is now digitised. One of the complexities of a scheme this size is that the agents receive over 6 million documents per annum in relation to managing claims, which includes a significant number of paper-based invoices. To improve our timeliness in payments but also to ensure that the information is captured —

Mr MORRIS — Without cutting across you, can I ask: have we seen in this year an improvement?

Ms AMIES — It is all digital and it is improving based on there is no loss information because it is all now scanned and put into the system digitally.

The CHAIR — All right. I would like to thank the witnesses for their attendance — the Minister for Finance, the Honourable Robin Scott, MP; Mr Martine, Mr Calafiore and Ms Amies, Mr Hollingsworth, Ms Auster, Ms Porthouse and Ms Reaburn. The committee will follow up on any questions taken on notice in writing. A written response should be provided within 10 business days of that request.

Witnesses withdrew.