

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into 2019-20 Financial and Performance Outcomes

Melbourne—Tuesday, 23 February 2021

MEMBERS

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor

Ms Bridget Vallenge

WITNESSES

Mr Simon Phemister, Secretary,

Ms Penelope McKay, Associate Secretary,

Mr David Latina, Deputy Secretary, Jobs, Innovation and Business Engagement,

Mr Andrew Abbott, Deputy Secretary, Creative, Sport and Visitor Economy; and Chief Executive, Creative Victoria,

Ms Gönül Serbest, Chief Executive Officer, Global Victoria,

Ms Beth Jones, Deputy Secretary, Rural and Regional Victoria,

Mr Matt Lowe, Deputy Secretary, Agriculture,

Ms Sara Harbidge, Executive Director, Office for Suburban Development, Local Government and Suburban Development, and

Mr David Clements, Deputy Secretary, Employment and Inclusion Group, Department of Jobs, Precincts and Regions.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. On behalf of the Parliament the committee is conducting this Inquiry into the 2019–20 Financial and Performance Outcomes. Its aim is to gauge what the government achieved in 2019–20 compared to what the government planned to achieve. We note that witnesses and members may remove their masks when speaking to the committee but must replace them afterwards. We ask that mobile telephones be turned to silent. We note that the Member for Mordialloc is an apology; his family is celebrating the recent birth of a new baby.

We also advise you that all evidence taken by this committee is protected by parliamentary privilege. Comments repeated outside this hearing may not be protected by this privilege. Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible. I welcome you, Secretary, and members from your department. I invite you to make a 10-minute presentation, to be followed by questions from the committee.

Mr PHEMISTER: Thank you very much, Chair, and thanks to the committee for having us again. I am joined today by a series of deputy secretaries from my department, and we represent not only the staff of DJPR but also the dozens of entities attached to our department as well. Chair, I have circulated a pretty long presentation. I do not intend to labour on the slides but rather call out some highlights from the year from our perspective as the department and how we have managed to navigate what has been obviously a challenging period—2019–20 spanned drought, fires and floods, as well as the regular challenges of the portfolios that we have been entrusted to serve through the public service. Thanks, Beth.

Visual presentation.

Mr PHEMISTER: Here is a snapshot for the committee just of our department cut by portfolio. We serve six ministers. We served, I should say, in 2019–20 six ministers and 14 portfolios. This is just to orient the committee as to the work we do. That changed a little bit in 2020 but still remains the essence of who we are in DJPR.

Our purpose that binds us all together through the department: we celebrate individual cultures in our department. We have some longstanding parts of the department, such as Agriculture Victoria, who have their own identity and work so well with their own stakeholders. They are joined by colleagues across creative industries, sport, local government, et cetera. But there are three things that bind us in our purpose, and they are: more jobs for more people—fundamentally we are the jobs department, and every conversation begins with 'More jobs for more people', and that is a really intentional and important part of who we are, creating opportunities for those who may have not had them, otherwise but always starting from the perspective of jobs growth; thriving places and regions we see as essential to generating job growth—the economic literature is

pretty strong on this and we are lucky enough to have suburban development and regional development as part of our department, and these days local government as well, so places and regions are a really important part of who we are and have very much been a feature of the way we have worked in 2019–20, but I will come to that; and finally, inclusive communities—economically resilient communities that go right back up the top and not only create jobs but create jobs for more people, and again referencing the literature and the global data, that is the best way to ensure ongoing economic prosperity.

I will click forward please, Beth. The key challenges for 2019–20: like I said, going back to 2019–20 we were all recovering from and in some cases fighting fires, and that came off the period of a drought. So keeping in mind our department is the department for regional Victoria and agriculture, sitting here back in 2019–20 we would have been talking about drought and fires in terms of our critical services to our critical industries. It is important to reflect on what an exhausting and important period of service that was, just having come off the back of the Australian Open. The Australian Open last year was a celebration of the restart of the Victorian economy and opening Australia to the rest of the world, and with smoke haze in the lead-up it was just a reminder of how recent the fires were and indeed how devastating they were to some communities—and communities that then were faced with the challenges of COVID.

Back to fires. We are the agency that basically swings into gear when the firefighting stops. We do have a response role, and we serve an important role in critical incident management during fires and natural disasters, but our expertise really kicks into gear post, and grants, recoveries, working with communities and individual farmers and members of the agriculture community—and regional communities in general—was a really big part of what we did in the start of the 2019–20 financial year. Some of those industry sectors that were impacted by the fires were the same ones that were impacted by the flood and then were again impacted, by COVID. So again, reflecting on where we started in 2019–20 is a really important part of understanding what we did during 2019–20. Thanks, Beth.

Key challenges—supporting businesses through the pandemic: again I will just reference the recent Australian Open. We had smoke haze in the lead-up. We thanked first responders during the finals of the Open last year, and just at the end of the Australian Open we started to pick up reports of positive cases of COVID-19. So past the initial response to fires and at a time when our emergency services colleagues and the emergency responders in our own organisation were recovering from an intensive fire season, we swung into action around the pandemic.

Now, the headlines for the pandemic are on the screen. I will not labour them. It is a very long list, and no doubt we will cover a lot of them today because a lot of the money went out during 2019–20 and continues to go out today. But there is one thing I want to say in addition to all the numbers, and that is that I believe our department and all of our people across all areas were not only disrupted themselves personally and professionally during this response but bore the brunt of, if you like, community concern and, in many cases, community fear around what the pandemic held for them and their livelihoods. I am really pleased to say that through the administration of all of these funds we got them away in a really timely manner, we got them away with low error rates and I think, most importantly, we got them away with compassion. We really acknowledged that we were engaging with people when they were at some of the hardest points in their lives, which was essential for all of our team and drove our approach to grant administration. It was not a vanilla ‘pick up the phone, fill in an application form’. We really deeply understood the trauma people were going through when they applied for relief.

I am going to now talk really quickly about some of our portfolios, and like I said, Chair, the ambition is not to plough through all these slides, so I will just give you the cook’s tour. I have put these three up front for a reason, and that is because innovation, digital and business programs have become more important than my living memory of public administration. If digital was not important before or was not omnipresent before, it is present now, and we see not only a bit of a pause to celebrate the way we have migrated to a digital world but see a lot of opportunities from an economic recovery perspective. We have this new-found digital literacy in our community and in our economy, we have this new-found digital literacy in the way we work as a department and combined with the resources the government is putting into the digital economy, we think that is one of the really exciting spaces going forward and somewhere where Victoria can really thrive. Being in the bottom corner of the world on most maps, digital connectivity now is more important than ever, and we deeply understand that.

Innovation—for those of you who are across the productivity challenge that we have faced in Australia for a little while and our state has been pushing up against for a long time, innovation is more crucial than ever. I probably would have said the same thing last year and the year before that but, again, given the disruption to global supply chains, given the disruption to some of our competitors and given our privileged position on COVID, we feel as though we are really well placed should we innovate, should we capture the innovations from the last 12 months, to perform well and fare well globally in terms of recovery. Obviously business programs have been just an absolutely fundamental part.

We have administered over 50 years worth of grants over the last 12 months. That is to say 50 years worth of work before then did not add up to the amount of grants we put out over the last 12 months. We did not have a standing army at the start of 2019–20 that was ready to do 50 years worth of work in nine months obviously, so we have had to kind of build that capability and learn as we have progressed through Business Support Fund 1, through the business support extension, through Business Support Fund 3 and then, off the back of that, the myriad programs that we will no doubt cover today.

Industry development, participation and business engagement—it is really important to note that while the response to COVID was in full flight, just like the fires before, we had a lot of core business heroes in our organisation who got on and did the core business. Now, these people went unheralded this year in the main because the COVID response was so present and so prominent, but while it was going on we really encouraged our people to think about not only recovery planning but what we could do in the here and now when we had moments of calm water to make sure jobs growth could continue. There are a few examples on the screen there that you probably would not have predicted or many other jurisdictions would not have seen during the COVID pandemic, but I am really proud to say that our department has continued the work of creating jobs, and here are three pretty I think significant examples of that.

Global Victoria—no part of government I think was disrupted more than Global Victoria during the year. Obviously it is the part of government responsible for inbound and outbound trade and people flows—international students, for example. So this group pivoted to again a very caring and compassionate way of working with the international student community. I am pleased to report to the committee that while we have been standing down our trade mission workforce, that workforce has been dedicated to planning a furious restart in international trade and growth. We are not an economy that digs up and chips off in the main, so our sectors have been disrupted more than some others, given the nature and make-up of our economy. We have a plan to re-enter, once we are allowed to, the global community proper, and it has been a feature of Global Victoria's pivot during the year. I will stop here, but employment programs are really important to us, obviously. People have never needed this portfolio more, and I will hopefully get a chance to talk about that during the presentation. Thanks, Chair.

The CHAIR: Thank you, Secretary. Deputy Chair.

Mr RIORDAN: Thanks, Chair. Thank you, Mr Phemister and department—

The CHAIR: Sorry, Deputy Chair, just before I start the clock, we have asked for the drilling to be addressed, so hopefully that will also cease.

Mr RIORDAN: You do not want to stop Victorians working, Chair. If they have to do it, they have to do it. Thank you. Look, the focus of these hearings, as you know, is the performance outcomes for the 2019–20 year, and we have spent a lot of time focusing just on the 2019–20 outcomes. Referring to budget outcomes for the 2019–20 year, Secretary, we did not get a budget paper 4 in this current budget, but we did have in the 2019–20 financial year various items—I think there were 48 projects listed under your watch of projects. I would like to table for the sake of ease for the committee the list of 48 projects that you have listed in that budget, and my question is whether we can please have the final end-of-year reconciliations for those projects—among other things, the Melbourne arts precinct transformation project, the Geelong city deal and 47 others. Can we table those and have your department provide that to the committee, the end of year? Caroline is coming up, so I can give it to Caroline.

The CHAIR: Would you like the Secretary to answer that question now?

Mr RIORDAN: Yes. Oh, well, unless the Secretary has them all listed there that he can give us the end-of-year financials on, I am happy to have that on notice.

Mr PHEMISTER: If I may have a look. What we have done is obviously we have built some capital works into stimulus. Now, a lot of these I do have end-of-financial-year reconciliation for that I could go into detail on now—and I am just scanning, apologies.

Mr RIORDAN: And I guess, likewise, there was also at the time—

The CHAIR: Deputy Chair, before we move on, if we could allow the Secretary—

Mr RIORDAN: Yes, it is part of the same question, just while he is looking.

The CHAIR: Is it the same document or a different document?

Mr RIORDAN: Well, it is part 2 of the document, and part 2 is the list of completion dates that you have listed in the previous budget and how you reconciled with those. We are happy to take those on notice if it is easier.

The CHAIR: Deputy Chair, we will first give the Secretary an opportunity to answer the question now. It is not an opportunity for you just to table documents and ask the Secretary to respond to them. We will give the Secretary an opportunity to respond to them and then to advise the committee what it is that he may need to follow up on notice.

Mr PHEMISTER: Thanks, Chair, and thanks, Deputy Chair. Delivery is the most important thing we are doing at the moment, so we have really focused on delivery. There are obviously disruptions in material supply chains, human capital. Without knowing the precise answer to all 48, I could go into a lot of these in some detail today. Please correct me if I am wrong, Deputy Chair, but you are after the actuals for end of financial year 2019–20?

Mr RIORDAN: Yes, that is right. We are looking for 2019–20 just the actuals for each of those projects.

Mr PHEMISTER: And you are after the estimated completion date for the 16 projects?

Mr RIORDAN: For the 16 projects, yes.

Mr PHEMISTER: And just for clarity again—and thank you—it says here the 2019–20 published estimates completion dates. They were published in the previous BP4.

Mr RIORDAN: Yes, correct.

Mr PHEMISTER: Great. I will take that as given, Chair. If there are any discrepancies in my numbers and these, I will just clarify back in my response.

Mr RIORDAN: Yes, that would be great. Yes. I appreciate that. Thank you. And you believe you will have those available? You have got those?

Mr PHEMISTER: Mr Riordan, I have scanned the list of 48. We are tracking delivery like never before, so I am sure we will have something to say against all 48. Whether I can fit it in the precise nature of this table, I will do my level best.

Mr RIORDAN: Okay, thank you. Continuing with the procurement of goods and services through your department, and I refer to question 14 in the questionnaire around contractors, consultants and labour hire agreements. As you are aware, each department is required to self-assess and report on their compliance with Victorian government purchasing—which I think it is fair to say we got into a bit of a pickle with at some points last year—and in your annual report, in the VGPB 2019–20 annual report, it says that your department said that 10 per cent of contracts were non-compliant. Secretary, we have all seen what happens when things get rushed—you know, we had the famous 6-hour decision to do hotel quarantine. And also there was IBAC's report on Operation Esperance uncovering corruption in public sector purchasing. Your department had roughly \$3.68 billion worth of purchasing and you are admitting to 10 per cent of that not being compliant, so what specific sort of governance breaches are you identifying in that 10 per cent?

Mr PHEMISTER: I will have to unpack a bit of that, Deputy Chair. So governance breaches and non-compliance are two dramatically different things, as are matters referred to IBAC, so I will just address all three

separately if I may. First of all, the number you have mentioned was not the number that the 10 per cent referred to, because that is our budget now. That number—

Mr RIORDAN: Sorry?

Mr PHEMISTER: The number that you are referring to, our \$3.8 billion worth of expenditure, and the 10 per cent—it is not 10 per cent out of \$3.8 billion.

Mr RIORDAN: So it is a 10 per cent of what?

Mr PHEMISTER: I will have to get you the expenditure number for goods and services as at the production of that number. The non-compliance came through non-compliance with general VGPB purchasing rules. And you referenced back to some of the consultancies and contracts we took under our COVID response; they were very much compliant with our department's procurement rules. So non-compliance is non-compliance with a particular framework, not non-compliance with established and agreed and certified rules. And then finally—

Mr RIORDAN: So it is non-compliant with Victorian public sector purchasing?

Mr PHEMISTER: I can come back through and get the specific details through the annual report of what led those 10 per cent—that you have identified in the annual report—to what you have referred as non-compliance and what I phrase as non-compliance with the VGP rules for the purpose of those definitions but compliance with our own department purchasing rules. We discussed this last time: when we have a state of emergency, we have a different procurement framework that cuts in, and we have done independent reviews of all the purchasing against that. We do them by course. If we have something that sits outside Victorian Government Purchasing Board establishment rules, we do something called a post-incident review, and that post-incident review goes through and unpicks all of the procurement decisions that were made in the context of the emergency response.

Mr RIORDAN: Just to clarify that, you are saying that we have different purchasing rules—that the same department has different purchasing rules depending on what it is for. So you have got your departmental ones, you have got COVID crisis ones and you have got Victorian public sector ones?

Mr PHEMISTER: No, sorry.

Mr RIORDAN: We are not able to pick and choose which rules we want to use, are we?

Mr PHEMISTER: Apologies, Deputy Chair, no, that is not what I am saying. We have rules that kick in in a state of emergency. So I have VGPB govern all purchasing and procurement rules in the state—

Mr RIORDAN: Which means you can purchase anything as quickly and rapidly as you need to, without—

Mr PHEMISTER: With regards to an emergency?

Mr RIORDAN: Yes.

Mr PHEMISTER: That is why the emergency procurement rules exist.

Mr RIORDAN: But they are the rules that we saw under the hotel quarantine, where you can just spend all the money you like as quickly as you like without—

Mr PHEMISTER: No, that is not what the rules say at all. There is a procurement—

Mr RIORDAN: But that is what we heard, though, at the last hearings.

Mr PHEMISTER: I am not sure who you heard that from. It was not me—

Mr RIORDAN: Wasn't it 6 hours when you organised hotels and hotel security—in 6 hours?

Mr PHEMISTER: So I can give different examples of when there is a fire or a flood or a wind event on agricultural properties and we need to swing into gear with a different response. There are sometimes natural

conditions that require rapid responses to procurement decisions, and we either make those procurement decisions or we let the fire, flood or wind event take hold. That is why those rules exist, and they only come into effect under a declared state.

Mr RIORDAN: Okay. So understanding that there are different rules for different occasions, in that 10 per cent non-compliance are there breaches around sort of standard commercial practices? Can you identify what a breach might look like?

Mr PHEMISTER: Mr Riordan, I will have to take on notice the 10 per cent. I am sorry, I am at a bit of a loss to describe the 10 per cent to you.

Mr RIORDAN: And you are also going to get that figure—you said it was not \$3.68 billion worth of spending.

Mr PHEMISTER: What the total—

Mr RIORDAN: Yes. So you will provide that as well?

Mr PHEMISTER: Indeed, and I can give the committee a run-down. But off the top of my head, if we run different time lines, for example, in a procurement, it would be technically non-compliant. I am not sure. I will stop there and take it on notice, Mr Riordan.

Mr RIORDAN: Okay. I refer again to the outcomes questionnaire responses—contractors, consultants and labour hire agreements. According to the table, your department spent \$133 million on contractors, consultants and labour hire. Do you agree that this \$133 million spend, which is part of that overall bigger budget, on non-construction goods and services needs to be done at all times within the Victorian Government Purchasing Board requirements?

Mr PHEMISTER: Again, I would have to refer you to the reason for us having an emergency procurement framework. So some of those—

Mr RIORDAN: But that would be the only exception to that.

Mr PHEMISTER: That is the established framework that I operate within that permits a different type of procurement. Under the general provisions for labour hires and contracts, there are exemptions that in some cases are granted through members at the hearing today, including myself, where there are permissible exemptions that can be granted under particular circumstances. In some cases those circumstances dictate that we have to provide exemptions.

Mr RIORDAN: Just on that final point, then, are you able to provide to the committee the emergency procurement rules that you operate under?

Mr PHEMISTER: Yes, I absolutely can, Mr Riordan.

Mr RIORDAN: Okay, excellent. Thank you. I refer to pages 86 to 88 of the outcomes questionnaire, which relates to the creative industry performance measures. Up until 30 June last year—that period we are talking about—nine days before we ended up in the long lockdown, user attendances at the arts centre were down 27 per cent and Melbourne Recital Centre were down 32 per cent. As we know, all these creative industries really have taken a big blow and continue pretty much to be suffering here in Victoria. With the complete sort of decimation, really, of creative industries in Victoria over the past 12 months, what advice are you giving to government to get this back on track and to support it outside of the government policies? We are still seeing so many of these things being cancelled or not able to go ahead.

Mr PHEMISTER: A couple of points, and I am joined by Deputy Secretary Abbott, who looks after the area, Deputy Chair, speaking to colleagues around the world—and it is a very, very difficult period of time for creative industries—we have some of the most permissive attendance rules in the world with regard to the creative industries at the moment. That does not detract from the difficulty that our institutions are facing right now. A couple of things: we have provided sustainability funding, which Mr Abbott can unpack if you would like and the committee would like, to some of our institutions. Obviously these institutions rely on revenue that

was not forthcoming, but expenditure was still incurred and costs were still incurred, so there were a range of institution-specific survival payments made.

Mr RIORDAN: You would agree, though, that, sure, government can hand out some money to government institutions, but we have also got, increasingly we are hearing, the support sector—so it is the people who hire the marquee, it is the event organisers, the lighting people. There is a huge skill set out here in Victoria. We were the events state. What specific recommendations are you giving to government to support, let us say, the private sector element of events and entertainment?

The CHAIR: Mr Riordan, I would just remind you that this is a hearing into the financial performance outcomes for 2019–20.

Mr RIORDAN: Yes, I am aware of that.

The CHAIR: So could you relate your question to the performance outcomes from 2019–20.

Mr RIORDAN: Well, my question is that the pandemic result was known at the time of 30 June, and clearly there will have to be capacity going forward for the department to deal with that.

Mr PHEMISTER: And we have a couple of, off the top of my head, specific programs that we were asked to design for government—if you are able to throw to Deputy Secretary Abbott, who can take you into some detail on those.

Mr ABBOTT: Yes, thank you. Thank you, Mr Phemister. Deputy Chair, yes, so the creative industries, as you say, have been particularly hard hit by COVID over the past 12 months or so, and there has been quite a large range of programs that have been introduced in response to that. They tally up to \$246.7 million in support over the period from the beginning of COVID until now.

Mr RIORDAN: Can I just ask on that: we heard at PAEC back in December that many of these highlighted figures, \$246 million in this case, have not actually been acquitted. Can you indicate what percentage of that has been acquitted?

Mr ABBOTT: I cannot give you the exact percentage off the top of my head right now, but a very, very large proportion has been—the vast, vast majority of it.

Mr RIORDAN: Could you supply that to the committee?

Mr ABBOTT: Yes. I can go back through some of those programs if you would like.

Mr RIORDAN: If you supply them on notice, with the acquittal to those, that would be useful.

Mr ABBOTT: Yes, okay.

Mr RIORDAN: Thank you. Moving on, the department has been responsible for the delivery of various business support grant programs—and we were just sort of just touching on those for the creative industries—for small businesses impacted since March last year. The Victorian Ombudsman has stated that it has received hundreds, if not thousands, of complaints about the operation of the programs, including complaints about failing to respond to inquiries, poor communication and refusing grants to businesses. Certainly I and other opposition members of the committee, and perhaps even government members, have constantly been dealing with people. Have you kept a record of what feedback you have had and what complaints the department has received on this?

Mr PHEMISTER: We have, Mr Riordan. A few points to make. The headline number of interactions: we have received over 400 000 calls and we have had hundreds and—

Mr D O'BRIEN: Sorry, Secretary, how much was that?

Mr PHEMISTER: Apologies, Mr O'Brien. We have had over 400 000 calls into our Business Victoria line. Now, they span everything from seeking clarity for restriction level through to business support—that is our channel for business support. Now, we see a spike in our calls whenever there is a business support initiative announced, and Deputy Secretary Latina can walk you through those. But we do have a formal

process to capture and review. So if we ever receive a complaint and a request for review or we find there was an anomaly in an application, we undertake a review with the individual. Again, we have put out 50 years worth of assistance in the last nine months, so we are building capacity and our time lines for response are getting better and better.

Mr RIORDAN: That is probably not a very helpful measure.

Mr PHEMISTER: What is that, sorry?

Mr RIORDAN: It is probably not a helpful measure, 50 years of support at this—

Mr PHEMISTER: I believe it is helpful to get your head around the scale of the challenge that we had to take on, and we have seen, for example, our response times plummet as we have built up a body of experience and a body of resources to address it. Specifically with complaints, Mr Latina can talk you through complaints, but tracking back through the complaints we have a less than 1 per cent error rate. Now I am not—

Mr RIORDAN: Sorry, you have less than a 1 per cent error rate?

Mr PHEMISTER: A less than a 1 per cent error rate, so of the hundreds of thousands of payments we make as a department, that is cold comfort to somebody who finds themselves in a difficult position who is interacting with us who feels that there has been an error. So I should throw to Deputy Secretary—

Mr RIORDAN: So just on that while we are throwing to Mr Latina, does that include the businesses that you have now asked for considerable—in many cases tens of thousands of dollars back with 14 days to pay?

The CHAIR: Mr Riordan, I would remind you that this is the financial and performance outcomes for 2019–20, and while we have been lenient, you are again straying way too far beyond the—

Mr RIORDAN: Some of these grants were made available in this period, Chair, and people—

The CHAIR: So are you specifically asking about grants that were made available in the relevant period?

Mr RIORDAN: I am specifically talking about grants. Mr Phemister has told me that he has a 1 per cent error rate, and I am trying to clarify: does that 1 per cent error rate include the businesses who have been asked for up to \$30 000 cash back in 14 days?

Mr PHEMISTER: I will refer to Mr Latina. I am unaware of the \$30 000 in 14 days—

Mr RIORDAN: You are not aware of that?

Mr PHEMISTER: I am aware—I will throw to Mr Latina, who can talk about the 2019–20 conditions.

Mr RIORDAN: I just want to clarify: as the head of the department you are not aware that your department has sent requests asking for 14-day repayment of funds in the same period we have just had another lockdown? You are not aware of that?

Mr PHEMISTER: The \$30 000—

Mr RIORDAN: Yes.

Mr PHEMISTER: within 14 days without the opportunity, and a phone call to talk about different repayment terms.

Mr RIORDAN: Certainly no phone call unless the person sits on the phone for days and days on end to your department. Yes, I am absolutely saying that.

Mr PHEMISTER: Mr Riordan, again, with all compassion for people going through difficulty, we had a 9-second call wait time last week, and I can send you the call wait times during the second lockdown.

Mr RIORDAN: I am happy to supply to your department direct correspondence—

The CHAIR: Mr Riordan, your time has expired.

Mr PHEMISTER: I would appreciate that, because if that is the case, that is something that we really need to address.

Mr RIORDAN: I would suggest that you also listen to 3AW talkback radio, which also dealt with the many businesses being sent—

The CHAIR: Mr Riordan, your time has expired, and I—

Mr RIORDAN: I am sorry, Chair. It is a bit of a concern that the department dealing with business support—

The CHAIR: Mr Riordan, your time has—

Mr RIORDAN: at this time is unaware that they are sending notes out to people wanting \$30 000 cash back in 14 days, at a time when the government has just closed their businesses down again.

The CHAIR: Mr Riordan, you are being extremely rude, and I would remind you that this is not for consideration of what is happening at this time, but consideration of the financial and performance outcomes for 2019–20.

Mr RIORDAN: I am sorry, Chair. There are many businesses in Victoria that are only caring about what is happening at this time, not what happened six months ago—

The CHAIR: Well, I am sure that that—

Mr RIORDAN: and it is a concern that the department still does not have its act together on this area.

The CHAIR: Mr Riordan, with all due respect, I am sure that is true, but the purpose of this inquiry is the consideration of the—

Mr RIORDAN: It is absolutely true.

The CHAIR: I am sure that it is true, Mr Riordan, but what we are considering here is the 2019–20 financial and performance outcomes, and that is what this committee will consider, and that is what questions will be allowed.

Mr RIORDAN: Funds that this department promised to people last year and is now wanting back.

The CHAIR: Mr Riordan, your time has expired, and I will pass the call to Mr Gary Maas, MP.

Mr MAAS: Thank you, Chair. Thank you, everyone, for your appearance this afternoon. Mr Phemister, can I take you to the Growing Suburbs Fund. My electorate of Narre Warren South and of course Cranbourne too are in the City of Casey. Our electorates fall there. That council is one of the interface councils which is a recipient of some of the allocation that was put towards that. I believe it was in the vicinity of some \$50 million, according to the questionnaire. Would you be able to let us know how many projects were funded through the 2019–20 round?

Mr PHEMISTER: I can, Mr Maas. Thank you. I am joined by Acting Deputy Secretary Harbidge, who has been the architect of that program and administered it during the entirety of the 2019–20 period. But before I throw to Sara, our local response has never been more important. It is something that we really have noticed and appreciated, and we get to work in both regional and suburban communities. The response to the pandemic both in emergency response and through community building has been really important to us, and so we have been really fortunate to have a suburban team out in the communities. I will throw to Ms Harbidge to talk about the details of the program.

Ms HARBIDGE: Thank you, Secretary, and thank you for the question. In 2019–20, as you pointed out, the GSF received \$50 million and funded 32 projects out of a total of 62 applications to support community infrastructure across all 10 of Melbourne's interface councils.

Mr MAAS: Would you be able to provide the breakdown on each of the interface councils and what funding they received through the GSF?

Ms HARBIDGE: Yes, I can do that. Would you like me to read through that?

Mr MAAS: Yes, thanks.

Ms HARBIDGE: Okay. For 2019–20, Cardinia Shire Council received \$6.7 million across three projects, the City of Casey received \$4 824 658 across two projects, the City of Hume received \$4 623 600 across five projects, the City of Melton received \$5.35 million across three projects, Mitchell Shire Council received \$4 831 600 across three projects, Mornington Peninsula Shire Council received \$4 719 575 across three projects, Nillumbik Shire Council received \$1 414 267 across one project, the City of Whittlesea received \$6 875 000 across five projects, the City of Wyndham received \$6.5 million across three projects and the Yarra Ranges Shire Council received \$3.5 million across four projects.

Mr MAAS: Terrific. Thanks for that. In terms of the completed projects, I think in the questionnaire at page 7 you reported that 80 per cent of projects funded through GSF had been completed in accordance with approved milestones within those funding agreements. How many community facilities funded through the 2019–20 funding round are now open to the public?

Ms HARBIDGE: I will have to take that one on notice and get back to you.

Mr MAAS: No problem. Thank you. The department works with councils to make sure the submissions they put forward for the GSF meet the objectives of the program guidelines. What support does the department provide to councils to assist them in applying for this funding?

Ms HARBIDGE: The department has been delivering this program over a number of years. Previously it was part delivered through the Department of Environment, Land, Water and Planning. It has been with the Department of Jobs, Precincts and Regions since 1 July last year. The department issues guidelines to assist local governments making applications and communicates with the CEOs of the local governments regarding the processes.

Mr MAAS: Okay. What types of projects are eligible under the program guidelines and what factors are taken into consideration when recommending projects for funding?

Ms HARBIDGE: The types of projects that are funded under the guidelines are community facilities to provide support for growing suburbs. Sorry, what was the second part of your question?

Mr MAAS: The second part was what factors are taken into consideration when recommending it?

Ms HARBIDGE: Factors that are taken into consideration include the needs of local communities, the deliverability of projects, project readiness.

Mr MAAS: Okay. Just one last question on the way the splits were made: you provided the lists before, and they all had different corresponding quantum amounts. How is that determined, or is it just based on the need for the project for the particular community?

Ms HARBIDGE: It is a competitive process, so for the 2019–20 year there were 62 applications. The guidelines include requirements around available funding, but it is a competitive process.

Mr MAAS: Excellent. Thanks for that. I might move to the Business Support Fund now. Industry has obviously borne the brunt of restrictions, with many industries operating under heavy restrictions for a substantial part of 2020 or indeed closing. If I could take you to page 23 of the questionnaire, under program outcomes, and take your attention to the Business Support Fund, could you provide me with an update on how this fund has assisted businesses affected by those restrictions?

Mr PHEMISTER: Thanks, Mr Maas. I might refer that question to Deputy Secretary Latina, who has administered not only the Business Support Fund but a range of different grants being paid to businesses, if you are happy for us to elaborate a little bit more.

Mr MAAS: Yes, sure.

Mr PHEMISTER: Thank you.

Mr LATINA: Thanks. As was highlighted in the presentation from Secretary Phemister, BSF has supported over 77 000 businesses, providing more than \$770 million in grants through the period from the launch on 30 March to 30 June 2020, so that period. The objective of it is to support businesses to get to the other side of the pandemic. The Business Support Fund commenced. The first round or the first phase of it was around targeting businesses that were particularly impacted by the pandemic and the restrictions that were introduced in particular for tourism, retail and arts and entertainment. Subsequent to that on 1 May the government announced the broadening of the Business Support Fund to cover off on businesses that were eligible for JobKeeper, because at that point JobKeeper had just recently been introduced, and therefore the eligibility for Business Support Fund was broadened from a tightly focused central approach to a broader approach in terms of business support funds to those businesses that were eligible for JobKeeper. In terms of the types of businesses that were assisted as part of the Business Support Fund, these include a wide range of businesses across a number of sectors.

Some examples briefly were the Ballarat microbrewery Red Duck, which has benefited from the Business Support Fund. When the pandemic hit they had to close their cellar door and their customers of course had to close too. Business dropped from between 60 and 80 per cent. They received grants under the Business Support Fund to support them to carry out brewery upgrades and employ a social media specialist. As a result their online sales went up by 300 per cent compared to the same time in the previous year. Another example of a beneficiary of the Business Support Fund is the Collingwood bookshop Uro Publications. The bookshop opened in June of that year but had to close just four weeks afterwards because of the restrictions that came into place. It received a \$10 000 grant under the Business Support Fund, and it helped the business redevelop its rent presence and provided a dedicated site for online retail that helped it expand into markets in Europe, the UK and North America.

Another business that has benefited from the Business Support Fund is the Kafe Koala on the Great Ocean Road. It is a part general store, part cafe that relies on tourists and visitors in the area, and it also received a Business Support Fund grant to help keep its doors open. Also one other thing is that, notwithstanding of course that from time to time there are concerns and complaints that we receive as part of the Business Victoria call centre, it is reassuring sometimes to hear really positive feedback from Business Support Fund grant recipients. If I may just briefly quote Jamie-lee Monro from the Moto Cartel in Camberwell that received a grant from the Business Support Fund, he said:

My deepest gratitude for helping us get back on the road to recovery. This email [informing us about our grant] has given us renewed hope for our business, thank you!

That is certainly reassuring, and it aligns with the intent of the Business Support Fund.

Mr MAAS: Thank you very much. There was a good spread of industries there. I am just interested: what consultation and engagement was undertaken with those different industry stakeholders and employment stakeholders in implementing that fund?

Mr LATINA: During the course of both the development of the department's response to the pandemic and the development of initiatives to support businesses to respond, the department has undertaken extensive consultation on an ongoing basis with a broad range of industry stakeholders, both individual businesses and industry associations and other broader ranges of stakeholder groups as well. The department established an industry coordination centre, whose responsibility was directly to manage the engagement and ensure both that industry was aware of the restrictions, so that they were well informed of them, but also that they assist us in the development of the response programs. In relation to that, some of the statistics are that the department received and responded at that point to over 288 000 calls through the Business Victoria call centre, which scaled up from a call centre that had initially five people prior to the pandemic up to more than 550 people to cater for those calls. It moved very quickly on that. It also received more than 28 000 email inquiries as well that were responded to, and the department also held 228 industry round tables to facilitate that communication between industry peak bodies, businesses and government and other key stakeholders such as unions. So the round tables were useful I think in terms of promoting and making sure that industry groups were well informed, that they were able to support their members through this period, but they also were incredibly valuable in providing feedback to the department in terms of what was happening out there in industry and being able to help in the design of programs going forward.

Mr MAAS: Thank you. Was there any other support that the department was able to provide to help ease the plight of business during that time, particularly those who may have closed or had significantly reduced operations since the start of the pandemic?

Mr LATINA: There was of course a significant amount of use of the small business programs that certainly were escalated as part of that support. A lot of the material was made available on the Business Victoria website, which was used normally by around 3 million users a year and in that year it was 5.5 million, so the information and the material that was provided on that website was incredibly valuable to businesses. We also introduced an initiative called Upskill my Business, which was aimed at supporting businesses that may have been closed down or may have perhaps had more of an opportunity to see COVID as a period to upskill their operations. So we worked in partnership with a number of universities, training providers and TAFEs to make businesses aware at free cost about access to support programs and access to advice to upskill their management skills or other needs that they had from a training perspective as well and to ensure that they were able to come out the other end a stronger business. Particularly of interest of course was moving to an online environment. Things moved very rapidly of course into that online retail environment.

Mr MAAS: Terrific. Thank you. I think this will be my last question: page 23 of the questionnaire states that there were three rounds of the BSF. Could you please provide an update on the further iterations of the fund and how they have supported industry during the time of the pandemic?

Mr LATINA: Sure. The first round of the Business Support Fund, as I mentioned, was focused initially around particular industry sectors that I mentioned—around retail, tourism and so on—and then subsequently was broadened out to include businesses that were eligible for JobKeeper but also that had a turnover of less than \$650 000. In other words, they were not businesses that paid payroll tax. Subsequent to that there was the second round of the Business Support Fund, which we called Business Support Fund—Expansion, which was only based on JobKeeper but the eligibility in terms of payroll was under \$3 million. So it was broadened out and it was also a distinction between regional businesses, that were under different types of restrictions, and metropolitan businesses. Certainly the uptake on that program was quite significant as well. The Business Support Fund round 3 was focused on businesses that were particularly impacted by those restrictions in that second wave. It was focused on those businesses.

Mr MAAS: Terrific. Thanks, Mr Latina. Thanks, Chair.

The CHAIR: Thank you. Mr David Limbrick, MLC.

Mr LIMBRICK: Thank you, Chair. And thank you, Secretary and team. I would like to pick up on something that the Deputy Chair was talking about before around the emergency procurement procedures. What is the trigger for enabling those emergency procedures to be used?

Mr PHEMISTER: Thanks, Mr Limbrick. The declared state, for us, was a trigger. I believe there are other triggers that can be used, but as Secretary I have not used any other trigger.

Mr LIMBRICK: Okay. I think it was 16 March—that is the trigger for being able to use it. Does that mean that those emergency procurement procedures have been used from that point to the end of the financial year?

Mr PHEMISTER: No, we use primarily established procurement. So it is only when it meets a series of criteria. Declared state is one of those criteria, and I will provide to the committee the policy which sets out—I think there are five or six different sort of gates you pass through in order to use that particular policy, so it is used very sparingly.

Mr LIMBRICK: Okay. So the declared state of emergency is just one condition? Okay. What are some of the differences between the emergency procurement procedures and the conventional procedures?

Mr PHEMISTER: One of them is the use of the established services panel providers, and the other is the truncated process for tender. They are the two headlines. You go through a six-week tender process, and we do that wherever we can. But when there is less than six weeks to needing the service—they are the two headline differences.

Mr LIMBRICK: Understood. Thank you. One of the big spend items is on the jobs line item through the 2019–20 financial year, and this is to create and maintain jobs. One of the things I would like to get a handle on is: how do you account for the jobs that are lost through future taxation that would be required to fund this, because we know that increasing taxation will reduce jobs? In this case it is borrowing from the future, so it will have some effect on future jobs. How do you account for the jobs that might be lost through future taxation?

Mr PHEMISTER: I am sorry, Mr Limbrick, but that is a question for my colleague David Martine. What we do is we provide all of our inputs and we do a lot of modelling behind claiming jobs against facilitation for Jobs for Victoria. But when it comes to the macro sort of impacts, that all got flushed out through the budget papers this time around and the ‘Jobs Plan’, and that was a core role of Treasury and Finance, so we defer to them.

Mr LIMBRICK: Okay. Understood. One of the metrics or the goals was to attract or facilitate regional investment in Victoria. How do you determine whether an investment has actually been facilitated by government or not—like whether the government is responsible for that investment or not—because people invest all of the time in this state? I am trying to get my head around what actually makes it classified as fitting into that metric or not fitting into that metric.

Mr PHEMISTER: That is a really good question. That is something we have refined over the last few years. We have worked with the Auditor-General and others to make sure that when we claim facilitated jobs there is a pretty rigorous set of criteria to go through to test, be that through the jobs in innovation business area or Regional Development Victoria, which claims facilitation against the Regional Jobs and Infrastructure Fund. I can provide the committee the criteria that we use to assess whether or not we feel as though we made a meaningful difference to facilitation.

Mr LIMBRICK: Okay, understood. Thank you. Another thing to do with investment is around investor and business migrant visas, and one of the goals is to have a percentage—now, it was affected last year because of the pandemic and presumably will be this year as well—but how do you calculate that sort of market share, and how do you provide some sort of influence on that?

Mr PHEMISTER: We do it through consultation with the business community first and foremost, to assess needs, and also our colleagues over at skills who look at things like skills shortages and occupations in demand. We also look at, to be frank, the different multiplier impacts that different migrant populations will have on the Victorian economy. I am actually joined as a sworn witness by Deputy Secretary Serbest, who can give you a more detailed answer if you would like it now.

Mr LIMBRICK: Yes, okay. Thank you.

Mr PHEMISTER: Great. Thank you, Gönül?

Ms SERBEST: Hi. David, did you want to?

Mr LATINA: If you wish. Sorry, all I would say, in terms of the specific question about the percentage figure, and in particular I assume you are referring to the budget paper 3 target, what that reflects I think is that firstly Victoria has really played a really key leadership role and really led the other states in relation to skilled and business migration. What that has meant is that historically Victoria has attracted a very significant portion of the country’s skilled and business migration numbers, which is reflected in that BP3 target and historically that outcome. The numbers that the state of Victoria can bring in of course are set by the commonwealth government and so we are not in a position where we can obviously exceed that target. What has happened, and particularly in 2019–20, is that other states have really been able to utilise more of their quota whereas previously they had under-utilised their quota. What that meant was that from a whole-of-nation perspective the share of the migrants that were coming to Victoria has reduced a bit, and that is what is reflected in the KPI. So it was not that Victoria’s numbers in absolute terms had fallen, it was that other states were utilising more of their targets.

Mr LIMBRICK: Understood. Another question I have got is around Film Victoria funding. Now, that was around about target last year, and I think it was \$157 million of value of film, television and digital media production supported by Film Victoria—this is in budget paper 3. How is that value calculated and how much does the department spend to generate that value?

Mr PHEMISTER: I will refer to Deputy Secretary Abbott, if that is okay.

Mr ABBOTT: Thank you, Mr Limbrick. The expenditure that is made by Film Victoria on projects is typically on about a 1-to-14 level, depending on the project. So it is calculated on total expenditure for every film project that it supports, and that determines the end value. Whatever projects Film Victoria invest in, it is the total expenditure of that film project spent in Victoria in that financial year, and then that is calculated. They will often talk about a 1-to-14-ish level, which is about the value of the Victorian government contribution to films versus every other revenue source for that film production.

Mr LIMBRICK: Right. And so that other revenue source could be private investors or—

Mr ABBOTT: And ultimately box office—but yes, absolutely. It could be federal government as well.

Mr LIMBRICK: Right. So it could be other levels of government grants. Understood. Right, okay. Thank you. There was expenditure on cultural infrastructure and facilities. I think there was \$139 million on cultural infrastructure and facilities, but in one of the performance targets they have got safety audits, and there are only 16 safety audits. Does that sound about right for that level of expenditure? What are those safety audits actually doing in that cultural infrastructure and facilities expenditure?

Mr PHEMISTER: Again for the details I refer to Deputy Secretary Abbott.

Mr ABBOTT: Are you able to refer to a budget paper?

Mr LIMBRICK: Yes. I did have it. That would be budget paper 3, page 273. So there were 16 facility safety audits. It seems to be the same number every year.

Mr ABBOTT: Yes. That just signifies that of the cultural facilities that are within the jurisdiction of Creative Victoria, of which there are some 32 in any one year, we will do a safety audit of 16 of them. So effectively that would amount to approximately one every couple of years.

Mr LIMBRICK: Okay. Understood. That makes sense. I think that is all from me for the moment. Thank you.

The CHAIR: Thank you, Mr Limbrick. Mr Danny O'Brien, MLC.

Mr D O'BRIEN: Thank you, Chair. Good afternoon, everybody. Secretary, can I just start with the department's questionnaire lists on page 54. Output appropriations increased for the 2019–20 year by about \$2 billion. Could you give me an idea of how much of that additional output funding was provided to support small business—in grants paid out, I am talking about.

Mr PHEMISTER: I can, Mr O'Brien. Do you want it specifically broken down for small business?

Mr D O'BRIEN: Well, business generally. If you have got it by business size, I am happy to take that on notice as well.

Mr PHEMISTER: I am happy to. Mr Latina spoke through recently the three rounds of BSF, which takes you well into the billions-plus by the time you stack up the rest of our grants. I cannot give you a precise percentage across the 12 to 15 grant programs we ran. The lion's share of that number found its way as a direct pass-through. I will come back on notice, Mr O'Brien.

Mr D O'BRIEN: Could I perhaps just seek a bit more information than is provided in the questionnaire, which says that part of the increase relates to the fact that for only half of the previous year did DJPR exist. So perhaps if we could also get a breakdown of how much of the extra \$2 billion was actually departmental funds and how much of it was grants and things, particularly in relation to COVID.

Mr PHEMISTER: Yes. Of course. Happy to do that.

Mr D O'BRIEN: That would be great. Can I move on to the precincts portfolio. How many full-time equivalent staff are there in the department dedicated to the business precincts portfolio?

Mr PHEMISTER: Do you want it for a particular point in time, Mr O'Brien?

The CHAIR: I was about to request that. Obviously this is about the financial performance outcome for 2019–20, so—

Mr D O'BRIEN: At 30 June last year would be fine.

Mr PHEMISTER: I will take that on notice.

Mr D O'BRIEN: Okay. Are they delineated to that particular portfolio, or would there be people that are working across the department?

Mr PHEMISTER: They work within Deputy Secretary Latina's group. David, do you have an answer to that question?

Mr LATINA: Yes, in broad terms I would say at this point in time, recognising of course that there has been changes in terms of responsibilities for precincts, but I think in broad terms at this point in time it would be approximately 25 people working in the business precincts portfolio focusing on those key precincts that are the responsibility of that portfolio.

Mr D O'BRIEN: That leads to my next question, which is: on the website there is literally just the three business precincts listed under that part of the portfolio. Is that all there is?

Mr PHEMISTER: I can take that—

Mr D O'BRIEN: So this is Fishermans Bend, Parkville and Footscray.

Mr PHEMISTER: That team also manages the PPPs in our department. There is a whole section of the budget papers dedicated to our PPPs, so—

Mr D O'BRIEN: Just DJPR PPPs?

Mr PHEMISTER: Correct, yes. So take the showgrounds for example, with RASV. So we used to have Major Projects Victoria once upon a time. That merged with Places Victoria to form Development Victoria. Through machinery of government, Development Victoria moved over to the Department of Transport, but I retained a secretary responsibility for all those PPPs. So that 25 staff administer the PPPs, and I will come back with a value on that, Mr O'Brien, if you would like it in addition to those three precincts.

Those precincts alone—Fishermans Bend is an 80 000 resident precinct—are significant in scale, the three. There is also basically an element of planning that overlays different precincts. So we have the creative industries. The film precinct down in Docklands—people in Secretary Latina's team would also consult out on any place-based development at scale. So I can break that all down for you.

Mr D O'BRIEN: But those other ones presumably are led by planning?

Mr PHEMISTER: No, so I can give you an example: Melbourne arts precinct or the media precinct down in Docklands, which incorporates the film studios. Definitely, planning have the final say when it comes to the planning overlay, but when it comes to the curation of a business precinct, that is where we defer to the experts in the business precincts team. So I could not give you a number and say, 'These five work on Fishermans Bend and these five work on Footscray'. There are a couple where I can do that, but it is more a broader consulting service across the department when it comes to place curation.

Mr D O'BRIEN: Okay, so the three that I have mentioned and the ones that you have mentioned, does that pretty much cover the key priorities of the portfolio?

Mr PHEMISTER: I think I would be remiss if I did not add Docklands to Waterfront as part of that. So, you know, you have got to stop these precincts at some point, but Docklands to Waterfront incorporates the Marvel Stadium redevelopment, which obviously is a significant JV for the state, which is also administered by this team in partnership with Development Victoria. So I would add that and a lot of work going into the Docklands media precinct as well.

Mr D O'BRIEN: So are you able to provide me, and perhaps on notice, the number of briefs that were requested by the minister in 2019–20 for the precincts portfolio?

Mr PHEMISTER: I can do that for you, yes.

Mr D O'BRIEN: Sorry, I should say requested and/or provided by the department.

Mr PHEMISTER: Mr O'Brien, I will have to defer. We can do that, break it down?

Mr ABBOTT: Yes, we will do our best to take it on notice.

Mr D O'BRIEN: I guess the point I am getting to is: what does the portfolio do? If it has got those few jobs, what does it do that otherwise would not have been done by a previous either planning or major developments portfolio?

Mr PHEMISTER: Well, at the moment for example the live investment in Fishermans Bend. Obviously Development Victoria hold land on the old General Motors Holden site but the curation of that land falls directly to this team, as does the curation of the business environment for, as I said, that 40 000—I might get these numbers wrong, but a very, very large scale development in Fishermans Bend. They also work in Footscray, and the key relationship there is obviously between the university and the hospital, and interface with all other parts of government. That falls squarely on that team's shoulders to make sure all different parts of government are working together.

Mr D O'BRIEN: The Werribee employment precinct has not progressed. Is that something still within the department's portfolio?

Mr PHEMISTER: The land for East Werribee? Yes, we are still doing a lot of work down at East Werribee from a range of perspectives, but that land process, which is administered by the Assistant Treasurer as a land process—

Mr D O'BRIEN: What is happening with it now? It has been sitting there for I think six years. Is it going to be developed? What strategies and plans are the department putting into action to get it up and going?

Mr PHEMISTER: I will have to defer to the Deputy Secretary on that front. David, do you have anything to add, or should we take that on notice? We will take that on notice, Mr O'Brien.

Mr D O'BRIEN: Okay. Without going into details, off the top of your head, what has happened in the last three or four years, noting I will come to a question about Australian Education City shortly?

Mr PHEMISTER: Are you asking specifically about the last three or four years with regard to East Werribee or—

Mr D O'BRIEN: Yes.

Mr PHEMISTER: Obviously the Suburban Rail Loop is really important, and planning for future—

Mr D O'BRIEN: Sorry, what is? The Suburban—

Mr PHEMISTER: The Suburban Rail Loop is really important to that part of the world, as are a whole lot of developments out at the airport and a whole lot of infrastructure going in—be it fast rail to Geelong or different roadworks out in the area—so there is a lot going on. When it comes to that specific plot of land, again, I will have to defer and take that on notice.

Mr D O'BRIEN: Okay. Is it a priority of the department? Is it still part of the precincts portfolio, or is it something else?

Mr PHEMISTER: No. The precincts portfolio is, as you said, an explicit list of portfolios. That does not mean that we will not work on job-creating opportunities in other parts of the state, but the three you have described are in the minister's—

Mr D O'BRIEN: So what does the East Werribee precinct come under?

Mr PHEMISTER: Like any other job-creation opportunity, if our department sees a role where we can pitch in to create jobs, then we will pitch in. East Werribee at the moment is like another part of suburban Melbourne, which is—

Mr D O'BRIEN: But is that, as you said before, the land side of it? I assume it is Crown land, so it is managed by the Assistant Treasurer. Is that right?

Mr PHEMISTER: The land sales process is. Yes, indeed. Any time there is a land sales transaction—that is right.

Mr D O'BRIEN: Okay. In relation to the question about Australian Education City, there was a legal fight over the government's decision-making on that. Are you able to provide us with the department's legal costs for that Supreme Court case that ended in 2019–20?

Mr PHEMISTER: That Supreme Court case was struck, so we did not actually attend the court to hear the case. The costs incurred to the point when the case was struck—we will have to take that on notice.

Mr D O'BRIEN: Okay. I understand the consortium looking at building it was planning to appeal some time ago. Do you know whether that has progressed any further?

Mr LATINA: There is a series of actions that AEC are taking at the moment before the courts, including in relation to FOI requests and so on. There is a multitude of requests happening at the moment—

Mr D O'BRIEN: Sorry, I am having a bit of trouble hearing you, Mr Latina.

Mr LATINA: I am sorry. There is a number of actions that AEC are taking at the moment in relation to that matter that are before the courts.

Mr D O'BRIEN: Okay. So you are happy to take the legal costs on notice? And while we are there, Secretary, I might as well ask for the department's external legal costs for 2019–20 broadly, not just in relation—

Mr PHEMISTER: Of course. They are captured in a report, which I am more than happy to provide of course.

Mr D O'BRIEN: That would be great. Thank you. Can I move on to a couple of other issues. There is, we understand, an ongoing budget deficit in the Office of the Racing Integrity Commissioner. Are you able to tell me what the deficit was for 2019–20?

Mr PHEMISTER: Yes, I can defer to Deputy Secretary McKay.

Ms MCKAY: Sorry, would you be able to repeat the question?

Mr D O'BRIEN: I understand there was a deficit in the budget of the Office of the Racing Integrity Commissioner. I have had a look at annual reports, but that information is not provided directly in the commissioner's annual report. It refers to the department, but we have seen an FOI where there is a deficit and we do not know how much it was.

Mr PHEMISTER: My apologies. It sits with Deputy Secretary Abbott, Mr O'Brien. Andrew, are you happy to—

Mr ABBOTT: Yes. Thank you, Mr O'Brien. I do not have the number off the top of my head. It is in the hundreds of thousands—something in the order of \$400 000—and that deficit was bridged through support from within the department's resources.

Mr D O'BRIEN: Okay. I understand that deficit has been the case for a number of years prior to 2019–20. Would that be accurate?

Mr ABBOTT: That is correct, yes.

Mr D O'BRIEN: Okay. Why hasn't that been addressed more broadly given the focus at all times on racing integrity but particularly in the last four or five years?

Mr ABBOTT: They are not spending any less money. It is a shortfall that the department has seen fit to make up from its own resources each year.

Mr D O'BRIEN: Okay, so you have not had to seek external Treasurer's advances or anything at all for that?

Mr ABBOTT: No.

Mr D O'BRIEN: So, Secretary, can the racing industry have confidence in the resources provided to the Office of the Racing Integrity Commissioner—and the public, I might add?

Mr PHEMISTER: I cannot comment, Mr O'Brien. I can tell you that every year we run a budget process and we have a conversation with the office of racing integrity, and we have set a budget that they have been satisfied with since coming over to the department. As Mr Abbott said, if they need resources, they have a conversation with me and we seek to internally reprioritise to take care of that, hence the \$400 000-odd this year.

Mr D O'BRIEN: Mr Abbott, what is the office's annual budget in total?

Mr ABBOTT: Again, I do not have that in front of me. I would have to take that one on notice.

Mr D O'BRIEN: If I could have that on notice. Have you got a ballpark?

Mr ABBOTT: I would be guessing, so I would rather not.

Mr D O'BRIEN: Okay. Secretary, in October 2019 the department contracted McGrathNicol for 'investigative services'—quote, unquote—at a cost of \$1.1 million. Are you able to tell me what that was for?

Ms McKAY: We use McGrathNicol generally—sorry.

Mr D O'BRIEN: Easier without the mask.

Ms McKAY: We use McGrathNicol for our investigation where there is an audit issue or an issue that arises and we do not have capacity to do it internally. We engage them to undertake some of those investigations, so there is a raft of investigations that they might do; it was not one particular one.

Mr D O'BRIEN: Is it an ongoing contract, then? Has it been done in previous years?

Ms McKAY: I would have to look at the exact nature of our contract with them.

Mr D O'BRIEN: Okay. Could I get some more information on that on notice, particularly for 2019–20. There is a specific contract available on the government website, so it would be nice to know what it was for, and if you have got a list for a number of specific investigations, that would be good.

Secretary, you just mentioned before Marvel Stadium. We actually asked a question in the estimates process that the minister took on notice but we did not get an answer to, which was: what has happened with the \$225 million that was allocated to the AFL for the Marvel Stadium redevelopment? In the original budget, 2018–19, there was meant to be \$91.2 million out the door in the 2019–20 year. Can you tell me whether that money has been transferred or if any money has been transferred?

Mr PHEMISTER: Sorry, Mr O'Brien. So you are after the transfer of money under the AFL deal to 30 June 2020?

Mr D O'BRIEN: Yes.

Mr PHEMISTER: Again, it falls within Deputy Secretary Abbott's purview. It is accounted; we do address that specifically in the questionnaire under the asset section, but it does not give you the number you are specifically asking for. Andrew, do you have that number at hand, or shall we take that one on notice?

Mr ABBOTT: I am looking for it, Mr Phemister, but I do not appear to have that number to hand.

Mr D O'BRIEN: Perhaps, Mr Abbott, if you could keep having a look. If you can find it—as I said, we did ask for it—

Mr ABBOTT: Of the milestone payments for Marvel Stadium that have been claimed to date, in 2018–19 it was \$10 million, in 2019–20 it was \$5 million, and year to date—in 2020–21—it is \$15 million.

Mr D O'BRIEN: Okay, and that is as per an agreement with a set of milestones?

Mr ABBOTT: Yes, that is correct.

Mr D O'BRIEN: So that is considerably less than what was originally budgeted for. What happens to the other money? Does it just roll over, or is it held in contingency or what?

Mr ABBOTT: It is rephased. So for the balance of 2020–21, in terms of future cash flow projections—\$83 million, in 2020–21.

Mr D O'BRIEN: 83?

Mr ABBOTT: Yes, and then the balance over the outyears from 2021–22 through to 2023–24.

Mr D O'BRIEN: Okay, so that was my next question. At what point are we expecting that the final money will be handed over to the AFL?

Mr ABBOTT: 2023–24, \$10 million.

Mr D O'BRIEN: 2023–24, no worries. Thank you very much. Still with the AFL, but also AFL and NRL, in the reporting period we saw that the AFL and Melbourne Storm obviously had to transfer to hubs for their competitions. Did the state government assist in any of the costs for any of those transfers or any of the hub set-ups or any other costs for COVID-related issues?

Mr PHEMISTER: I am not aware of any of those, Mr O'Brien, no.

Mr D O'BRIEN: Nothing out of your department? Okay. Just around that Marvel Stadium announcement there was a \$100 million infrastructure loan facility for community sports clubs in the 2018–19 budget. Was any of that still available in 2019–20?

Mr ABBOTT: Yes, it was.

Mr D O'BRIEN: How much was still available, and how much was loaned out?

Mr ABBOTT: I will see if I can locate that. I may well be taking that one on notice.

Mr D O'BRIEN: And if you have too the list of clubs or organisations, assuming local government were some of the ones that borrowed money.

Mr PHEMISTER: We certainly have that, Mr O'Brien. We will take that on notice alongside the number.

Mr D O'BRIEN: Yes. If we could get a list on that on notice, that would be great.

Mr ABBOTT: I can give you some information about that program if you would like.

Mr D O'BRIEN: Yes, maybe just the quantum.

Mr ABBOTT: Yes. So in 2019–20, subsidy payments were made to small projects funded through that scheme; 19 approved loans from 2018–19, nine were drawn down in 2019–20. Sport and recreation provided \$25 500 in subsidy payments in 2019–20 to help service these loan repayments.

Mr D O'BRIEN: \$25 000?

Mr ABBOTT: Yes.

Mr D O'BRIEN: So basically that was—

Mr ABBOTT: In subsidy payments.

Mr D O'BRIEN: They just paid the interest?

Mr ABBOTT: Yes. So the proponent pays the interest, and they receive a subsidy to help them pay the interest from this scheme.

Mr D O'BRIEN: Okay. So what is the total cost to government of that program over the two years—2018–19, 2019–20.

Mr ABBOTT: It ends up being about \$2 million a year.

Mr D O'BRIEN: Okay. And is that still ongoing, that program, or is it—

Mr ABBOTT: It is. It has a very long tail. So, for example, in the 2019–20 budget there was \$20 million allocated over 10 years.

Mr D O'BRIEN: Yes, sorry, but can you still apply for loans—

The CHAIR: Sorry to cut you off, Mr O'Brien, Mr Abbott, but your time has expired. I will pass the call to Ms Pauline Richards, MP.

Ms RICHARDS: Thank you, Secretary and officials for being with us again this afternoon. I would like to explore the international student situation, and in response to section A, question 3 on page 32 of the questionnaire regarding emergency support for Victoria's international students, I would particularly like to drill down a little bit, recognising that of course our international students are a key part of our community, our education system and definitely our economy. Can you tell me about the sort of support provided to international students in Victoria, conscious that many of them have fallen through the cracks of the federal government program as announced on 29 April 2020?

Mr PHEMISTER: I can, and thank you for that question and the way you put it, because I think sometimes we are guilty of referring to international students as almost commodities. Actually, they are a really important contribution to community, and we see the vibrancy they bring to the city through their absence. While we have about one-third onshore now, and Deputy Secretary Serbest can unpack the details, we have run a range of dedicated funding streams, but we have also supplemented some other schemes to make sure that different types of visa holders have been included. So if you would like to go down that path as well, I will throw to Deputy Secretary Serbest and then Deputy Secretary Latina when it comes to some of the visa types that we have added to federal government initiatives to make sure that nobody is falling between those cracks.

Ms RICHARDS: Terrific. Thank you.

Ms SERBEST: Thank you, Secretary, and thank you for your question. I could not agree more as well. I think international students are so important to our community and really add to our city.

So I guess this sector has been hit pretty hard, and a number of our students experienced challenges last year, and in particular those who have lost jobs. So that announcement that you referred to, the International Student Emergency Relief Fund announced in April, was a really great example of working in partnership with our universities, the TAFE sector and the private sector. That initiative saw \$1100 payments to those students who had been experiencing hardship due to loss of work. As at the end of the financial year we had made payments to 12 811 students, to be exact. But we absolutely take a really holistic view in terms of some of the supports we provide for students. So in addition to that, at the onset of COVID back in February a number of students were returning to Melbourne, and before the federal government's announcement of quarantine a lot of the students were actually going into self-isolation themselves, so we were providing even care packs for them at that point and referring them to the right sources in terms of information.

In the 2019–20 year as well we supported about 42 000 students just through some of the other measures that we have in place. That includes about 16 000 students just having the individual one-on-one casework. We run a program called LIVE, which is live, intern, volunteer and experience, and that is really focused on making

sure that these students while they are here have the best experience possible, whether it is connecting them with industry, connecting them with local students and really making sure that we are giving them as much confidence when it comes to employability, entrepreneurship and things like that. So we really shifted our services online as well and saw a really increased peak, and even just services around how students can access support or referral services when it comes to legal issues or work issues. So absolutely an effort across the industry as well as the department.

Ms RICHARDS: Thank you. That is really terrific.

Mr PHEMISTER: There has also been a really good partnership with the universities as well. I think it is fair to say that universities have been great partnering with us, as has the City of Melbourne, which has felt a pretty profound impact of the absence of students. If you are happy, Ms Richards, I will throw to Deputy Secretary Latina.

Ms RICHARDS: Absolutely. More is more in this particular topic area. I am very interested in exploring exactly what is going on.

Mr LATINA: So the test isolation payment is a \$450 payment, which provides financial support to those Victorian workers that face a loss of income while they are self-isolating and while they are waiting for their COVID test results to come through, so it is a significant program that has assisted several thousand people. And in particular it supports the most sort of vulnerable workers in the community, that do not have access to those normal support services or entitlements that perhaps people with an ongoing work position would have. So it fills that gap in the market and that supports those workers.

Ms RICHARDS: That is terrific. I am very grateful for that deeper insight. I would like to explore a little bit around some of our disadvantaged jobseekers. In the questionnaire on page 9 it shows that the government has invested funding into improving employment outcomes, including supporting disadvantaged jobseekers getting to work. Can you please provide some evidence to the committee on how funding for the Jobs Victoria initiative has been spent? I am interested as well, if you just want to take this one as a sort of a follow-up, if you have got any data on how it has supported Victorian jobseekers.

Mr PHEMISTER: Thanks, Ms Richards. This is one that we are really proud to be a part of, and while I am doing the introductions, if I could ask Deputy Secretary Clements to come to the table, please, who has been instrumental in designing and rolling out two highly complementary programs and well-resourced programs, thanks to government, the first being Jobs Victoria and the second being Working for Victoria. Are you happy for us to explore both?

Ms RICHARDS: Yes.

Mr PHEMISTER: Working for Victoria was one of the dedicated responses to the initial downturn in employment to help soften the blow of unemployment and to not only engage people in meaningful work, you know, but also to make sure that people were engaged in meaningful work to create hope beyond and create skills and experience that could propel them into the post-COVID economy. It is a bit like business grants. Yes, there is a transactional support, but we always have one eye to how are we best positioning this individual in this family and this community to prosper post-COVID. So it is not just a transaction; it is actually the beginning of a relationship with the labour market. And then Jobs Victoria is a more established program, but I will throw to Deputy Secretary Clements.

Mr CLEMENTS: Thank you, Simon; thanks, Ms Richards. So, look, yes, if I talk firstly about Working for Victoria—half a billion dollars, \$500 million, invested in the creation of jobs. If we limit ourselves to the financial year in question, as at 30 June 2020 that created around 8300 jobs, including more than 1900 jobs in regional Victoria. So these were in a range of activities, many of which were responding directly to the impact of COVID on our community; a number of others were doing other things of significant public value such as assisting, for example, in some bushfire recovery works and land management, those types of things—so a range of jobs that were spread right across the state for a significant number of people, the great majority of jobs for six months, some of those jobs for longer than six months, some shorter, depending on the duration of the issues that were being managed at that time.

A couple of really small great examples of programs: one that Simon alluded to is around a program that we called the youth employment program, which partnered right across government to really give young people, who were amongst the most hard hit by the COVID downturn, that opportunity to find some employment, some valuable work experience and training within the public sector, to do a range of activities. That was a really successful example of one of the programs and the range of other really great initiatives that rolled out. I know the focus is on the 2019–20 financial year, but across the entire life of that Working for Victoria Fund we are now in excess of 12 000 jobs that have been created across the community. As a department we are really pleased with the impact, and I think a number of people who have spoken in terms of the organisations that we have engaged, many of which are in local government, the community sector and the private sector and across the public sector more broadly, have spoken really positively of the incredibly positive impact the people that have been given that opportunity have had on the organisations and the great contributions they have made to their communities. A lot of it was enabled by some of our online platform work. We created an online platform that really enabled us to match people who were looking for work, and at the moment we have got around 100 000 people registered with that platform—people who are looking for some assistance in finding work. So that is the Working for Victoria Fund.

The Jobs Victoria program, which has been in place since around 2016, works with people, disadvantaged jobseekers, who for a range of reasons have not been able to be successful in finding work with the assistance of the commonwealth Jobactive program. That might be at times because they may not be eligible for support from Jobactive or it might be simply because they have a range of barriers to employment that really Jobactive is not well suited to serving. There have been a number of reviews of that program, which works well for many people but for many people it just is not effective. Jobs Victoria was created in about 2016, and for the 2019–20 year about 2360 people achieved an employment outcome, by which we mean they were not only placed into work but they lasted in that job for six months or longer. That six-month measure is a really important measure because it gives an indication of people who are starting to get some traction in their employability and being able to stick to a job, and it is a good level of experience that can then lead onto other future careers. Again, we work right across the state with Jobs Victoria, and again there are many, many examples of people who for various reasons had faced really significant barriers to employment. In fact on average the people who are being placed by Jobs Victoria have been unemployed for two years or longer, so that is a really significant measure of the sort of people that it is targeting—the people who with that additional support that is not available elsewhere are able to be placed into jobs with that extra bit of support that Jobs Victoria provides.

Ms RICHARDS: Thank you. It is obvious that this is something that is really important to everyone. Certainly it comes through in the way that you are responding as well. I am not sure whose bailiwick this is: on page 5 of the questionnaire there was \$10.8 million allocated to the community revitalisation program in the 2019–20 financial year. I am interested in maybe having some details provided on where the funding was spent to support disadvantaged jobseekers in that context.

Mr PHEMISTER: That is great. Thanks again, Ms Richards. There is a strong interface between community revitalisation and Working for Victoria, and Deputy Secretary Harbidge can talk to community revitalisation. There has also been a lot of other opportunities that colleagues that are in government have identified to utilise this incredible pool of labour. Some of the 12 000 jobs that Deputy Secretary Clements spoke about have actually gone to really important civic projects that sit outside community revitalisation, so projects that communities have had on their list to do for a long time, all of a sudden there is sort of a people power available to do it. That is a lot of the story behind Working for Victoria. It is interesting reporting those approaches alongside community revitalisation, because they look a lot like them. But specifically with regards to community revitalisation, over to Deputy Secretary Harbidge.

Ms HARBIDGE: Thank you, Secretary. Thank you for the question. The suburban revitalisation program delivers urban renewal projects guided by revitalisation boards in activity centres experiencing economic or social disadvantage. The office for suburban development within DJPR works with the revitalisation boards by coordinating government agencies, local councils, not for profits and the private sector in the delivery of projects that have been funded through DJPR administered grants. The 2019–20 state budget provided \$3.5 million for suburban development infrastructure initiatives. Of this, \$2.75 million was allocated to suburban revitalisation projects in Frankston and Broadmeadows. The balance was provided to support three 20-minute neighbourhood pilot projects—in Sunshine West, Strathmore and Croydon South—and to research additional new revitalisation sites, including a small amount for staffing and resources.

Revitalisation projects include local infrastructure upgrades, local business improvements, place making and public space activation initiatives such as pop-up parks, and support for vulnerable groups. Funding for these projects can act as a catalyst for co-investment and community engagement. In 2019 suburban revitalisation funding attracted a total of \$1.7 million in co-contributions from local government and other stakeholders.

In Frankston the state invested \$1.6 million in a range of projects, including upgrading a shared pedestrian cycle path; community activities to activate public space, such as the Big Picture Fest, an internationally recognised street art festival; and shopfront improvements in Thompson Street and the Nepean Highway; as well as innovative capacity-building initiatives, such as the Frankston Foundry's Ingame Leader program, which uses eSports to equip at-risk youth with skills and community connections. In Broadmeadows the state invested \$1.15 million in projects, including upgrading and activating the Broadmeadows Town Park, economic assessments to support the town centre redevelopment, community art murals and the StartNorth innovation jobs hub.

A further \$9.4 million was invested in suburban development projects through the state government's building works stimulus package to support COVID-19 recovery. That includes \$3 million in a Neighbourhood Activity Centre Renewal Fund, which is providing competitive grants to 32 local councils for the revitalisation of shopping strips; \$1.7 million towards Frankston revitalisation projects; \$0.7 million towards Broadmeadows revitalisation projects; \$3 million for shovel-ready projects in six new suburban revitalisation sites, being Boronia, Lilydale, Noble Park, Tarneit, Reservoir and Melton; and \$1 million for streetscape improvements in Lalor and Thomastown. These projects have already attracted a total of \$4.025 million in co-contributions from respective councils, with more co-contributions expected as these projects roll out.

Ms RICHARDS: Thank you—I am not sure how much time I have got left—that was really terrific. I am conscious that the local members in those areas as well—in particular I cannot help thinking about the Member for Broadmeadows—will be really, really excited about the work that is going on.

I think I have got just maybe a minute left or so. It is reported in the questionnaire that the number of disadvantaged jobseekers who achieve sustainable employment exceeded the expected outcome. I am just interested in a very short expansion on how the department was able to successfully support disadvantaged jobseekers into this, as you touched on before, sustainable and long-term employment.

Mr CLEMENTS: Look, certainly I am happy to respond to that. So, yes, it was a fantastic result to exceed that target, particularly given the challenges that we faced as a community last financial year. I think it is a testament to the partners, the organisations that government funds and supports—a wide range of organisations: Brotherhood of St Laurence, Jesuit Social Services, some of the well-known names; others much smaller community organisations. The Australian Table Grape Association up in Mildura is an example of a very small organisation that does some fantastic work with the Aboriginal community up there. Government supported those organisations to continue to operate, despite the real challenges we had around restrictions and so on and so forth. Basically what we found was that more people were thrown out of work, more people were struggling and really, again, finding it difficult to get access through the Jobactive pathway and the other avenues open to them. Those services were able to fill the gap with more personalised support and strong connections to employers to create those jobs and place people.

Ms RICHARDS: Thank you so much.

The CHAIR: Thank you. It might be an appropriate time for a short break. I declare the hearing adjourned, and we will resume at 20 past 3.

We will declare the hearing reopened, and the call is with Mr Hibbins, MP.

Mr HIBBINS: Great. Thank you, Chair, and thank you, Secretary and your team, for appearing today. In regard to the 2019–20 output summary by departmental objectives under the category of resources, I was wondering if you are able to give the committee, on notice if required, a list of every quarry approved in the 2019–20 period.

Mr PHEMISTER: Thanks, Mr Hibbins. I might defer to Deputy Secretary Jones before I do take that on notice. Do we have that at hand?

Ms JONES: Thanks, Simon. We do have that. I would need to come back to you with a list on notice, but I can tell you how many were, if that is useful? We approved four new quarries and we approved the expansion of seven existing quarries.

Mr HIBBINS: Okay, thank you. And then further to that, my understanding from the Earth Resources Regulation annual statistical report is that minerals exploration spending in Victoria increased by a third in the 2019–20 year. Are you able to provide on notice a list of all new land opened to minerals exploration, a list of all new exploration licences and a list of all new mine approvals?

Ms JONES: Yes. We would need to take that on notice, so certainly.

Mr HIBBINS: Thank you. In terms of mine rehabilitation and in particular the Woodvale mine in Bendigo, my understanding is that during the 2019–20 period the director of Earth Resources Regulation stated that the licence-holder would not be able to finance its operations and meet its obligation in regard to its Bendigo sites. However, they have been directed to undertake site rehabilitation, appoint a rehabilitation manager and provide a time line of rehabilitation activities. Has any progress been made on that? Have they actually undertaken those works?

Ms JONES: I am going to have to take that on notice, Mr Hibbins, in terms of the detail. I do know that there were some works commenced, but in terms of an up-to-date sort of assessment of how far that has progressed, I will need to come back to you.

Mr HIBBINS: Okay, great. Thank you. Now, in terms of the lifting of the moratorium on conventional gas drilling, when it was actually announced that the moratorium would be lifted the government outlined at the time, or prior to that time, that new regulations would need to be developed. Are you able to outline to the committee what work has actually been done to develop those regulations and if any community consultation was involved in the development of those regulations?

Ms JONES: Mr Hibbins, thank you. There is work going on this year. That was why a one-year extension of the moratorium was required—to make sure that the work could be done to prepare licence-holders, prepare our ability to regulate and prepare the regulatory environment for what was coming. So that regulatory work is underway; it has commenced. And it is important because that work will make sure that we reflect the outcomes, the learnings and the community intent that came out of the findings of the Victorian gas program. So that process is underway now.

Mr HIBBINS: And in terms of the community consultations in developing those regulations, are they occurring?

Ms JONES: I will just need to find out where that process is at, but yes, there would be a process around that for sure.

Mr PHEMISTER: They were publicly scheduled, Mr Hibbins, for early 2021. We have been a bit dynamic in how we have had to design the consultation with community—so on notice, I think.

Ms JONES: Yes.

Mr HIBBINS: Okay, great. Thank you. I would just like to ask now about the great outdoors initiative, which is an initiative that to my understanding is funding walks and camps and facilities of that nature. How much was actually spent in the 2019–20 period? I guess an itemised account of how that funding was acquitted in 2019–20—if that could be taken on notice, or if anyone has got the answer?

Mr PHEMISTER: I am sorry, Mr Hibbins, the great outdoors—

Mr HIBBINS: I will just bring it up in front of me. It is currently listed as ‘Victoria’s Great Outdoors’. Overall it is investing \$105.6 million to deliver forests, parks, campgrounds, tracks and outdoor facilities.

Mr PHEMISTER: I think that program is maybe with DELWP.

Mr HIBBINS: Oh, it could be. All right. If that is with DELWP, I will fire that one off to them. Further, in regard to the logging industry, do we have an amount for what legal costs have been incurred by representing VicForests during the 2019–20 period?

Mr PHEMISTER: I do, Mr Hibbins. You will have to bear with me for the precise number. I am equally happy to take it on notice and possibly deliver it before the end of the session today if we can track it down for you.

Mr HIBBINS: Okay. Great, thank you.

Mr PHEMISTER: It is reported through their annual report.

Mr HIBBINS: Yes. Similarly, was Nippon paid any, I guess for lack of a better word, compensation for wood that had to be sourced from outside its contract area?

Mr PHEMISTER: That is Australian Paper?

Mr HIBBINS: Yes.

Mr PHEMISTER: The contract with Australian Paper obviously is through VicForests on supply, so it is VicForests's responsibility to get the supply in the right species mix to the front gate at the predetermined price. No subsidy or direct payment is made to Nippon through Australian Paper for that explicit purpose. It is over to VicForests to generate supply at the agreed price.

Mr HIBBINS: Okay. All right. Thank you. Then finally, is any compensation paid to contractors whose work is stopped due to legal decisions or by protests?

Mr PHEMISTER: There are obviously individual contractors. Sometimes if costs are incurred by the contractor, we will work with them to ensure that as small businesses they continue to be sustainable. First and foremost we look for other work that they can do, and our colleagues at DELWP help us out on that with firebreaks et cetera. Mr Hibbins, in terms of direct payments made as compensation for coupes that cannot be harvested as scheduled, I will have to take that on notice for 2019–20.

Mr HIBBINS: Okay. All right. Thank you. That is all from me, thanks, Chair.

The CHAIR: Thank you, Mr Hibbins. I will pass the call to Ms Nina Taylor, MLC.

Ms TAYLOR: Secretary and other officials, hello. I want to explore more on the issue of employment, noting just how significant it is of course for the state, for the world really. It is reported in the questionnaire that the number of disadvantaged jobseekers who achieve sustainable employment exceeded the expected outcome. Can you please expand on how the department is successfully supporting jobseekers—actually, I think this has been transacted pretty well unless you have further to add on that, because I had meant to ask another one.

Mr PHEMISTER: No, we could very much talk all day about this topic.

Ms TAYLOR: Okay. There is more. Good.

Mr PHEMISTER: I will swap the two Davids over it on my side if that is okay.

Ms TAYLOR: All right. Great.

Mr PHEMISTER: What we are seeing at the moment is the training and gaining the experience for what we now know as disadvantaged jobseekers who are hopefully the engine room of the economy coming out of recovery, because, as we said before, this is not just an opportunity to employ people for either civic purposes or jobs that we have never got around to. But Working for Victoria is also an opportunity to engage people in a way of work and education and training. That target there is driven primarily by Jobs Victoria. In Jobs Victoria we focus a lot on the target end, which is having somebody successfully in a job for six months time to acquit a target. But that journey for some individual starts years beforehand and so we work on the capabilities of the individual to prepare them for work, skill them for work, working with our colleagues over at TAFE and

having free TAFE available is a pretty stunning tool in the arsenal. So by the time it comes to matchmaking an employer and an employee, there has sometimes been months, if not years, of preparation.

That, I think, is the unheralded success embedded in the targets. Yes, having exceeded the target for the six months or longer employment is stunning, but if you appreciate where the individuals are coming from, and also, if I can push on just a little bit, where the businesses are coming from because it is also a matter of destigmatising populations within businesses and the business community. In some cases we have had employers who have had worker shortage and they have taken people from backgrounds where they might not have had experience in the past, so Jobs Victoria also supports employers on the journey as well as employees. There are some pretty heartwarming and stunning examples of employers describing our Jobs for Victoria clients as inspirations in their business let alone really important cogs in the machine.

Ms TAYLOR: Excellent. Good. Where I would like to go now is looking at increasing employment inclusion in Victoria's major projects. There has been funding to increase and improve inclusion in Victoria's major projects. Can you please provide some examples of how this funding was spent?

Mr CLEMENTS: Certainly. The title of that program, it is effectively a subset of the larger body of work of Jobs Victoria, and it was identified as a priority because of the great opportunities that existed across the state as a result of the various major projects that are happening across the state. Members of the committee would no doubt be aware of the social procurement framework that has also been in place. It is a framework that is really effectively saying when government spends such massive amounts of money, whether that is on an infrastructure program or whether it is in the purchasing of goods and services, we should be trying not just to achieve the benefit of the good and service or the bridge or the road that is being built with that investment but also to create a social good out of that investment as well. One of the big social goods that we have been trying to achieve through that is obviously the creation of employment opportunities for people who have been facing barriers. So effectively that program has been delivered, again, in partnership with some non-government community service providers, funded through the Jobs Victoria platform, and they are working, again in a similar way as the Secretary described, sometimes intensively and for longer periods of time to create opportunities for people. As part of that we have created roles for some Aboriginal Victorians. We have created roles for women—there is an increase in the number of women trying to find work in the construction industry—and those types of things as well. So it is that longer term job readiness, focusing on people who come from groups that might be facing barriers to employment and really leveraging the community benefit of the government's really significant investment in infrastructure and other services as well.

Ms TAYLOR: Great. You have picked up on a point that I wanted to explore further as well. Can you expand on how the department is supporting Aboriginal businesses and economic development? I zone in here on the—I am probably not pronouncing it correctly—*Tharamba Bugheen: Victorian Aboriginal Business Strategy*. Are you able to shed a bit more light on that?

Mr CLEMENTS: Certainly. Secretary, would you like to make some comments on that?

Mr PHEMISTER: I will start by saying that it is something we are really passionate about internally and externally. From the department's perspective, we have increased sort of thirty odd the amount of First Nations people we have in the department. Our targets exceed the standard public sector targets and we are really keen to make sure we bring Koori people through at senior levels. Levelling community and influence is a really important part of the employment target for us as well, and the target is but one, obviously, tool that we have. While we are working that through we are obviously projecting out to create more Aboriginal businesses. On the strategy just referred to, before I pass over to Deputy Secretary Clements I just want to call out Andrew Jackomos, who is our First Nations champion in our department and an exceptional human being and leader—and he has helped us along the journey—and my partner as co-chair of the Victorian Aboriginal economic development corporation, Karen Milward from Kinaway. If you have not come across Kinaway before, they are basically the chamber of commerce for Aboriginal-owned businesses, and they are a stunning operation that are doing great things for over 300 Victorian businesses now, having grown from single-figure membership not all that long ago. So we are certainly making some progress, but in terms of detail, David?

Mr CLEMENTS: Yes, great, Simon. Look, thanks again for the question, Ms Taylor. I think without repeating what Simon just said, the work around things like *Tharamba Bugheen*, the small business strategy, its origins come from the fact that sadly in Victoria at the last census we had about 50 000 Victorians identify as

Aboriginal, very much over the odds in terms of rates of unemployment, more excluded from employment. The impact of poverty on that community flows through into a whole range of other areas in sort of markers of disadvantage and social challenges that many members of the Aboriginal community experience. It results in significant levels of expenditure in areas like incarceration, child protection, out-of-home care and so forth, the sorts of things that we do not really want any family involved with or any community involved with.

The *Victorian Aboriginal Affairs Framework* really identifies the fact that prosperity, economic participation and employment are the levers out of those sorts of situations, and investment in that area is going to actually stem that flow of the more negative social impact of colonisation on Aboriginal people in Victoria but also really start to capitalise on what is a very clear message that our department receives every day from the Victorian Aboriginal community—that they want us to take a strengths-based approach to the way that we work with them, to support them, to see the incentives and innovation in that community that can create economic prosperity and create jobs, create business.

So *Tharamba Bugheen* started about four years ago, the small business strategy. As the name suggests, it is about supporting the creation, establishment and growth of small businesses owned by Aboriginal Victorians. It was about \$6.63 million over four years of funding, and Simon mentioned Kinaway, which is effectively a chamber of commerce for the Aboriginal business community. Through the support of the *Tharamba Bugheen* strategy we have seen membership of Kinaway grow from about 20 Aboriginal-owned businesses four years ago to over 300 today. So that is indicative of the sort of growth and the identification of Aboriginal business owners in Victoria coming out, creating new businesses and creating opportunities. It is really important to have Aboriginal businesses because we know that an Aboriginal business is, I think, about 100 times more likely to employ an Aboriginal person than a non-Aboriginal in business, so there is that immediate kick-on effect around employment opportunity.

We feel really strongly, as Simon said, that the pathway out of many of the social challenges that the Victorian Aboriginal community and many other Indigenous communities face is their employment, economic participation and economic prosperity. That is really what *Tharamba Bugheen* was about. It has funded a long list of initiatives in creative arts and a whole lot of other areas, which I will not bore the committee with on the detail, but it is a really important initiative to see that sort of economic growth that is so important to creating a better future for Aboriginal families and communities. We are really proud of it.

Ms TAYLOR: Indeed, indeed. It is good to hear. I want to move along to the state start-up agency, LaunchVic. I would like to have a bit of a better understanding about how this initiative is contributing to the state's economic development objectives and creating sustainable jobs for Victorians.

Mr PHEMISTER: Thanks very much, Ms Taylor. You are giving the Davids a workout here, so there is a tag team to Deputy Secretary Latina. LaunchVic has been with us since 2018, and I think it is fair to say that in 2019–20 it really went to another level of operation. We have got a terrific board and a fantastic executive in there now, and it is starting to become a brand that is quite recognised in Victoria. It is not the sole instrument that we have at our disposal for innovation. The innovation chain is quite long and LaunchVic plays a particular role, as do some of the pretty exciting funds that will talk about at the next PAEC that have been initiated through the last budget, but with regard to LaunchVic itself, I will throw to Deputy Secretary Latina.

Mr LATINA: Thanks, Secretary. LaunchVic of course is a body that is funded by government but is arms length as well, and therefore it takes a very entrepreneurial approach to how it goes about its work, because it is about supporting entrepreneurial businesses. In 2019–20 it had a target of supporting 70 businesses through the work that it undertakes, and it supported 133 companies or new entrants through its initiatives. It was provided with grant funding of \$10 million for that financial year to undertake its work and to meet that target.

The way LaunchVic undertakes its work in terms of promoting a more competitive and a more entrepreneurial Victoria ranges from supporting a number of start-ups to organisations that support start-ups, so accelerators such as Skalata Ventures, Techstars, SportsTech Accelerator, as well as running a whole range of regional events, which is about skilling up a number of potential start-ups in terms of how to pitch for events. So it supports organisations such as Startmate, which is about doing that. It undertakes and supports a range of hackathons, such as PeninsulaHACK. It also does work in terms of working with the investor network as well, so not just in terms of the start-ups but also the investor network, and ensures there is a stronger connection

point between investors and that Victoria is promoted as a good place to invest from venture capitalists, angel investors as well, and strengthening up that network, which was a real key priority for it in 2019–20.

The success of LaunchVic is not only reflected in it exceeding its performance target in 2019 but also in international ratings of where Melbourne and Victoria have been succeeding and progressing, particularly what they call the Genome index, which is an internationally recognised index that demonstrates as to where start-up ecosystems are placed internationally. Victoria has really been progressing through the ranks of that since LaunchVic was established, principally because of that development of activity and encouragement of that startup environment but also then progressing into providing support for scale-ups, which are at the more developed side of the startup ecosystem as well.

Ms TAYLOR: Okay, thank you. Very good. Now I am just going to move along to the Local Sports Infrastructure Fund, in particular the \$22 million investment into the Local Sports Infrastructure Fund that has provided many community sporting clubs with much-needed improvements to facilities. Can you please outline some of the projects that have been funded through this program and what benefits they have provided to these community sporting clubs?

Mr PHEMISTER: I can certainly do that, and in doing so will hand over to Deputy Secretary Abbott for a bit of detail. I think I made this comment earlier: we had the opportunity to work with local communities a lot. We have the Office of Suburban Development and Regional Development Victoria, and I think it is fair to say that people are engaging with their local communities, or at least through our programs, like never before. People have been home, people have been connected, and that has created a whole new range of opportunities for us by way of local engagement, and also local community projects have been a bit of a beacon of hope for communities, so it has been something that has been quite exciting for us to participate in, equally because we are all living and working from our local communities while we are doing it, so it has been satisfying from that perspective.

This program obviously builds on established processes of hundreds of millions of dollars of community infrastructure that have been done before, but one of the key features of this one was the speed with which we needed to get it out, with compromised supply chains and delivery schedules, so it is one that we were really pleased to get out in the financial year. I will throw to Deputy Secretary Abbott to talk through a bit more detail.

Mr ABBOTT: Thank you, Secretary. Thank you for the question, Ms Taylor. Community sport and active recreation infrastructure investment programs in 2019–20 supported 167 new projects through a range of programs including local sports grants, the golf infrastructure fund, the country football and netball program and the Local Sports Infrastructure Fund that you referred to. Over \$111 million of funding was approved in 2019–20 to support over \$404 million worth of new community sport and active recreation infrastructure projects across Victoria.

You asked for some examples. \$2 million went from the Local Sports Infrastructure Fund to transform the St Albans leisure centre into the St Albans Health and Wellbeing Hub with a new integrated aquatic, leisure, health and wellbeing centre. \$2 million also from that same fund was spent constructing a new four-court indoor multisport stadium at John Cain Memorial Park in Thornbury. \$10 million from the local sports grants initiative went to delivering a new indoor sports stadium with six multisport courts, including a 1000-seat show court, and indoor cricket training facilities at Jubilee Park in Frankston. \$250 000 from the golf infrastructure fund went to develop a nine-hole course and driving range at the Neangar Golf Club. \$100 000 from the country football and netball program was spent building female-friendly player and umpire change facilities at the Hepburn Pavilion.

In addition, and the Secretary referenced this, in May 2020 \$68 million from the building works package was allocated to fast-track community sport infrastructure projects through the community sports infrastructure stimulus program. It opened for applications that month, in May, and 27 projects were awarded funds in August 2020 with a combined total estimated value of over \$138 million. Projects supported through that stimulus program included \$5 million to revitalise and transform Debneys Park in Flemington into a new community and sports hub, including a new sports field with lights, cricket nets, two outdoor basketball courts as well as a pavilion with four female-friendly change rooms. Also, \$1.18 million to fast-track the development of a female-friendly soccer pavilion at MacPherson Park in Melton and over \$2 million for new fitness stations,

paths and play equipment across eight sites in Moreland. They are just a few examples of the sorts of projects that are supported through those community sports infrastructure programs in 2019–20.

Ms TAYLOR: Excellent. Thank you very much.

The CHAIR: Thank you, Ms Taylor. Ms Vallence, MP.

Ms VALLENCE: Thank you, Chair. Thank you, Secretary and team, for appearing. First, I will just start, Secretary, with the 2019–20 financial report at page 166. It has there that DJPR was allocated \$142 million for quarantine for travellers from the Treasurer’s advance. Could you provide a breakdown of that \$142 million for the committee, on notice if you do not have it?

Mr PHEMISTER: Indeed I can. The \$142 million was the report provided to the inquiry—that breakdown. If you bear with me for one moment, I can track that down for you.

Ms VALLENCE: On notice is fine.

Mr PHEMISTER: I will track it down while you are running through some other questions. This is one that I would be keen to give to the committee today.

Ms VALLENCE: Okay. You have talked a fair bit today already about the emergency procurement rules which obviously kicked in around March 2020. So if we get straight to the point, you have conducted a multimillion-dollar tender within I guess half a day on 27 March toward hotel quarantine contracts to security companies, particularly Unified Security. Who decided that process—to start that tender and conclude it within the day?

Mr PHEMISTER: Well, we did not really have a choice. We had to have operations stood up 36 hours later for, not theoretically but literally, busloads of people coming from the airport.

Ms VALLENCE: So who gave you that direction to do that?

Mr PHEMISTER: To—

Ms VALLENCE: To engage, to set up the contracts and enter them—obviously just to kickstart that emergency procurement that you have discussed and enter those contracts.

Mr PHEMISTER: Sorry, Ms Vallence.

The CHAIR: Ms Vallence, again, we are discussing the financial and performance outcomes hearings, not reiterating issues of either the COVID inquiry or the estimates inquiry, so if you could relate your questions to the financial and performance outcomes for 2019–20, that would be appreciated.

Ms VALLENCE: I am. I have already referred to that. The Treasurer’s advance specifically refers to quarantine for travellers—\$142 million—so it is all around that.

Mr PHEMISTER: I can restate my evidence from the COVID inquiry or the Coate board of inquiry with regard to: it was our view that we were commissioned to go forth and procure private security through the—

Ms VALLENCE: So in terms of the emergency procurement, as you have discussed, in those guidelines is there ministerial approval required for those emergency rules?

Mr PHEMISTER: No.

Ms VALLENCE: No. Who is the ultimate approver?

Mr PHEMISTER: If it is within delegations, it is me—there is no secret that I signed the contracts. The procurement rules which we provided during the COVID inquiry of this committee really clearly step through who is responsible for what within their delegations.

Ms VALLENCE: So when you say ‘delegations’, is there a dollar-value ceiling? And if so, what is that?

Mr PHEMISTER: There are dollar-value ceilings, so all public servants have their delegations signed off by ministers. When our department was created, I had mine signed off.

Ms VALLENCE: To what dollar value?

Mr PHEMISTER: My dollar-value delegation is \$300 million.

Ms VALLENCE: Pardon?

Mr PHEMISTER: Three hundred million.

Ms VALLENCE: Three hundred million. Okay. So did you receive any written documentation telling you to stand up those contracts within that day?

The CHAIR: Ms Vallence, your line of questioning is completely out of order. This hearing is to discuss the financial and performance outcomes. Your questions go well beyond the scope of this inquiry, and we have been extremely lenient so far. But this is well beyond the scope of this inquiry, so I would ask you to return to the purpose of this inquiry. Or if you do not have any questions within scope, perhaps cede your time.

Ms VALLENCE: We have heard so much from all witnesses around the reprioritisation of budgets because of COVID. Treasurer's advances came in in the 2019–20 period, so it is expressly related to this period.

The CHAIR: Just because something happened within the period, Ms Vallence, does not make it relevant to the inquiry in relation to financial and performance outcomes. We have had a whole inquiry in relation to the government's response to COVID. We have also recently had estimates hearings. You have had ample opportunities to pursue this line of questioning, and I would ask that you return to the scope of this inquiry.

Ms VALLENCE: So in terms of the expenditure in relation to the security firms, and I think it is important to note, you said the emergency procedures kicked in and you engaged those because you needed to stand it up because people needed to return, and as I said, the Treasurer's advance is there for quarantine of travellers. It cannot have been an organic process. It cannot have just happened by osmosis. Where did you receive information to use expenditure from your budget line on this?

Mr PHEMISTER: Sorry, I apologise. I am not 100 per cent clear of the question. For security or for the hotels or for the whole program—

Ms VALLENCE: Well, where was the directive from?

Mr PHEMISTER: So we were asked to stand up hotels, associated logistical services and security—

Ms VALLENCE: By?

Mr PHEMISTER: At the 4.30 meeting that I referenced during the inquiry at this committee last time. We believe we were commissioned from that, and only after that meeting did we set wheels in motion to procure private security services.

Ms VALLENCE: I understand from emergency procurement when there is an emergency incident that some of the usual protocols are relaxed, and I get that. In terms of the engagement of Unified Security, it was not on a preregistered or preapproved supplier list. Who made the decision to select them?

Mr MAAS: Point of order, Chair. I am sorry; I am just reading the heading of the name of this inquiry, and I just do not see how this line of questioning can fit into the Inquiry into 2019–20 Financial and Performance Outcomes.

Ms VALLENCE: \$142 million from the Treasury—

The CHAIR: Thank you, Mr Maas.

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

The CHAIR: When I have finished hearing the Member for Narre Warren South, I will ask for further points of order, but the Member for Narre Warren South has not yet completed—

Mr D O'BRIEN: I thought he had.

The CHAIR: Well, he has not.

Mr MAAS: Look, I just cannot see how it fits within this inquiry. It does not fall within the scope, and in fact it falls well beyond the scope of this inquiry.

The CHAIR: Mr O'Brien.

Mr D O'BRIEN: On the point of order, Chair, this is directly related to public expenditure that commenced from 27 March 2020. I do not know whether the Member for Narre Warren South does not understand the year that we are talking about—the financial year. I might add, Chair, on our website for this inquiry this is what it says, the overview:

This inquiry complements the Committee's scrutiny of the budget estimates and aims to:

improve the accountability of Victorian Government departments and agencies

improve the transparency and clarity in the reporting of public sector performance

provide the Parliament and community with more meaningful information about the outcomes delivered in the last financial year(s).

Even this whole thing about 'it has got to be 2019–20'—that is actually what our inquiry is about. You need to rule out this point of order and allow us to get on with asking questions—or feel free to shut them all down, and we will say again that this government is avoiding scrutiny on the hotel quarantine stuff-up.

Mr MAAS: On the point of order, Chair—

Mr D O'BRIEN: You have had your go. You do not get a second go, Gary.

Mr RIORDAN: Gary has just read another text. He has just been sent another text, and he is just wanting to clarify his point.

The CHAIR: Mr Riordan, are you speaking to the point of order?

Mr RIORDAN: No, I was just talking to my colleagues.

The CHAIR: You could save that—

Ms VALLENCE: I can move on—

The CHAIR: Well, no, you cannot until I have ruled on the point of order. I will uphold the point of order, and I will make the point that this committee has well and truly scrutinised both the government's response to COVID and the last budget estimates, I think as we will all attest, including the Secretary, who sat through much of it late last year. So this inquiry—

Mr D O'BRIEN: Are you going to tell us what questions we can ask?

The CHAIR: Mr O'Brien, you have had your turn. This inquiry—

Mr RIORDAN: It is my turn now. I have got a point of order.

Mr D O'BRIEN: This is disgraceful.

The CHAIR: Mr Riordan, you declined to—

Mr RIORDAN: No, I am having another point of order.

The CHAIR: Mr Riordan, I uphold Mr Maas's point of order, and I ask Ms Vallence to keep her questions to the financial and performance outcomes for 2019–20 rather than questions would have fitted in either of the previous inquiries this committee has just conducted. Do you have another point of order, Mr Riordan?

Mr RIORDAN: I am happy to let Ms Vallence continue, Chair, seeing as your understanding of spending money in a year seems lost.

The CHAIR: The call is with Ms Vallence, Mr Riordan.

Ms VALLENCE: So in terms of, again, the 2019–20 financial report, page 166, and that Treasurer’s advance, for security guards that were engaged March 2020 to June 2020, has the audit been completed in relation to whether these security guards were underpaid?

Mr PHEMISTER: Ms Vallence, yes, the review, the forensic audit, has been completed. So we had I think it was KPMG do the audit, and we are now going through the final stages of response with the security firm. So we—

Ms VALLENCE: What is the time frame?

Mr PHEMISTER: We are in discussions with the security firms now over the findings. We reserve the right to take a deeper dive in, so we have retained the forensic audit team to help us navigate the remaining issues between us and the security firms.

Ms VALLENCE: Okay. And again in relation to that Treasurer’s advance and the hotels engaged by you from March 2020 to June 2020, can you provide the committee a list of all hotels contracted and a contract value for each?

Mr PHEMISTER: I can do that, Ms Vallence. Bearing in mind there were two things going on by way of contracted hotels: there were Hotels for Heroes—

Ms VALLENCE: No, for the hotel quarantine—can you provide that just for the hotel quarantine?

Mr PHEMISTER: Yes.

Ms VALLENCE: And will every contracted hotel have its contract paid out? We know that obviously subsequent to that, that was all concluded, so will every contracted hotel for hotel quarantine have their contract paid out? And from a termination perspective, how much will that cost?

Mr PHEMISTER: From a termination perspective—sorry, I do not understand the question.

Ms VALLENCE: Each of the contracts that you engaged from March 2020 through June 2020—and you said you will provide that list of all those hotels—are no longer providing that service, so will all of those contracts be paid out?

Mr PHEMISTER: They were contracted services for a point in time, so we bought months—say, a month. We have deemed these contracts a cost to the Department of Health and Human Services at 30 June, so some of those contracts continue to run, some ceased. Some of those service providers were for a discrete period of time, they were not open-ended contracts, so we did not need to terminate hotels at any given point. It is simply that the time of the agreement lapsed, and the majority of the hotels that we contracted flowed through to the Department of Health, so they managed the concluding of those contracts.

Ms VALLENCE: Okay. I notice that there is a witness in the room that might be best placed to answer this, but Secretary, I will put it through you. Back in April 2020 there was a video created by a part of your organisation, Global Victoria, highlighting the success of the hotel quarantine program. Was that video produced in house or was an external agency engaged?

Mr PHEMISTER: So I do not accept the premise of the question. It was to celebrate the contribution made by a team at Global Victoria to the logistical support, and if you watch the video, it refers to tracking down different food types for people who had allergies, and there was a pregnant lady who needed a—it was not celebrating the success of hotel quarantine. It was produced entirely in house by the department of—

Ms VALLENCE: I must have watched a different video.

Mr PHEMISTER: You must have watched a different video—

Ms VALLENCE: But in terms of the video, the question—

The CHAIR: Ms Vallence, could you allow the Secretary the opportunity to finish his answer, please?

Mr PHEMISTER: There is a group of people who worked really hard on logistics support, and that video was very, very clear about the logistical role. I think Minister Pakula made it very, very clear at the PAEC two PAECs ago, I made it very clear at my last PAEC: it was produced entirely in house by DJPR.

Ms VALLENCE: In house. So what was, I guess, the internal accrued cost in house for that?

Mr PHEMISTER: The price of a camera phone and somebody doing the editing at home, because they were really proud of the logistical support they provided. I do not think I could track down a specific dollar figure for the production of the video.

Ms VALLENCE: I guess there are man hours. Okay. We have heard previously around one hotel, for example, in Torquay that was given over half a million dollars in this period that we are discussing for hotel quarantine but did not actually receive any returned travellers. In that list that you are providing can you also please detail, or can you let us know, if there were any other accommodation facilities engaged between March and June that this also applies to—that were engaged and contracted but received no returned travellers?

Mr PHEMISTER: For the specific purpose of quarantine?

Ms VALLENCE: Yes.

Mr PHEMISTER: Yes, I can do that.

Ms VALLENCE: And in that, can you provide a list of those and also any moneys paid to those hotels—for example, any upfront retainers?

Mr PHEMISTER: Of course.

Ms VALLENCE: Great. With specific regard to that Sands golf resort in Torquay and the half a million dollars expended there, following the payment that facility did go into receivership and also, you know, was subject to allegations of fraud. In terms of procurement, we have discussed the emergency procurement. Was any assessment or analysis done and what procurement processes and subsequent audits of that contract did you undertake in relation to that? Was it under 'emergency', was it under some other guidelines and what did you do?

Mr PHEMISTER: Specifically the Torquay example? All procurement that is triggered through the emergency procurement framework has a post-incident review. Different language gets used, but everyone in my department, according to the independent post-incident review, followed the rules that were given to them or made available to them under the framework. So as public servants we have frameworks; we work within those frameworks. It is something else entirely if we step outside those. Every one from hotel procurement through to food services through to security was done according to our post-incident review, within that framework.

Ms VALLENCE: So for this contract, what did that find?

Mr PHEMISTER: The post-incident review? I am happy to provide a summary of the post-incident review that relates to the due diligence. I assume that is where you are going—the due diligence.

Ms VALLENCE: And does that refer to compliances and non-compliances?

Mr PHEMISTER: Well, all of these are regulated entities, so if they have food service, they are regulated by food services. If they are security, they are regulated by Victoria Police. So we assume if they are accredited by the regulatory service then, yes, there are no regulatory checks that we need to do other than to make sure their regulations and their adherence to those are in order.

Ms VALLENCE: Was it you that signed the contract with Torquay golf Sands?

Mr PHEMISTER: No.

Ms VALLENCE: No? Are you aware of why that location was selected when it is so far away from international airports?

Mr PHEMISTER: I will have to go back. It is in my evidence to the board of inquiry. I can take the excerpt from the board of inquiry and provide that to the committee if that would help.

Ms VALLENCE: Yes, thank you. In terms of small business bushfire grants, you mentioned it in your presentation actually: \$50 000 small business bushfire recovery grants and \$1.76 million paid to 68 businesses, so that is an average around \$25 000 per business. How many businesses applied in total, and how many were rejected?

Mr PHEMISTER: That is a good question. I will refer to Deputy Secretary Latina, who is just digging that out now.

Mr LATINA: Thanks, Secretary. In 2019–20 for the \$50 000 small business bushfire recovery grants, there was \$1.8 million paid across 68 grants. There was a \$10 000 small business bushfire recovery grant of which there was \$15 million paid across—

Ms VALLENCE: It was just in terms of how many applied—just a number.

Mr LATINA: Well, I do not have the total number who applied, but I have just got the number of who received the grant.

Ms VALLENCE: Could you provide that on notice perhaps?

Mr LATINA: Sure.

Ms VALLENCE: Thank you.

The CHAIR: Ms Vallenge, your time has expired. Mr Maas, MP.

Mr MAAS: Thank you, Chair. I would like to go to the topic of the regional and rural Victoria program and specifically page 18 of the questionnaire, where there was \$30.8 million worth of funding that had been allocated to that. I was wondering if you could answer for the committee: what has that money been spent on specifically? And can you report on any outcomes—in particular, how it has led to the creation of increased jobs and investment in those communities?

Mr PHEMISTER: With pleasure, Mr Maas. Thank you very much. In handing over to Deputy Secretary Jones, who runs our regional and rural group, I just wanted to call out the fact that these outcomes, which we are really proud of as a department, were achieved during a time when we were constantly supporting colleagues on COVID response. They are border communities with border shutdowns or the ring of steel—managing the other side of the ring of steel—or indeed when there were small outbreaks in different parts of regional Victoria. I know it is not directly to your question, so thanks for indulging me, but I am particularly proud of this part of the department for delivering these outcomes while all of these just really important distractions were going on.

Ms JONES: Thanks, Mr Maas. The \$30.8 million was for the Regional Jobs and Infrastructure Fund. In the 2019–20 year there were about 85 projects supported around jobs, infrastructure and communities. That created about 1215 jobs and \$840 million of regional investment generated over that time for a whole range of projects from the north to the south to the east to the west to the state. Just in terms of some examples, of a couple: in terms of the jobs fund, there was funding provided towards a \$1.75 million refrigerated transport warehouse in Mildura. There was funding there for a new warehouse and cold storage facility to boost horticulture exports up there, creating 35 local jobs in the Mildura region. Just going to another part of the state, there was investment in Premier Fruits's Lancaster glasshouse—a \$10 million project—a 5-hectare glasshouse that created 41 full-time roles, jobs in cropping, tomato-picking and management, resulting in total employment of 97 staff at that facility in central Victoria. Those are a couple of examples of the types of projects. So again, that RJIF is really about trying to attract, retain and expand investment in a whole range of businesses in regional Victoria and getting a whole lot of community and liveability outcomes at the same time.

Mr MAAS: Excellent. Thank you very much. I also note on that same page it talks about participant satisfaction as well, and there is a pretty staggering number of 100 per cent there. I think we had better delve into that one. Can you tell us what measures and communication channels the department has used to get that figure?

Ms JONES: Yes. Mr Maas, we are very proud of that, particularly given the year that was and the various challenges that staff were called upon—but of course they rose to the challenge in a very challenging year. Certainly we attribute much of that outcome to a range of improvements in the grant process—in the way it is administered, in the way that we communicate with grant recipients and the information that is provided—and the sort of case management approach that we provide. That is a pretty significant outcome compared to previous years, and it is off the back of some of the improvements from the VAGO report that was made into how we administer grants. It was a pretty upfront sort of root and branch review of how we administer things that has led to a positive outcome. In terms of who those people are, they are people who interface with our grants programs, so recipients of grants or people who have applied.

Mr MAAS: Excellent. Thank you very much. I might move to drought response now, and on page 17 of the questionnaire it was reported that \$24.9 million was allocated to that in the 2019–20 budget. Could you inform the committee how that amount has supported farmers and agricultural communities who were experiencing drought through that period?

Mr PHEMISTER: Thanks, Mr Maas, and it is a good opportunity for the Deputy Secretary for Agriculture to take centre stage, because you are right to point out that drought response was an incredibly important part of 2019–20 and sometimes forgotten in the mainstream. It is said that COVID did not make it rain in some parts. I will throw to Deputy Secretary Lowe.

Mr LOWE: Now, my apologies. I missed part of the question. Would you mind repeating it?

Mr MAAS: No, that is fine. The funding allocation was \$24.9 million, and I would just like you to inform the committee how that figure has supported farmers and agricultural communities experiencing drought.

Mr LOWE: Fantastic. Thank you. I might go back to how we approach drought more broadly, which is under the Victorian drought framework, which sets the framework for both preparedness and response. Our response activity was obviously in response to some quite significant dry seasonal conditions experienced by a number of regions in Victoria over a number of years. More broadly, we had obviously two years of significant drought. The first of those was in 2018–19, and we provided funding of \$45.754 million, and then that was followed by subsequent funding of \$36.015 million in relation to drought response. In relation to some of the programs that we delivered through that period, there are obviously a wide range of different programs that we provide to support farmers and communities who are affected by drought. Some of the programs we provided funding for are delivered through partners as well.

Before I jump into the specific programs, it is probably just important to acknowledge that in Agriculture Victoria this is part of our day-to-day activity. We have people on the ground who work with farmers and communities both in terms of drought preparedness and then when drought hits in relation to response as well.

Some of those things include innovation, building resilience to prepare for shocks and adapting to a changing climate. It includes research and programs and farmer skills training to demonstrate research in a commercial setting. We also deliver courses to build financial literacy. We have programs that focus on young farmer resilience, and we deliver technical programs on best practice grazing management—just as some examples.

In relation to drought support in particular, over the financial year period we provided a local government service support payment, and that was particularly in the areas affected by drought, which were in Central and East Gippsland, the Millewa in north-west Victoria and irrigators in the Goulburn-Murray irrigation district.

We provided funding for the CMA drought employment program. There was a Gippsland program there with 45 participants. There was a Millewa program for 26 participants and at GMID—that is, the Goulburn-Murray irrigation district—which had 24 participants there. We provided a farm machinery improvement grant, which supported a total of 80 farmers to a total of \$727 652. We provided funding for the domestic and stock bore licence fee waiver, which equated to 374 licence fees that were waived, equating to a saving of \$87 890 in fees to landholders throughout East Gippsland, Wellington and the GMID.

We provided the household financial relief program, which is a really important program for farming families subject to drought. A total of 1455 farming families were supported for up to \$3000 through that grant program. In total we provided just a bit over \$4 million through that program as well.

We provided the on-farm drought resilience grant. That was a \$12 million program, and as at 21 January 2021 roughly 14 024 farming families have been approved for the \$5000 on-farm drought resilience grants. The program is still processing applicants.

We provided the farm business management and planning support program. That was a \$2.3 million program, and since May 2018 a total of 376 technical and support activities have been held across the state for farm businesses, with 6076 farmers attending 704 service providers. These numbers also take into account the technical decision-making support program delivered in 2018–19.

Obviously drought can have a significant impact on mental health, and we provided the mental health support program, a \$1.6 million program. Mental health activities included the development of a postvention protocol in South Gippsland; increased community awareness and understanding of mental health and wellbeing particularly related to the rural agriculture setting through the dissemination of resources to the community; and the promotion of online mental health supports, including psychology sessions via telehealth and phone counselling as well.

We supported the National Centre for Farmer Health program, and this program is being extended due to COVID-19 social distancing restrictions.

We provided funding for the Look Over the Farm Gate program. Unfortunately that program was put on hold due to COVID restrictions.

We provided funding for the Community Priorities Fund, and this enabled a range of different supports for local communities in drought-affected areas.

Access to emergency water supply—we provided \$500 000 for that program. The project provided 12 new water supply points and upgraded storages at two existing emergency water supply points. The project delivered two new bores and associated headworks and standpipes at a range of different locations.

We also provided the on-farm drought infrastructure support grant—that was \$3.9 billion and supported a total of 4268 farming families.

Mr MAAS: Terrific. Thank you very much. I might in the time I have left go to tourism and the visitor economy. I was just hoping in the time remaining that you could provide some detail as to what specific assistance was provided to support regional tourism.

Mr ABBOTT: Thank you, Mr Maas. Obviously 2019–20 was a particularly challenging year for tourism and events, particularly in regional Victoria, with bushfires in January and then COVID from March. The total government support for the tourism industry in output terms in 2019–20 was \$228.4 million, and this included support for Visit Victoria for its marketing and its event acquisition activities as well as for a range of responses to the bushfires and then to COVID.

Staying with Visit Victoria's activities and the support that the department provided to Visit Victoria, the state budget in 2019–20 allocated \$32 million for marketing activities for Visit Victoria to try to attract more visitors to the state. In January and February Visit Victoria rolled out a new intrastate campaign called A Short Stay Goes a Long Way, endeavouring to drive tourism within the state and in particular to provide support to bushfire-affected regions in the north-east and East Gippsland. Of course with the onset of COVID-19, subsequent campaigns were replaced with targeted online and digital communications. In addition, a total of 20 events were funded in the first two quarters of 2019–20 as part of the Regional Events Fund. There were not any regional events funded for the final quarter. Business events were staged during the year, including the international convention of Jehovah's Witnesses and the world engineering convention.

In response specifically to the 2019–20 bushfires the department delivered a range of initiatives to assist the region to recover, including grants for Tourism North East of \$350 000 and Destination Gippsland of \$500 000 to assist with their recovery efforts; a business and sport for bushfire recovery program, seeking businesses to

pledge to hold meetings, events or conferences in a bushfire-affected region; a dedicated bushfire recovery round of the Regional Events Fund worth \$300 000, and the first funded event through this program was the Rise from the Ashes concert at Cudgewa held in February 2020; and there was a \$10 million bushfire tourism and business fund to support a range of projects in fire-affected areas across East Gippsland and north-east Victoria, supported through the Premier's Jobs and Investment Fund, which was announced in February. Throughout that period the department continued to work closely with Destination Gippsland, Tourism North East and Visit Victoria to ensure that both regions recovered from these events.

In terms of COVID, the impact, as has been well reported, was significant across the state in terms of visitor expenditure in Victoria, which was estimated to have lost \$20.4 billion over the calendar year 2019, of which \$7.3 billion was lost in regional Victoria. The department commenced the delivery of a range of support measures in 2019–20 to assist the visitor economy through the pandemic, including \$11 million for the Emerald Tourism Railway Board, regional tourism boards, the Victorian Tourism Industry Council and not-for-profit and privately owned visitor attractions throughout the state. We worked really closely with Visit Victoria, with regional tourism boards and with the Victorian tourism and events industry to provide advice and support throughout that period.

Finally, the department has been implementing \$382 million in funding to operate and build new community projects and tourism experiences across Victoria as part of the building works package. Those projects include \$11.3 million towards an upgrade to visitor facilities, cultural experiences, lookouts and trails in the Tower Hill Wildlife Reserve on the Great Ocean Road; \$4.2 million to kickstart the first stage of works to create a new commercial and recreational precinct at the Mount Hotham resort; and \$2.7 million to deliver 50 kilometres of mountain bike trails in the Ararat Hills Regional Park as part of the Grampians 10-year cycling master plan. And we continue to support businesses through the Business Support Fund as well.

Mr MAAS: Excellent. A very comprehensive wrap there, thank you. Look, my question is in there, Chair, since I have the call I do seek some guidance on the documents that were tabled by Mr Riordan before. It was only at 3.30 that the whole committee had access to those documents, and I am just querying whether at least one of those items of the information sought should be provided, just given that I do not think it falls within the scope of the inquiry.

Mr RIORDAN: What item would that be, Mr Maas?

The CHAIR: Mr Riordan, you do not have the call. Mr Maas has the call.

Mr MAAS: So it appears that the questionnaire has been amended to add in attached tables with four groupings, and I would say at least the first grouping of the 2020–21 TEI falls well out of the scope of this inquiry. Mr Phemister has said he can provide I think all of these, but I am just wondering about that first grouping in particular, as to whether that is within the scope of the inquiry. I do not know how figures can be—

Mr RIORDAN: What one are you referring to?

The CHAIR: Mr Riordan!

Mr MAAS: So the 2020–21 total estimated investment.

Mr RIORDAN: It is a typo, and I made the amendment to Mr Phemister's pile there.

The CHAIR: I am just looking at the document now. As Mr Maas has said, this was circulated to the full committee at around half past 3. If members want to table documents, it would be useful, to avoid situations like this, that they table them in advance.

Mr RIORDAN: He has the correct one and understands what we are asking.

The CHAIR: Well, it would be good, Mr Riordan, if we could all understand what it is you are asking, but you make it difficult sometimes. So the first attachment refers to 2020–21 TEI and the last page as well also refers to 2020–21 TEI. So are those both errors, are they?

Mr RIORDAN: No. It was quite clear at the time. It has the—

The CHAIR: Well, no, it was not. That is why everyone is confused.

Mr RIORDAN: Well, okay, let me clear it up for you, Chair. So it is the budgeted figures of the 2019–20 and then we have got the actual figure at the end of 30 June 2020, which is right there and correct, and I amended the one there for—

The CHAIR: Mr Riordan, can we just go page by page, for the benefit of the people who do not have the amended—

Mr RIORDAN: It is quite simple, Chair. It is all the same. It is just the end figures for 30 June. It is not rocket science.

The CHAIR: So you are not asking for any 2020–21 figures?

Mr RIORDAN: No, because we are not doing the 2020–21 budget inquiry.

The CHAIR: So I appreciate you are clear. Hopefully the Secretary and everyone else is clear, but what is within scope is 2019–20 and the end of 2020 figures, and you are not seeking any 2020–21 figures?

Mr RIORDAN: No, we are not seeking 2020–21. And, Chair, while we are seeking clarifications—

The CHAIR: Mr Riordan, is this in relation to this matter?

Mr RIORDAN: No, it is the next topic.

The CHAIR: Well, let us complete where we are at, thank you. So we will circulate to everybody an amended document. But, Secretary, if you are able to provide the figures as amended, that would be appreciated. Mr Riordan, do you have another matter you would like to raise?

Mr RIORDAN: Yes, just another clarification. In evidence given by I think it was Ms Jones at the end on achievements, you made reference to a tomato farm. I missed the name of that, please.

Ms JONES: Lancaster.

Mr RIORDAN: Lancaster tomatoes?

Ms JONES: Yes.

Mr RIORDAN: Okay. That is all I need. Thank you.

Ms JONES: Premier Fruits, Lancaster. My apologies.

Mr RIORDAN: Premier Fruits. Thank you.

The CHAIR: That concludes the time we have for consideration with this department this afternoon.

We thank you, Secretary, and all of you, for your attendance here. The committee will follow up on any questions taken on notice in relation to this inquiry, and responses will be required within five working days of the committee's request.

We thank everyone who has appeared. We thank the secretaries and officers as well as Hansard and the secretariat and the cleaning and catering staff for their assistance today.

The committee will resume consideration of the 2019–20 financial and performance outcomes tomorrow at 9.30.

I declare this hearing adjourned.

Committee adjourned.