

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2017–18

Melbourne — 12 May 2017

Members

Mr Danny Pearson — Chair

Mr David Morris — Deputy Chair

Mr Steve Dimopoulos

Mr Danny O'Brien

Ms Fiona Patten

Ms Sue Pennicuik

Ms Harriet Shing

Mr Tim Smith

Ms Vicki Ward

Witnesses

Mr Daniel Andrews, Premier,

Mr Chris Eccles, Secretary,

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

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

Mr Tony Bates, Deputy Secretary, Governance Policy and Coordination, Department of Premier and Cabinet.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2017–18 budget estimates. All mobile telephones should now be turned to silent.

I would like to welcome the Premier of Victoria, the Honourable Daniel Andrews; Mr Chris Eccles, Secretary, Department of Premier and Cabinet; Ms Rebecca Falkingham, Deputy Secretary, Social Policy, Family Violence and Service Delivery Reform; Mr Simon Phemister, Deputy Secretary, Economic Policy and State Productivity; and Mr Tony Bates, Deputy Secretary, Governance Policy and Coordination.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege. Witnesses will not be sworn but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses must be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way and cannot photograph, audiorecord or videorecord any part of these proceedings. Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

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

Visual presentation.

Mr ANDREWS — Thanks very much, Mr Chairman. I am very grateful to again have the opportunity to be here to talk about another very strong budget for our state. I have a very brief presentation which I will take you through now.

The budget delivers sound financial management for all Victorians, and that is very well demonstrated by the fact that there are surpluses of \$1.2 billion in the coming financial year and estimated surpluses of more than \$8 billion, so an average of \$2.4 billion across the forward estimates. Net debt remains at sustainable levels — at or below 6 per cent — over the next four years. Those borrowings are supporting a very strong infrastructure program, and hopefully we will get an opportunity to talk about that today.

The state's AAA rating is very important, I think, to everyone in Victoria, and this budget maintains a very strong credit rating, with a very positive outlook and strong commentary from agencies. There is a very strong foundation for us to get on with the job of delivering on the services that matter most to families no matter where they live or what they do for a living. Those graphs I think demonstrate very clearly strong surpluses across the estimates and a measured, sustainable and responsible — given the cost of capital at the moment — net debt position.

The next slide is on jobs. Obviously there is nothing more important than supporting the creation of jobs across our economy, noting that that is the key to opportunity and better outcomes for families. We are so very proud to talk about and point to the fact that 200 000 jobs — indeed more than that — have been created since we came to office. That is no small achievement, and it is a testament to both the policy settings of the government but also the resilience and the confidence in the Victorian economy. There are so many people out there working hard to make our state again a leader in our nation, our rightful place, the place where we do our best. Over the last year, for instance, we have had more jobs created in Victoria than the rest of the nation combined. That should be a source of great pride for every single Victorian.

We are investing on average some \$9.6 billion annually in the infrastructure program that is so important in terms of putting Victorians to work but also making sure we can take advantage of all those opportunities into the future. That is up from \$5.6 billion per year as the long-run average in the decade prior. So in round terms that is basically double the effort in terms of the projects that are most important for our state.

The major project or infrastructure agenda of the government is estimated by Treasury to be creating, in and of itself, some 50 000 additional jobs for Victorians, and that is just the government's effort. Of course that underpins demand and confidence across the economy and is absolutely central to the earlier figure of some 200 000 jobs that have been created since we came to office.

There is a strong business tax agenda here as well, with \$221 million worth of payroll tax for business — a suite of measures that have been welcomed, I think, by businesses, large and small, city and country.

We made commitments on coming to government that we would have a royal commission — Australia's first and only royal commission — into our number one law and order challenge, what is without a doubt a national emergency and the number one law and order issue in our state and our nation. We provided some \$600 million last year. There is \$1.9 billion in investment this year, whether it be in support and safety hubs, strengthening of our workforce to deal with family violence and all the associated pressures that come from that or housing for victims. And of course there are big changes in our justice system, one example of that being specialist family violence courts.

This is all about keeping women and children safe. It is all about delivering on the commitments that we made, and we are proud to be leading our nation. This investment is 100 times more than was allocated in this week's federal budget. I am very proud, and I know all Victorians are very proud, to be giving this issue the priority and the support that it has long needed and, sadly, not been given.

More broadly on safety, there are more than 3000 police being recruited, funded under this budget. There is a \$308 million increase in terms of dealing with the most serious offenders and, as you can see, further investments in youth justice facilities and of course supporting our dedicated emergency services when it comes to the risk and threat of fire. This is in every respect a budget that delivers and gives resources to those who keep us safe, giving them the resources, the powers and the tools. They are getting the support that they need to do that important work.

On education, we do have the great privilege of living in the education state. Every Victorian can be very proud of the work that our teachers and educators do from early years all the way through to our higher education and research institutes. This budget delivers both additional resources for schools, each and every classroom being better supported, but also continues our strong investment profile, with another \$685 million so that we can have our kids taught in the best facilities possible. That is \$2.5 billion worth of investment since we came to government. There are budget allocations for new schools, for the acquisition of land for new schools, and of course there are upgrades to more than 100 schools, not just in Melbourne or growth corridors but in regional Victoria as well.

I am very pleased to say we have taken the lead around kinder funding and I know of particularly to a lot of Victorians is the notion of bringing special needs funding into the early years and supporting our maternal and child health nurses to do more of the outstanding work that they are very well known for, in this the year that we celebrate the centenary of maternal and child health.

Health care of course is relevant to everybody, no matter your circumstances. There is a very strong allocation here to treat more patients and provide them with better care, whether it is in emergency departments or in terms of elective surgery. On the equipment and the facilities that are needed, there is steady progress in each of those areas. The elective surgery waiting list boost is all about making sure that we continue to see a really strong performance in lower numbers of people waiting and people getting their care quicker. And of course mental health receives more than \$400 million. I think that is the biggest allocation that has ever been made to mental health clients and their carers and families in the state's history.

On better roads and public transport, again, as you can see, there are a number of initiatives, more than \$2 billion in road infrastructure — everything from the Mordialloc bypass to a big down payment to get the north-east link properly planned, designed and out to market. We have made it very clear that it is our intention, if we are given that great gift of being re-elected at the end of next year, to build the road and to sign contracts after the election. The M80 ring-road is supported in the budget, and again there is more than half a billion dollars for regional and rural road upgrades.

You can see there are more investments in public transport. I am very proud to say that we are giving the rolling stock industry the long-term order book they have long needed. And with higher than ever local content, this is

all about jobs. It is all about backing Victorian jobs with Victorian taxpayers effort, and that is exactly what this train order does. The Night Network is made a permanent feature of our public transport system, and on all of that again I just make the point that this alone, our effort, the government's effort, is good for some 50 000 jobs. That is a fantastic achievement and I think one that is very relevant to many, many families.

Moving on to regional Victoria, this is a budget that does deliver for the whole state, with proper support for regional rail revival, and no doubt we will have an opportunity to talk about that. That is a comprehensive plan to upgrade every passenger rail line across the state — something that is well overdue and much needed. It is about equity, but it also creates 1000 jobs in and of itself. There is a big package to improve roads in regional Victoria, and of course the decentralisation agenda that we are well known for over successive Labor government continues, both in Ballarat and the Latrobe Valley, and there is some planning work in Bendigo.

There are some digital enhancements. These matters are often really more for the federal government, but we are getting on and getting this done around connectivity and the reliability of our network, particularly for technology-enabled agricultural practices, and there is the 25 per cent cut to payroll tax for businesses in regional Victoria, something that has been very warmly welcomed right across the regions. This gives regional Victoria the lowest payroll tax rate in regional Australia, and that will make a big difference to about 4000 businesses right across the regions.

Self-praise is not worth so much, but the clear commentary from whether it is VCOSS, the Australian Industry Group, VECCI, RACV, farmers federation, the AEU or many others is that this is a budget that is delivering on the commitments that the government has made and is all about the right priorities — backing the great potential in our state to do even better and to provide the leadership that Victoria has always been capable of but for various periods has just not been able to deliver. I am very proud to say that we are out in front leading our nation when it comes to policy reform and making investments that change lives and save lives, and that is exactly what a good Labor budget should do.

The CHAIR — Thank you, Premier. I might commence with some questions until 1.23 p.m. Premier, if I could bring you back to the topic of family violence — and my budget paper reference is budget paper 3, pages 5 and 6, tables 1.4 and 1.5 — there is a whole series of initiatives outlined in both tables. I am just wondering if you could outline to the committee how these various initiatives will help deliver on the recommendations from the family violence royal commission, please.

Mr ANDREWS — As you know, Chairman, the royal commission made 227 recommendations, and we committed upon receipt of the commission's report that we would implement each and every one of them. There was a package of additional support last year — some nearly \$600 million for those matters that really could not wait — and then we have deliberately, very carefully, in a methodical way worked through this at a cabinet level, with the support of officials again, showing that our public service is really best in our nation. We have put together a package that is comprehensive in nature. This is without any doubt the biggest public sector reform that our state has seen for a very, very long time.

It is well understood but it is worth making the point again: 40 per cent of police time, 47 per cent of violent crime, and 75 000–80 000 victims and survivors who come forward each year. Of course we certainly know that there are many others who for various reasons are not in a position — they do not feel they are able — to come forward and get the support and the help that they need. Put it another way, we could fill the MCG each and every year with the number of people who are touched directly by family violence — those women and children are in need of our protection and are in need of this investment.

There are a number of features to this, and that is the great strength of it. It is a comprehensive response to a piece of work that does the royal commissioners and all of their staff great credit, and indeed those who made submissions and gave evidence, often in very painful circumstances. They told their story and they have given us this blueprint, if you like, to deliver a much safer and a much better future for many, many hundreds of thousands of Victorians.

Before I go on to detail some of those things, there has been some work that has been released from KPMG today that estimates beyond all the human cost, beyond the things that are perhaps intangible and cannot be given a monetary value, that there is some \$5.3 billion worth of cost to the Victorian economy from family violence each and every year. On any measure this is a challenge that needs to be met, and we need to do much more than has been done historically, and that is what the budget outlines. Seventeen support and safety hubs —

that is a one-stop shop in a sense, one place where victims and survivors do not have to tell their story 50 different times. They can get the all integrated, wraparound services and supports that they need — them and their kids. Those 17 hubs are fully funded and will be rolled out by 2021. The first of those are funded in the budget and will be rolled out progressively under the funding allocated in this year's budget.

The second issue is around specialist family violence courts and security upgrades to other courts that are not at this stage being upgraded to specialist status. That is very important for safety but it is also important in terms of making sure we have got our judicial officers well trained and well equipped and the court system is fit for purpose, if you like, to facilitate the justice system — not re-traumatise victims, not make access to justice much harder, not make the administration of justice much harder. This is about modernising, and I am very grateful to Court Services Victoria, to the Attorney-General and to other colleagues who have made this possible. It is a profound reform and one that will just mean it is easier to support victims but it is also easier to ensure that we punish those who are guilty of this terrible abuse and violence.

Beyond that, housing is a real feature. There are indeed hundreds of additional homes that will be procured and available for victims of family violence and their dependents. This builds on not only additional stock but some innovative approaches from last year's funding. We used for the first time a head leasing arrangement last year where we could get a much better turnaround. We could have housing available much quicker than if the government had initiated a build program, if you like. There is more of that this year, but there is also some additional stock that will be available — indeed hundreds of additional houses. And specialist services, who for too long have had to scrape around trying to find the funding that they need — it has really been an amazing achievement making ends meet when they have never been properly funded — are properly funded now, and we owe them a great debt. What we owe them really is the leadership required to provide this funding, and specialist services are a very big winner in this package, and of course prevention receives a very substantial boost, building on last year's investment.

This is a comprehensive package and one that not only acquits our responsibilities against the 227 recommendations of the royal commission but also deals with the key findings from Luke Batty's coronial inquest. It is not only a source of great pride. I know for this sector, having campaigned for this attention, this support, this recognition and this acknowledgement for this sector for a very long time, it is a source of pride for every member of the government, particularly that group of ministers who have been central to the development of this package. I will make the point to you that I received a text message from Rosie Batty just the day after the budget, and she noted to me that she was proud to be a Victorian at this time, and I cannot think of any better endorsement than that.

The CHAIR — Thank you, Premier. There is a line item there for \$448.1 million to invest in the safety hubs and to roll them out. When do you think you will start to see an impact from the rollout of this program?

Mr ANDREWS — Chair, the first hubs will be launched in the Barwon, Bayside Peninsula, inner Gippsland, Mallee and north-eastern Melbourne DHHS regions later this year. I can inform you that the co-design work, the collaborative work to get the architecture of these new centres — they are grounded in common sense of course but still lots of planning has to go on to make sure that we get this right — has already started, and in many senses has been supported by the momentum we created with last year's funding and the steady work that we have done every day since we received the royal commission's findings.

Those areas are being dealt with first, but the funding and the package that we have been talking about today means that we can commit to the rollout of those all by 2021. I might ask Deputy Secretary Falkingham just to speak to that in some more detail.

Ms FALKINGHAM — Thanks, Premier. In terms of the \$448 million rollout, as the Premier said, it will provide us with full coverage by 2021. It has been really important that we get the co-design right on this. So we have had women and children at the centre of all the co-design work. The Premier mentioned Rosie Batty. So Rosie Batty's Victim Survivors' Advisory Council has been actively working directly with government as to what the look and feel of the support and safety hubs will deliver into the future.

So those sites have been actually selected because of the demand for family violence services — the current incident rate of family violence in those areas — and we are working really closely with those areas to work out what the look and feel of those hubs will be. We are in the process of looking at how we will intersect with our justice and our broader human services sectors through the hubs. We have had about 700 people statewide

involved in consultation forums right across the state to actually tell us what they want support and safety hubs to look like. They really have shaped what we call the statewide design.

One of the things the royal commission spoke about was the need for consistency statewide in our family violence offering. Right now if you go into Gippsland, you will get a very different service than you might get if you go to inner-city Melbourne. So it is really important for us that we get the statewide concept right, and the Premier and the Special Minister of State will be launching that later this year.

The next stage of our work is really looking at what that local design will look like. We are really keen to empower local women in terms of what the design will look like, what the co-location of services will look like and, as I said, it will provide a triage point and a referral point for women and children into the future. We are working really closely with the sector to make sure they are intimately involved, particularly for the specialist family violence sector. They have not been involved in the actual design of services in the past. We have them front and centre in all the work we are doing now. We hope to continue on with all of that work and, as we move into the local design, really involve local communities in terms of what those services will look like into the future.

The CHAIR — I am just wondering: in terms of changes to the justice system, what changes are you anticipating will occur in the justice system as a result of some of these initiatives?

Mr ANDREWS — There are a couple of elements to it, Chair. There are obviously those five specialist family violence courts that I mentioned a moment ago at Ballarat, Frankston, Shepparton, Moorabbin and Heidelberg magistrates courts. That is a direct response to a key recommendation that the royal commission made with a lot of commentary around that. Anecdotally and indeed recorded for all of us to look at in the royal commission's reports — we all I think hear stories of a system that has for too long not really had the victim at the centre. It just has not been a system that has been fit for purpose in terms of supporting victims and also punishing those who are guilty. So there are those specialist courts.

There are also some security upgrades at a number of other courts that are not at this time scheduled to be upgraded to specialist status. That is very important and another key recommendation. We came into a situation where we have got offenders and victims having to share the same waiting room, for instance, to give you one very easy example.

Then of course there is a legacy IT system, a 1980s IT system that is just not up to speed and not able to make sure that everybody involved has got all of the information that they need, and the Luke Batty inquest went directly to this issue. There is almost \$50 million as well for Victoria Legal Aid and community legal centres to help victim survivors with family violence intervention orders and indeed related child protection matters, and there is quite some crossover between those two issues.

So it is a very substantial package in terms of the justice system, but it is not more of the same. There are some areas where we did need to fund demand. We have. But then there is a big reform and change agenda as well, and that is what the royal commission called upon us to do.

Mr T. SMITH — Welcome, Premier. I refer to budget paper 4, page 67. There are a number of existing projects and in fact the CFA which have had their estimated completion date blown out from previous budgets. A good example of that is the Country Fire Authority station upgrades and operational resourcing, which were meant to be concluded in quarter 4 of 15–16 and are now out to 18–19, quarter 4. I am just wondering: could you advise the committee of reasons why your government has delayed the CFA's capital program? Is this because of the dispute with the UFU?

Mr ANDREWS — Thanks very much for your question. The final piece of your question: as I am advised, there is no connection between industrial disputation, which of course we inherited from the previous government, and any capital program. If you seek to make that connection, well, that is not one based in fact.

Mr T. SMITH — That was a question, Premier.

Mr ANDREWS — I will answer that part of your question. In terms of individual projects, Deputy Secretary Bates may want to add to that or we can, if I am able to, provide you with further information on a project by project basis. But it would be wrong to assert that disputation or the unresolved industrial matters

have in any way frustrated our government's commitment to give the CFA, both its volunteer brigades and integrated brigades — so its volunteer and its career members — additional resources, which is of course in stark contrast to cutbacks to our fire services.

It would be simply wrong to suggest that unresolved industrial matters have in any way been a brake on our commitment to keeping the state safe and rewarding with extra resources and strong support those who do amazing work in every community, every hour of every day. That would be the wrong conclusion to draw, because it would not be based in fact. I am not sure if the deputy secretary wants to add to — —

Mr T. SMITH — Before we go to Mr Bates, talking about facts and truth, you just said that the dispute was unresolved, yet last year you said you had fixed it.

Mr ANDREWS — Well, as you know, Mr Smith, the federal government made a number of changes without perhaps really understanding what the impact of those changes would be, without necessarily having a great understanding of how the CFA — —

Mr T. SMITH — But Premier, you have just said that this issue had been resolved — —

Mr ANDREWS — Well, I am grateful for your question, and if I am given an opportunity to answer it, I would be more than happy to do that. What I am drawing your attention to is the fact that the federal government, without any real understanding of how the Country Fire Authority and its dedicated volunteers and career staff work to provide security and safety and support for local communities — without really understanding what they were doing — intervened in this matter, and they have made resolution of these matters very difficult. The fact is there was an agreement between the employer and its employees. We are currently utilising the support and assistance of Fair Work to try and resolve these matters, but the interference — —

Mr T. SMITH — Which you said you had fixed last year.

Mr ANDREWS — The interference of the federal government, again in a rather misguided way, perhaps unaware — —

Members interjecting.

The CHAIR — Government members!

Mr T. SMITH — Anyway, let us go to Mr Bates, because we are going around in circles.

Mr ANDREWS — Mr Smith, I had invited Deputy Secretary Bates to answer the question. You asked me to make further comments, which I have not yet — —

Mr T. SMITH — And you did not answer my question.

Mr ANDREWS — Which I have not yet concluded.

Mr T. SMITH — You did not answer my question. You never do —

Mr ANDREWS — I have not concluded my answer.

Mr T. SMITH — so let us move on.

Mr ANDREWS — I again draw Mr Smith's attention to the fact that the commonwealth government saw fit to intervene in these matters without, I think, anywhere near the basic understanding of the way in which the CFA operates. That has had direct consequences in terms of certifying and making formal the agreement that had been reached and has been reached between the employer and its employees. That is a fact, and that may not suit the purposes of some, but it is a fact.

Members interjecting.

The CHAIR — Order! Mr Smith, do you have another question?

Mr T. SMITH — I was interested in hearing what Mr Bates had to say, Chair.

Mr BATES — Good afternoon, Mr Smith. I was actually discussing this issue with the CFA chief executive recently. It is basically the large volume of projects that the CFA is trying to manage at the moment, so it is up in terms of the number of projects statewide that they are trying to manage with their existing capital management team. It is basically pushing the limits of the capability of that team.

In particular there is Fiskville and I think six or seven other regional training grounds where they are doing remediation from contamination for PFOS and other toxic elements that were released in training over the last 20 years. The testing and the tracking of the ground-level contamination around those sites has taken quite a bit longer than expected, so it is really just that a lot of the technical challenges in terms of volume and in terms of the some of the projects being more complex than they initially thought that has led to the delayed completion dates that you have noticed in the papers.

Mr T. SMITH — Thanks very much, Mr Bates. Just whilst I have got you, last time we met you indicated you were leading the discussions and indeed the negotiations with the UFU. Is that still the case?

Members interjecting.

Mr D. O'BRIEN — There is an EBA going on. You might have heard of it.

Mr ANDREWS — The EBA has been concluded, I think you will find.

Ms SHING — Through the Chair, you have just indicated, Mr Smith, 'Last time we met you indicated you were' part of this. I do not have a budget reference. I do not know what you are talking about.

Mr D. O'BRIEN — Sorry, Chair, we have got a question — —

Members interjecting.

Mr T. SMITH — It was a very, very simple question.

Ms SHING — We do not have any context for this in relation to the forward estimates or the budget papers themselves, Mr Smith, so could you actually just put this in context.

The CHAIR — Ms Shing! If you are referring to the EBA — —

Mr T. SMITH — I am.

The CHAIR — Okay. Maybe just indicate the relationship — —

Mr D. O'BRIEN — Chair, that is clearly obvious.

The CHAIR — I am just trying to guide — I am trying to make the most efficient use of your time.

Mr T. SMITH — Mr Bates was — —

Members interjecting.

Ms SHING — Unfortunately this is not just about Mr Smith's conversation with the witness; it is about the entire committee.

The CHAIR — Ms Shing! Mr Smith, would you like to restate your question to Mr Bates?

Mr T. SMITH — Last time we met you indicated you were leading the negotiations on the EBA with the UFU. Is that still the case?

Mr BATES — In practice the negotiations have switched back to CFA and MFB. There have been discussions around removing some bans that have been in place for the better part of two years. I think those bans have cost the MFB somewhere around \$20 to \$25 million in lost revenue. Those bans had been lifted about two weeks ago, but the discussions about lifting the bans have transitioned back to MFB and CFA.

Mr T. SMITH — Last time we met you said there were five or six issues that the parties could not reach agreement on. Is that still the case?

Mr BATES — I would have to check my answers from last time, Mr Smith. We have moved to a different place. The focus has been on trying to lift the bans that have been — —

Mr D. O'BRIEN — Sorry, you said \$25 million had been lost by the MFB as a result of UFU bans. Was there a similar cost for the CFA?

Mr BATES — I think there is but I think it is quite a bit smaller, Mr O'Brien. I can try and get those numbers and provide them if that is helpful.

Mr D. O'BRIEN — If we can take that on notice, please.

Mr T. SMITH — Mr Bates, you indicated that Mr Marshall was an animated character during negotiations. Has Mr Marshall's behaviour gotten better, worse or stayed the same?

Ms SHING — Sorry, point of order. This has no relevance whatsoever to the 17–18 budget or to any of the — —

Members interjecting.

Ms SHING — Asset recycling is very clearly set out in the commonwealth funding initiatives as part of the regional rail revival, which is a specific part of the budget — —

Members interjecting.

Ms SHING — Asking about matters that relate to somebody's demeanour in a period of time which is not relevant, as the witness has clearly indicated, is quite simply a waste of this committee's time.

Mr T. SMITH — It is an ongoing issue that has large budgetary issues. I think that it is entirely relevant to ask Mr Bates — —

Ms SHING — Mr Bates has just indicated that the matters have moved on from that point, Mr Smith. Did you not hear his evidence?

Mr T. SMITH — He might like to detail what that is, Ms Shing?

Mr DIMOPOULOS — Where is the reference? Where is the budget reference?

The CHAIR — Order! Mr Bates made those comments in the outcomes hearings earlier this year. Mr Bates just indicated now that these matters have now been passed on to the CFA. It is not clear to me whether Mr Bates is having any further contact with Mr Marshall.

Ms SHING — My point of order again stands, Chair, in relation to the relevance that this does not bear to anything in the budget for the 17–18 period or anything in the presentation that the Premier has made today. Talking about somebody's demeanour has absolutely nothing to do with what we are here to do, which is to interrogate the budget.

Mr T. SMITH — The public would probably disagree, given the budgetary implications in these negotiations, which are still — —

Ms SHING — No, this is not about what the public thinks, Mr Smith. It is about what is in the budget papers.

Mr T. SMITH — A question to the Premier: I refer to the cabinet subcommittee established to look into the CFA split, with some of your ministers being reported in the press about not knowing of the committee's existence. Can you detail the process involved and therefore break significant government protocols on how the cabinet subcommittee is being created without its establishment coming to cabinet?

Mr DIMOPOULOS — Budget reference?

Ms WARD — This is the kind of work that you should do for question time, Mr Smith.

Mr D. O'BRIEN — He has already given a budget reference.

Ms SHING — No. I would like a budget reference. I would like to see some relevance.

Mr T. SMITH — Can you apply for the in-house committee?

Ms SHING — What, rumour is fact? Have a Bertocchi ham, Mr Smith, you might get further.

Mr T. SMITH — Chair, I mean, seriously.

The CHAIR — Sorry, Mr Smith, I could not hear your question. Do you have a budget paper reference?

Mr Morris interjected.

The CHAIR — Yes, Mr Morris. I am just trying to understand if Mr Smith has a budget paper reference. He can restate his question.

Mr T. SMITH — The general output for DPC — they are handling the negotiations — —

Ms SHING — We are out of time now.

Mr D. O'BRIEN — The Premier needs protection from a backbencher, obviously. It is just basic courtesy.

The CHAIR — Order!

Ms PENNICUIK — Good afternoon, Premier. Good afternoon, Secretary and other staff from the department.

Mr ANDREWS — Good afternoon, Ms Pennicuik. I am listening; others may not be, but I am listening.

Ms PENNICUIK — I want to turn to a very important issue, which you probably expect me to raise with you, Premier. In the budget overview, on page 36, it says:

The budget ... invests \$25.4 million to help lead our response to climate change, including statewide emission reduction targets, engagement with local governments to achieve net zero emissions by 2050, and development of better data to inform our action.

Budget paper 3, pages 65–67, actually detail this. It says, 'Taking decisive action on climate change', but if you look at the descriptions on those pages, it describes mostly measures to adapt to climate change, not to cut emissions. Achieving the state's 2020 emissions target of 15 to 20 per cent below 2005 levels will require cutting emissions from 122 million tonnes to between 97 and 104 million tonnes. That is about 18 to 35 million tonnes. How much of this task of emissions reduction does this budget deliver, and what measures are in the budget to actually achieve reductions in emissions?

Mr ANDREWS — Thanks, Ms Pennicuik. Let me go through a few of the different allocations that are made in the budget. Just as I was certain that you would be interested in this matter, given your longstanding interest and your acknowledgement that climate change is very much real — not something that necessarily everybody boasts, but you have that clear understanding.

Ms PENNICUIK — It is just the evidence.

Mr ANDREWS — Indeed it is. We may not agree on many things but we will agree on that point. I will make the point as well though that just as this question was probably one that I could have expected, I will expect that you will have a very detailed discussion with the minister for environment and climate change, who also importantly is the minister for energy, at a later hearing.

Ms PENNICUIK — I certainly will.

Mr ANDREWS — I may leave it to her to go through the finer detail of some of the elements of your question. But as you alluded to, there is a significant allocation — some \$25.4 million from the Sustainability Fund — towards taking action on climate change; 12.8 of that is to deliver on our agenda under the Climate

Change Act, commitments that were legislated with the support of the Parliament, and that includes obviously the work towards reaching our emissions reduction targets for 2020 and indeed 2050. There are, as you rightly point out, significant investments around the adaptation. I am not sure you are finding fault with that, but you perhaps want us to go further in a number of other areas.

Ms PENNICUIK — Indeed.

Mr ANDREWS — But there is also that \$12.6 million that drives action under our *Victorian Climate Change Adaptation Plan*, and that includes \$9.3 million to manage all the risks and impacts associated with climate change. There is a \$4.4 million investment to continue a small but I think very significant program, being ResourceSmart Schools. We are confident that this budget continues the work we have done in previous years. In terms of breaking it down into a tonnes-of-pollution-number for you, I do not know that I can do that. I am happy to consider the matter, and if I can add to it, I am happy to.

Ms PENNICUIK — I will follow up on that, because if you do look at the descriptions, you see things such as climate change impacts on the coastline and regions to adapt to those. As I say, I do not have an issue with that, but it is not a reduction measure. There is better climate change information, websites et cetera. But what I am really interested in from you as the Premier is how are we going to achieve the significant emissions reductions that we need? I think another question — these questions that I routinely ask you — is whether you are going to say in a budget that you are going to take decisive action on climate change and reduce emissions, because it talks about reducing emissions; whether there is any actual figures attached to the proposed emissions reductions of particular measures that you may mention in the budget. You just mentioned schools then. Are there any emission reduction figures attached to those measures on school buildings?

Mr ANDREWS — I think what is perhaps best is to provide you with some further information if I can ahead of the Minister for Energy, Environment and Climate Change's appearance before the committee. I am not sure when that is, but maybe she will be able to give you some more detailed answers given her responsibilities in the portfolio. But whether it is the —

Ms PENNICUIK — Sorry, I do not mean to butt in, Premier —

Mr ANDREWS — No, that is fine.

Ms PENNICUIK — I know I have got about 15 seconds, which is why I am doing it.

Mr ANDREWS — No, that is okay; it is all right.

Ms PENNICUIK — I am happy to pursue those sorts of issues with the ministers, but I think you as the Premier should be able to answer it more on a —

Mr ANDREWS — I have pointed to a number of measures already. I could speak about our commitments and the very direct results we are achieving in relation to renewable energy. I could talk about the TAKE2 pledge program. There are many different aspects to what is a comprehensive agenda to deal with the realities of climate change and to make a transition to a much lower carbon footprint across our Victorian economy. What you are asking though, Ms Pennicuik, with respect —

Ms PENNICUIK — You should be able to forecast global emissions in Victoria.

Mr ANDREWS — I think beyond that even, Ms Pennicuik, is you are asking me to assign to each of these policy measures an amount of carbon pollution that will be reduced. I am happy to come back to you on that, and I am confident — very confident in fact — that the minister will be able to speak more directly to some of those issues and provide you with not just a description of the policies, but an itemised breakdown if you like. That is what you are after. She is much better placed to do that than I am.

Ms WARD — Premier, I would like to talk about level crossing removals, if I may. Can I get you to please go to budget paper 4, page 9. You have got the line item up the top 'Level Crossing Removal Program acceleration'. Can you please let us know where the Level Crossing Removal Authority or where the level crossing removal program is actually up to?

Mr ANDREWS — Thanks very much, Ms Ward, and I know this is a concern in your local community and in communities across Melbourne.

Ms WARD — It is indeed.

Mr ANDREWS — Given the huge employment impacts that this program is having, it really has a statewide benefit. There is a very significant supply chain here, made stronger, can I say, by the fact that we are using Australian steel, our apprenticeship training and cadet guarantees as well; 10 per cent of the workforce on these projects is fitting into those categories. As you know, we have made a commitment to remove, over eight years, the 50 most dangerous and most congested. We are tracking to better the four-year component of that. We had aimed to have 20 of them removed. It is our aim to get to as many as 28 of those 50 being gone and being consigned to history where they belong.

I would not have thought there was any need to necessarily argue why this is a policy priority of the government. It is pretty self-evident. They are deadly, they are congested, they hold us back from running more trains more often. For instance, if you look in my own local community, Cranbourne and Pakenham — the Dandenong line — where we are removing all the level crossings between Caulfield and Dandenong, if you were to try and run even one additional train service in the morning or afternoon peaks, you would get to a point where the gates were down at those level crossings for literally the entire peak, causing traffic chaos and all that would come from that. So these are very much sequential investments in a better road network and a better public transport system as well.

We cannot run all those new trains that we are making here in Victoria — those higher capacity metro trains; that a \$2 billion contract we let some time ago. We cannot run those new trains carrying additional passengers. We cannot run extra services either if we do not get rid of these level crossings and free up those corridors that carry more people. So it is often seen as a road safety initiative — yes — and a traffic congestion initiative, but it is also about a better public transport system as well, a better heavy rail system. And we know that of course, the world over, there is no more efficient way of moving people across big cities than a heavy rail passenger rail network.

This budget brings forward \$846 million across the estimates to fast-track the removal of additional level crossings, and that gets us out beyond 20 that we had committed to remove by the end of 2018 — 50 to be gone by the end of 2022 of course. There are already 10 that are gone, and work is underway on a further 13. I had the great pleasure of inspecting many of those 10 that are gone while they were active worksites, and I am pretty sure I have visited most of the other 13 as well.

This really is giving to communities an opportunity not just for a safer local community and a more productive local community, but when you think about the attendant benefits — new stations, signalling upgrades, additional parking, other public amenity, the CD9 removal program that I spoke about a moment ago — there are 11 MCGs worth of open space and parkland, and I know the community engagement around what that space will look like, the sense of excitement in communities all the way down that corridor that have been artificially divided by a dangerous rusty corridor for a very long time. There is a real sense of excitement that we can reimagine those spaces and open them up.

The additional funding, the \$846 million I spoke to, means we can set our sights a little higher and we could perhaps do better than the 20 that we have committed to remove by the end of this Parliament. The other point about this of course is that it is giving to industry. Because of the way we are procuring these level crossing removals in packages of works it is giving to this part of our construction and engineering sector a continuous pipeline of work. They move from one set of removals to another project, so they can, if you like, build the expertise. They can build the big teams and the delivery teams that they need to deliver value and timeliness to the proponents of the project, the people of Victoria. But they can also do that with absolute confidence, because they know there is more and more of this work coming.

So keeping ahead of the schedule, if you like, is really important to maintain those jobs. There are many thousands of jobs that are directly attributable to this program of works. Again I think that when you cast your mind back to the time when we made the commitment, I know there were some who were doubtful about whether we would be able to achieve the removal of this many level crossings over this period of time, given that the work that we have done even to date, if we were to stop right now, we have done substantially more

than had been done for the 20 years preceding us coming to government. Those doubts I think have been put to rest.

The thing about this too is that not only have we been engaging with local communities, but we have been listening as well to the best engineering advice, listening to communities and getting solutions that quite often go beyond the scope of the original commitment. There are number of new stations — for instance, I think five new stations as part of that CD9 development — that were not part of the original commitment.

Ms WARD — Including Rosanna getting a new station.

Mr ANDREWS — Indeed. There is also a whole lot of stabling benefits, signalling upgrades and other improvements that have been, if you like, bundled in with this important project, because we have got an opportunity to do that.

Ms WARD — With the 28 that you speak about that will be gone by the end of next year — I think last week there was an announcement talking through what some of those were — are many of them from the north and the west? In particular obviously I would be focused on the north, or interested in the north.

Mr ANDREWS — If you go to page 3 of the document.

Ms WARD — Budget paper 1?

Mr ANDREWS — The Victorian budget 17–18, *Budget Information Paper: Suburban*, that gives you a map and a clear representation of exactly where those additional level crossings are located and indeed where those that are underway are located and those that have already been removed. And as I think any reading of that map shows you, there is a good spread of investment right across the city. We of course, in formulating the list of 50, were guided by the then RACV's list — they now need a new list of course because we are now getting rid of everything that was on that list — and we then did some very careful research in relation to fatalities and other near misses and serious incidents that had occurred. That is where the 50 came from, and of course as the budget papers note, and as your local experience confirms, we are not wasting any time getting rid of these.

Ms WARD — Before I run out of time, Premier, you spoke about the work that is going on with local jobs, with industry and all the things that are being built as well as being manufactured. In the next minute can you talk to us about the apprenticeships that are happening through this project or these projects?

Mr ANDREWS — We are delighted to have insisted on this project, because it is in that over \$50 million value category, that at least 10 per cent of the workforce have to be apprentices, cadets or trainees. We are delivering on that commitment in full, and not just embedding skills attainment as part of our procurement but also looking to provide an opportunity for employment history and qualifications for some disadvantaged members of the Victorian community as well and others who do it pretty tough. I know you might well have seen some publicity recently about ADF personnel being given a chance to be part of this project. In every way this is exactly what the community wants, needs and what we committed to do.

Mr T. SMITH — Secretary, I refer you to budget paper 3, page 140, which details public sector agreements being renewed and approved. The government has engaged the assistance of Mr Simon Crean. Can you advise the committee on what date Mr Crean began providing advice to the government on the CFMEU dispute, and does his service have an end date?

Ms SHING — So how does this relate to the budget? How does it actually relate to the budget? It does not, does it?

Mr T. SMITH — Mr Crean is engaged by the DPC, and I am sure you would be paid something for that.

The CHAIR — So you are referring to the industrial relations output. This is across the forward estimates, so you may wish to rephrase your question, Mr Smith, as to whether you anticipate that Mr Crean would be employed across the forward estimates.

Mr MORRIS — Seriously? This question goes to the cost of the fire services. Are you seriously suggesting fire services are not part of our costs?

Ms WARD — Mr Morris, you are a person who really likes procedure and for things to be done properly.

Mr MORRIS — This is a petty argument. I am trying to point out — —

Ms WARD — It would be helpful if Mr Smith actually asked his questions properly and had a decent reference to preface his question.

The CHAIR — Order! Ms Ward! My point is that the estimates are across the forward estimates, so if there is a question that relates to expenditure that roughly occurred across the forward estimates — —

Mr MORRIS — There is a \$1.1 billion plus output for emergency services, which includes the costs of running fire services.

The CHAIR — The preamble forms part of the answer to the question, Deputy Chair, and Mr Smith asked a question about Mr Crean's employment. It is not clear to me, based upon looking at the budget paper reference he provided, that Mr Crean is currently employed or would be employed across the forward estimates. I am suggesting that if there is a question about that — —

Mr MORRIS — That is why the question is being asked.

Mr D. O'BRIEN — There has been no point of order, Chair, and no ruling; can we just have an answer to the question asked?

Ms SHING — All right. Allow me to raise a point of order, then, Mr O'Brien. This a question that should be rephrased — —

Members interjecting.

The CHAIR — Order! The question has to relate to the forward estimates period. That is why we are here. If it is related to what has happened in the past, then it is out of — —

Mr MORRIS — Are you seriously saying an enterprise bargaining process that has been ongoing for a very long time, which everyone knows about, and you want to get tied up in which page it is on. This is an inquiry into the budget estimates. It is not an inquiry into the budget papers.

Ms SHING — If Mr Smith can rephrase his question, then perhaps, for the eighth or ninth time and in an attempt to get it right, he will get it right.

The CHAIR — Order! Mr Smith, if you can ask your question in relation to the forward estimates in relation to Mr Crean, that is fine.

Mr T. SMITH — There is emergency management capability output on budget paper 3, page 291, as well. What else, Chair, do you want me to do so I can ask the secretary of the department how long Simon Crean has been employed for, how much was he paid and is there an end date that may well be over the forward estimates period to the end of his employment contract — whatever you like? This is what we are here to do: ask questions of the government. If you will not let me ask them, what is the point of this process?

Members interjecting.

The CHAIR — The secretary came before the committee in February this year in relation to the outcomes hearings for previous expenditure which was incurred over the 15–16 financial year. That is previous expenditure. The purpose of this inquiry is prospective expenditure across the forward estimates, so I am encouraging you, Mr Smith, to ask a question that relates to expenditure across the period of the forward estimates.

Mr D. O'BRIEN — Page 291, budget papers 3.

Mr T. SMITH — I just did. And I asked whether Mr Crean is currently employed or will be employed over the forward estimates period.

The CHAIR — Then just ask, will he be employed across the forward estimates?

Mr T. SMITH — Will Mr Crean be employed over the forward estimates period? Was he currently employed now or contracted now or any words to that effect?

Mr ECCLES — Thank you, Mr Smith. Mr Crean was retained in February. His services are ongoing, and the costs of contractors and consultancies, in the ordinary course of DPC's operations, we publish those details on our website and in the annual report.

Mr D. O'BRIEN — Are they all there at the moment, or did you say at the end of the — —

Ms SHING — Over the course of the annual reporting period.

Mr ECCLES — Yes.

Mr T. SMITH — So does Mr Crean have an ongoing contract, or is it a — —

Ms SHING — Retained on an ongoing basis.

Mr ECCLES — He is retained as a contractor.

Mr T. SMITH — Retained, okay. Will your website indicate how much he is paid?

Mr ECCLES — In the normal course, we will disclose payments that fall within the relevant threshold in our annual report and on our website.

Mr D. O'BRIEN — Premier, I just have a couple of questions on youth justice. The budget paper reference is BP 3, page 279. Premier, do you know what the legal costs of the three failed court cases are to defend Minister Mikakos on the Andrews government's decision with respect to moving youth justice inmates? Could you give us those legal costs?

Mr ANDREWS — Mr O'Brien, thanks for the question. I am unable to provide you with details of costs, but I can report that, as you know, orders were made this morning. They have been complied with fully, but the government is still considering its options with these matters, so it is very much an open file, if you like. I cannot give you an answer to the legal cost question, because there may well be further costs incurred. But they will be reported in the normal way though in the department's annual report.

Mr D. O'BRIEN — Could I ask the secretary to take it on notice up to today at least?

Mr ANDREWS — Well, if there is anything I can add to the answer I have given you, I am more than happy to do that.

Mr D. O'BRIEN — Can I just clarify: can I get the secretary to take it on notice up until today at least, the legal costs so far?

Mr ANDREWS — As I said to you, I think I have been pretty clear. I am not in a position to give you a cost estimate on matters that are still on foot, as it were. We are still considering our options.

Mr D. O'BRIEN — I understand that. I am asking — —

Mr ANDREWS — If I can add to that, I am happy to take it on notice, and I will provide you with any further information that I can.

Mr D. O'BRIEN — The reason we are pursuing this a little bit, Premier, is that we have had things taken on notice a number of times in these hearings over the last couple of years, and then you answer with what you want to answer, not what we asked you and what you said you would take on notice. That is why I am asking specifically if the secretary could take on notice costs up to today.

Mr ANDREWS — With the greatest of respect, Mr O'Brien, if I give you a commitment that I will take a matter on notice throughout the course of our discussion today, I will look at whether I am in a position to add to the answer I have given you, and I will then do so. If, however, there is a frustration about answers that are taken on notice and the quality of the material that is provided to you — —

Mr D. O'BRIEN — And there is.

Mr ANDREWS — Could I suggest to you, with the greatest of respect, that is a matter that the committee might want to turn its mind to.

Mr D. O'BRIEN — We have been trying that for a number of years now.

Mr ANDREWS — But I am not going to have a situation where you ask the question, I answer it, I give you a commitment that if I can answer the question I will, and then you somehow qualify exactly the way in which I will do that.

Mr D. O'BRIEN — That is why I am trying to clarify, and you are not letting me clarify it, Premier.

Mr ANDREWS — But that is why I am taking it on notice.

Mr D. O'BRIEN — I will move on. Can you give me — —

Mr ANDREWS — I can withdraw my commitment to giving you further information if you are not happy with that, but it is a good-faith offer and it will be — —

Mr D. O'BRIEN — No, because you are saying that you will give me the information you want to give me, not answering the question that I am asking, which is pretty straightforward. Premier, can I move on.

Mr ANDREWS — It is a good-faith offer, and we will respond to you.

Mr D. O'BRIEN — Have you received any advice on the amount of compensation that may need to be paid to inmates?

Mr ANDREWS — No.

Mr D. O'BRIEN — Zero?

Mr ANDREWS — No, your — —

Mr D. O'BRIEN — Would you expect there will be any compensation needed to be paid?

Ms SHING — On a point of order, Chair, this is speculation and asking for an opinion here.

Mr ANDREWS — I am not a lawyer, so I am not really in a position to do that. What I would say to you, just to be very clear, in the interest of complete clarity, you have asked me, have I received advice in relation to a hypothetical, and the answer is no. Beyond that, asking me to then provide you with my opinion in the absence of advice, I am not in a position to do that.

Mr D. O'BRIEN — Premier, yesterday the minister did not rule out gazetting suburban or regional police stations as temporary youth justice centres. Given the ruling today that they must be moved by 5.00 p.m., will you rule that out?

Mr ANDREWS — Mr O'Brien, what I can confirm for you is that orders were made this morning, and the government has fully complied with those orders.

Mr D. O'BRIEN — So where have the prisoners been transferred to?

Mr ANDREWS — The minister may have more to say about that later on today, but we have fully complied with those orders, and it is my understanding, from advice that I was given just before I presented to the committee today, that those inmates are currently in custody in youth justice facilities, not in police stations. That is the advice that I have.

Mr D. O'BRIEN — Can you rule out police stations being used in future?

Mr ANDREWS — Well, we will adhere to and comply with the orders of the court, and it would always be our aim to ensure that youth justice inmates were in youth justice facilities. Those that made their way to a specialist facility at Barwon did so not because the government simply decided that that would be a good thing

to do; it was as a result of riotous behaviour and damage and security breaches because of that damage at youth justice facilities. It is why this budget invests more than \$300 million for an additional youth justice facility, and it is why we are bringing about a raft of other reforms — youth control orders, for instance, and many other changes, which I would be more than happy to explore with you if you asked me a question about it.

Ms PATTEN — My question relates to budget paper 5, page 171. It looks at \$301 million of land taxes foregone due to charitable exemptions. I also see that \$193 million is forgone on payroll tax due to charitable exemptions, and I understand also that these same organisations have exemptions from land transfer duties and other duties. Given that religious organisations are some of the largest employers and landowners at the moment in Victoria, have you given any consideration to reviewing these fairly generous exemptions that are enjoyed by these entities?

Mr ANDREWS — Thanks for your question, Ms Patten. They are substantial exemptions. Whether they would be described by those who are in receipt of them as generous, I actually doubt that. I think they would see it as a fair and due recognition of the work that those institutions do, often protecting and supporting the most vulnerable in our Victorian community and doing so with compassion and care. And it is a very broad range of purposes that those institutions are fundamentally committed to, everything from educational through to denominational hospitals. I think you will understand — we all do, I think — the nature of the work that is done.

Ms PATTEN — Absolutely.

Mr ANDREWS — We have no intention to change those arrangements at this time. They are not reflected in the budget. If you are asking have we had a process or have we worked through that question, no.

Ms PATTEN — When you consider that one of the attributes that these organisations have that qualifies them for these exemptions is the promotion of religion and given, I guess, the declining interest in the promotion of religion in Victoria and amongst Victorians, I would suggest that — certainly if they are looking at education, they are looking at homelessness and what we would consider actual charitable purposes — for many of these their land ownership will be under probably that very broad notion or attribute of promoting religion.

Mr ANDREWS — I suppose you are making a few value judgements there, and again, people have a different perspective, a perfectly legitimate perspective, in relation to these exemptions or any exemptions provided under our tax law. But I think if there were representatives from some of those church and charitable organisations sitting here today and you put it to them can they separate their core purpose and the promotion of the faith that they ascribe to and their work with the poor, with the homeless, with victims of family violence, with the Indigenous community, with any number of things, they would probably have great difficulty in, if you like, trying to separate the two.

I think the point is well made. There are substantial concessions, and substantial preferential treatment is given to those not-for-profit church and charitable organisations. That is a reflection of their work, of their values, you would hope. That does, however, mean that there are I think expectations in the community that those organisations will do good work. Certainly in modern times, more contemporary times, I think there is probably a shifting expectation about the way in which they might be more inclusive than they have been in the past, for instance — they might have a more modern outlook on a number of social issues than they have had in the past. They are not unreasonable expectations.

Ms PATTEN — They are not unreasonable expectations; that is right.

Mr ANDREWS — No, and I think I am on the record pretty clearly about most of those and have copped a bit of criticism for some of them too.

Ms PATTEN — While we note that they are great ambitions that we have for those organisations —

Mr ANDREWS — We do.

Ms PATTEN — currently they may not be meeting our great expectations of them.

Mr ANDREWS — And that is a fairly subjective task, for us to assess that.

Ms PATTEN — That is right. So it appears to me that no-one has ever really looked at whether this is value for money — by someone advancing religion in our society, whether when they sell a property they should not have to pay transfer tax.

Mr ANDREWS — There really is a policy question here, that is that many people have different perspectives on it.

The CHAIR — Order!

Mr ANDREWS — I will just go back to the point, if I can, to just finish this point, Chair. Ms Patten made a comment before about the decline of religion in our society. Well, again, if there was a representative from the Catholic Education office here today, who are doing it a bit tough because of decisions by the commonwealth government, they would point to increasing enrolments in Catholic schools. So there are many different perspectives on these issues. But it is a valid question. I think I have tried to answer it as clearly, but with a bit of context, as I can.

Ms SHING — Thank you, Premier and staff, for attending and for the presentation and answers to questions to date. Premier, I would like to take you to your presentation and the references that you have made to infrastructure, and in a record infrastructure spend, an investment of \$4 billion in regional Victoria. To that end I note that the context for asset recycling is a rich one if you live in New South Wales and not so helpful for people here in Victoria.

There have been several references to the commonwealth ratting on a deal that was entered into by former Premier Denis Napthine and former Prime Minister Tony Abbott, that New South Wales has received billions in infrastructure upgrades and investment but that Victoria has missed out. The Prime Minister, Malcolm Turnbull, has today in fact called upon you to cease the — in his words — ‘partisan sniping’, and he has offered to meet to resolve the dispute. What we see here is, however, a \$1.46 billion bonus payment that is owed to Victoria as a consequence of the lease of the port of Melbourne operations, and that that was in fact untied as far as a broad infrastructure spend goes. How, in your view, based on the budget and the way in which the asset recycling scheme was intended to operate, does this constitute partisan sniping, when in fact what we see is the coalition giving to itself in New South Wales whilst not delivering anything to Victoria?

Mr ANDREWS — Thanks for your question, Ms Shing, and thanks for your advocacy, particularly in relation to Gippsland rail. It is fair to say, Chair, that I have received no more well-informed and passionate representations for a project than Ms Shing in relation to Gippsland rail, which is part of course of our regional rail revival program, which is about investing 100 per cent of those asset recycling proceeds into an upgrade of every single passenger line right across regional Victoria. That is great for public transport users, great for the communities that those transport links serve. It sits in great contrast, I think, with previous governments that actually took away train services and closed country train lines. There is a great possibility and potential in this, and it is very disappointing that a binding agreement has been honoured in full — in full and absolute terms — with New South Wales, but the very same agreement has not been honoured in Victoria, either in terms of individual projects or the quantum of money.

When former Treasurer Hockey and former Prime Minister Abbott first announced this policy I can recall making many public comments and getting into a bit of trouble from people on my own side when I called this out as a fantastic policy. The asset recycling initiative is a fantastic policy, and of course we at that stage had not come into government. We then were able to form government, and we wasted no time in delivering on our commitment to sell a long-term lease to the port of Melbourne. In a great statement of confidence in Victoria’s prospects for the future, we got a bumper price — \$9.729 billion — more than I think most experts and commentators had thought possible. That meant we were owed \$1.46 billion under the terms of that asset recycling agreement.

Now, I know the Prime Minister today has made some comments on radio that he is happy to sit down and talk. Absolutely, I am more than happy to sit down and talk about getting on and building these important projects, getting on and honouring the commitments that the federal government made. It is always better to honour agreements than rat on them, better to be the Prime Minister of Australia than just the Prime Minister of Sydney. I think that is something every Victorian could agree with, and I am always happy to sit down with the Prime Minister and talk about that.

If standing up for your state, if requiring the commonwealth to honour their agreement with all Victorians is partisan sniping — well, according to the Prime Minister — so be it. But we will not stop on this.

Mr D. O'BRIEN — Did you meet all your obligations under the deal?

Mr ANDREWS — We will not stop on this.

Mr D. O'BRIEN — Did you provide business cases? That was your obligation — —

Members interjecting.

The CHAIR — Order!

Mr ANDREWS — Let the record reflect that Mr O'Brien, it would seem, is supportive of Mr Turnbull ratting on Victoria — —

Members interjecting.

The CHAIR — Order!

Mr ANDREWS — Ring the Prime Minister and have a chat with him. Are you an apologist for the commonwealth government?

Ms SHING — It would seem, Premier, that the partisan sniping comes from Victorian coalition MPs, who in fact do not really care about — —

Members interjecting.

Ms SHING — To that end, Premier, I would ask you that in fact, further to the comments and the incorrect/fake news information grabs that have been given by those opposite, that the \$1.3 billion that we have invested in regional rail, including additional carriages, including additional services, including duplications, breaking up choke points, adding extra maintenance and services, is in fact somewhat of a red herring here, because ultimately what we are talking about is not infrastructure spends that the commonwealth in fact should have final say over but infrastructure spends which are designed and intended to benefit all Victorians irrespective of the safe margins that they may live in in coalition seats, where people do not actually care about investing in them as far as state-commonwealth relations are concerned.

What I would ask you, then, in that regard, Premier, is to what end does this budget in fact deliver, notwithstanding the commonwealth ratting on this particular deal — —

Members interjecting.

Ms SHING — To what end does this budget deliver on key infrastructure improvements and services and delivery for regional Victoria, and in particular, and you will note again the longstanding advocacy and outspoken nature of calls to fund Gippsland, that particular part of the world, which is undergoing significant change and transition and diversification of economies?

Mr D. O'BRIEN — So why not put some actual state money on the table for it, then?

Ms SHING — Two-hundred and sixty-six million dollars, Mr O'Brien.

Members interjecting.

The CHAIR — There is a question before the Premier. The Premier to respond.

Mr ANDREWS — Well, Mr O'Brien and others may have missed the fact that there is \$311 million in the budget to build 39 new V/Locity carriages.

Mr D. O'BRIEN — State money for the regional rail project. This is what we are talking about, Premier.

Mr ANDREWS — Every dollar of it is state money. What a sad day when this committee is simply an opportunity for some to defend their mates in Canberra. It is a terrible shame — —

Mr D. O'BRIEN — Why can the entire metro rail be funded by the state, but you want the commonwealth to pay for Gippsland?

Mr ANDREWS — The key point is that arguing about infrastructure is much less important than building it, and that is why the government has the biggest infrastructure agenda this state has ever seen, but we do not for a moment — despite our efforts, that \$30 billion investment in the infrastructure that we need — just give the federal government some sort of a leave pass.

Mr D. O'BRIEN — No, you just send them an invoice.

Mr ANDREWS — You do a deal. Hang on a minute. The irony of this of course is that despite my significant praise of the asset recycling initiative, despite the fact that it is not my signature on the agreement but in fact it was my predecessor, Premier Napthine, who signed the agreement, some, however, think the federal government should just be let off the hook and that 8 per cent — —

Mr D. O'BRIEN — Did you meet your obligations?

Mr ANDREWS — The capacity of some people to defend the indefensible is breathtaking.

Ms SHING — Point of order. It is actually becoming very difficult to hear and, Mr O'Brien, I would really like you to hear this about Gippsland, because it is useful for you too. What are the Gippsland initiatives in this particular budget that have delivered improvements in infrastructure and services?

Mr ANDREWS — There are a whole range of investments that we have made not just in Gippsland but, I might say, right across regional Victoria, and we are very proud to have provided that additional funding. It is not just in infrastructure around transport, but roads and rail, additional carriages — made here, I might add; not made in South Korea or India, as the previous government would have wanted to do if they had ever got around to placing an order, which sadly they did not, or perhaps it is good that they did not because we can now build these carriages right here in Victoria, supporting jobs and apprenticeships.

There are also schools across regional Victoria. There are a whole range of investments in regional health — ambulance services. This is a very strong budget for regional Victoria, and it is all done in the context of getting 8 per cent from Canberra, when we represent 25 per cent of the nation — and well more than 25 per cent of this nation's success, I might add. It is breathtaking that some would defend that ratting and that rip-off of our great state.

Mr D. O'BRIEN — Let the record show that the Premier refused to answer the question as to whether he had met his obligations — —

Mr DIMOPOULOS — Don't rewrite the record.

Ms WARD — Questioned by you, Mr O'Brien. It was not actually your turn to ask a question.

Mr D. O'BRIEN — It is all one way, isn't it? You just want them to give.

Mr ANDREWS — Arguing about paperwork now, are we?

Mr D. O'BRIEN — You did not get your paperwork in, exactly. That is exactly what you did not do.

Mr ANDREWS — You really are an apologist for Malcolm Turnbull, aren't you? You are nothing more.

Mr D. O'BRIEN — I wanted that Gippsland rail line upgrade funded, not the politicking that you are doing.

Mr ANDREWS — Do you?

Mr D. O'BRIEN — Can I ask a question of the secretary, please? Secretary, the reference is budget paper 3, page 299.

Members interjecting.

Mr ANDREWS — No partisan sniping now.

Mr D. O'BRIEN — Last year you estimated the ministerial staff costs for 2015–16 were \$26.6 million. This year you revealed the actual cost was \$29.5 billion, which is an 11 per cent increase. What was the 2016–17 expected outcome for ministerial staff costs?

Mr DIMOPOULOS — That is what happens when you work. You need staff.

Mr ANDREWS — When you are doing a few things.

Ms SHING — That is right. It is called getting on with the job.

Mr ECCLES — Bear with me, Mr O'Brien.

Mr D. O'BRIEN — Perhaps while you are looking you may also find what the 2017–18 target is for ministerial staff costs.

Mr ECCLES — Thank you. So the 16–17 —

Mr D. O'BRIEN — Ministerial staff costs.

Mr ECCLES — The total ministerial staff costs for 2016–17 were 32.2 million.

Mr D. O'BRIEN — And have you got an estimate for 17–18?

Mr ECCLES — Yes. 33.1 million.

Mr D. O'BRIEN — Great. Thank you. I will move on. Premier, I refer you to budget paper 3, page 121, which relates to forest resources. I cannot find there, and I am wondering if you can show me anywhere in the budget papers, where there is money allocated for the purchase of the Heyfield timber mill.

Mr ANDREWS — I am very glad that you asked me about the Heyfield timber mill. The government does have many contingencies within the budget, and not everything has its own line item. It is a budget of more than \$60 billion. Again, there is no line item on the basis that no sale has been finalised, so that would be, I think, a pretty clear and obvious point.

Mr D. O'BRIEN — Have you made an offer, Premier?

Mr ANDREWS — What I can report is that as recently as yesterday I received an update from Department of Treasury and Finance — very senior officials who were pleased report to me that there have been some very positive discussions with the owners of the mill, and indeed there are other parties that are interested in this business as a viable business. I look forward to those negotiations coming to a conclusion, this business having a strong and viable future and as many of those jobs being there for the long term as we can possibly manage. No-one should doubt that commitment, and again the notion that there is not a specific line item that would report the conclusion of a negotiation that has not yet concluded should not be misused to scare or confuse anybody in that proud community or anyone else for that matter.

Mr D. O'BRIEN — Premier, you promised on 24 February that you would visit the mill. Have you done so?

Mr ANDREWS — No, I have not visited the mill.

Mr D. O'BRIEN — Why not?

Mr ANDREWS — I have not visited the mill. I have, however, had the great opportunity — it was a privilege — to meet with a number of Heyfield mill workers at the offices of the Latrobe Valley Authority some weeks ago. We spent some time together talking about —

Mr D. O'BRIEN — Why would you not go to where they work?

Mr ANDREWS — Again, I am indicating to you —

Mr DIMOPOULOS — That is not a measure of anything.

Ms SHING — I will come down and tell you whether it is good news or bad news. That is what the words were, Mr O'Brien.

The CHAIR — Order!

Mr T. SMITH — Ms Shing, please.

Ms SHING — I was in the conversation, Mr O'Brien.

The CHAIR — Order! The Premier to continue.

Mr ANDREWS — I have had the great opportunity, Mr O'Brien, as I am sure you have, to meet with some of those workers from the mill, and I made it very clear to them that I would continue, and the government would continue, to work towards resolving this matter. We believe it is a viable business, and it would seem that the government is joined in that view by a number of other industry players who are interested in the purchase of the mill. It is pleasing, I think very pleasing, that we have got perhaps a heightened level of engagement with the current ownership than we perhaps had in the immediate aftermath of VicForests' decision to allocate 200 000 cubic metres to the mill. I think that is good news. I cannot make announcements today, and of course I would never go through the details of those commercial negotiations until they are completed — —

Mr D. O'BRIEN — No, despite the fact that you released commercially confidential material held by ASH that had been given to you in confidence.

The CHAIR — Order! Mr O'Brien, have you got a question?

Mr D. O'BRIEN — But that is okay. We will leave that aside for the moment.

Mr ANDREWS — I have absolutely no idea what you are talking about, Mr O'Brien. I thought the question was about the mill.

Mr D. O'BRIEN — Yes, because you released it on the day they announced the closure. That is what you did.

Mr ANDREWS — I did, did I?

Mr D. O'BRIEN — You did.

Mr ANDREWS — Are you certain of that?

Mr D. O'BRIEN — Have a look at the ASH press release on the day.

Ms SHING — No. In fact they did not announce the closure, Mr O'Brien. Do not misrepresent what has taken place. It is ridiculous.

Mr ANDREWS — Goodness me!

The CHAIR — Order! Is there a question, Mr O'Brien?

Mr ANDREWS — VicForests — —

Mr D. O'BRIEN — There is a question, Chair, if I can ask it.

Ms SHING — It was the company that said it was going to close, Mr O'Brien.

The CHAIR — Order! Ms Shing!

Mr D. O'BRIEN — Can I ask a question, please, Chair? Premier, did you take a proposal to cabinet for 135 000 cubic metres to be provided to ASH that would have saved those jobs and kept the mill operating at a viable level now?

Ms SHING — On a point of order, notwithstanding the fact that Mr O'Brien is editorialising like there is no tomorrow, this is a question that has no bearing whatsoever on the budget papers or the forward estimates period. It just does not.

Mr D. O'BRIEN — It absolutely does.

Ms SHING — Asking whether a matter went to cabinet, firstly, you are asking about cabinet-in-confidence matters, or not as the case may be. Secondly, you are asking about matters which, as you have just pointed out in your initial question, do not actually form part of the budget as a line item. So you are asking about something which is not contained in the budget for very specific reasons.

Mr D. O'BRIEN — Chair, I gave a budget paper reference — budget paper 3, page 121.

Ms SHING — Why is this not here?

Mr D. O'BRIEN — No, that is the forest resources line item.

Ms SHING — Where is the line item for the sale of the mill?

The CHAIR — Order. Mr O'Brien!

Mr D. O'BRIEN — I have asked the question.

The CHAIR — Order! Mr O'Brien, you cannot ask the Premier questions about cabinet deliberations.

Mr D. O'BRIEN — Has the government considered providing a revised offer to ASH of 135 000 cubic metres, which would keep the mill viable and keep the 260 jobs that are there now?

Mr ANDREWS — Notwithstanding the fact that your original question asked me about matters of cabinet, as you well know, I am not at liberty to talk about matters at cabinet, even to confirm that you are wrong. It would be inappropriate if I did that.

Mr D. O'BRIEN — Okay. So we do not talk about cabinet except when it suits us.

Mr ANDREWS — So I will not do that, but what I will say to you is the government makes no such offer. VicForests makes the offer, because VicForests manages the resource.

Mr D. O'BRIEN — You had a task force for weeks headed by the Special Minister of State to review what offer could be made, so you cannot hide behind VicForests on one hand and then say the Special Minister of State had an option.

Mr ANDREWS — Mr O'Brien, VicForests manages this resource and enters into commercial —

Mr D. O'BRIEN — Within the policy guidelines set by the government.

Mr ANDREWS — As set up by former environment minister Ryan Smith, I might add.

Mr D. O'BRIEN — Agreed.

Mr ANDREWS — Very good. We have agreed on something — at 2.32; that is really good. The issue here is that you are asking me about offers made or not made, matters discussed or not discussed. I am limited in what I can say as it relates to the cabinet process. But what I will say to you is your level of confusion is made worse, I think, by the fact that you are confusing offers that VicForests make with offers that the government might make. There are no such offers from the government. VicForests manages this resource —

Mr D. O'BRIEN — Yes, within the confines of the policy set by the government.

Mr ANDREWS — and their offer on commercial terms to this business was 80, 60 and 60. We believe the business is viable at that level, and we are having a conversation. I thought it would be a cause of — not celebration, because we have got a way to go, but it is certainly good news. It is certainly good news that we are having productive discussions.

Mr D. O'BRIEN — All right. Can I pick you up on a point you just made, Premier. You said that you believe it is viable, so you believe, astoundingly, that the government knows better than the mill operators themselves at what level it is.

Mr ANDREWS — No. The government's advisers — —

Mr D. O'BRIEN — Hang on. No. You said you believe it is viable. What economic modelling was undertaken, who undertook it and at what cost?

Mr ANDREWS — For instance, the offer of those 200 000 cubic metres was accompanied also with an offer of \$5 million of industry support.

Mr D. O'BRIEN — Which they did not ask for. They wanted timber.

Mr ANDREWS — The company has shown itself more than capable of providing its own commentary, so I am not going to, for a moment, accept your commentary of what the company did or did not want. As part of the assessment of that \$5 million grant, with any industry support and assistance, the economic development department works carefully with businesses, closely with businesses, to review their viability, to review their underlying fundamental position. This business and this \$5 million grant and work that has occurred since that time is consistent with our usual practice.

The CHAIR — Order!

Members interjecting.

The CHAIR — Mr O'Brien, you are taking away Ms Pennicuk's time.

Ms PENNICUIK — I would like some of Ms Shing's time. I think she is taking my time.

Mr ANDREWS — Ms Pennicuk.

Ms PENNICUIK — Thank you, Premier. Just in follow-up from what we were discussing before — —

Mr ANDREWS — Yes. It seems a long time ago.

Ms PENNICUIK — You might wish to take this on notice. It is about the whole-of-government approach to action on climate change and whether the government has done any analysis. Which measures will be required, and how are you actually going to get to your 15 to 20 per cent target by 2020, including the contribution made by the closure of Hazelwood to that or the reaching of that target or the emissions that are taken out of the atmosphere by the closure of that power station? I am happy for you to take that on notice.

Mr ANDREWS — You have covered a bit of ground in the question. That is a perfectly legitimate question. The best thing I think for me to do is to perhaps take that on notice and write to you. Again, if there are follow-ups from that, I am more than happy to write and to — —

Ms PENNICUIK — Yes. Because we are only two and a half years away from 2020, and I think the community is very interested to know how we are actually going to get there.

Mr ANDREWS — Yes. Indeed. We are very confident that we will meet our targets at 2020 and indeed beyond that the targets at 2025. The important thing, if I can suggest, is the department of the Minister for Energy, Environment and Climate Change will come and present. She will present against those outputs. The modelling and the answers to your questions are held by the Department of Environment, Land, Water and Planning. I am happy to take it on notice, but I am sure Minister D'Ambrosio will add to my answer.

Ms PENNICUIK — That would be great, because you did mention the TAKE2, and there are other things there that are not actually part of the environment department or the environment portfolio or the climate change portfolio.

Mr ANDREWS — More than happy to take that on notice.

Ms PENNICUIK — If I could completely change the topic here and go back to family violence, I know the government is going to implement all the recommendations. Recommendation 31 in particular says that the government should ensure funding of specialist family violence and sexual assault services to facilitate their collaboration within two years. There is a number of key points — five key points — that underpin that, such as safety hubs, facilitating information sharing, joint education and training, consultation pathways et cetera.

Mr ANDREWS — Yes.

Ms PENNICUIK — Given that the government is committed to implementing this recommendation — funding for collaboration between specialist family violence and sexual assault services to address the present silos — what is the actual amount specifically given to the peak body CASA in the breakdown of the funding of counselling for therapeutic supports for victims of family violence? Will this be ongoing funding?

Mr ANDREWS — Ms Pennicuik, whilst I do not have the royal commission report in front of me — —

Ms PENNICUIK — Which is why I briefly outlined it, Premier.

Mr ANDREWS — The recommendation that you have cited is a very important one. So much of the royal commission's findings are about coordination and agencies working together. There is also a big call for additional growth funding and further effort, but it is incumbent upon all of us and all those funded agencies to be as efficient and as connected and coordinated as they can be with those additional dollars. That I think is a pretty obvious point. The royal commission calls it out in lots of different ways.

The advice I have is that there are discussions going on or negotiations going on with that peak body right now. If not, they will begin later on this year as a result of the decisions we have taken in the budget. Perhaps there will be an opportunity for me to communicate with you the results of those commercial negotiations. They have not occurred yet, but it is a point well made. The peak body and its members do fantastic work, and this money is about better supporting the coordination of specialist family violence services and sexual assault services. I am confident we can resolve those commercial negotiations in the interests of all parties but most importantly in the interests of clients who without those services really — you know, we need to do much better.

Ms PENNICUIK — Thank you, Premier, I would be very appreciative if you could provide an early update as to how that is going, because there is some concern certainly regarding whether that is actually going to occur.

Mr DIMOPOULOS — Welcome, Premier and officers. Premier, I want to ask you about police. Contrary to conventional wisdom, the Labor Party over the last 30 years has been excellent at contributions to police and the other side of politics has been quite the opposite. With that little intro, budget paper 3, page 94, shows a significant investment over the forward estimates under 'Community safety statement' — starting with 190.8 million in 2017–18. There is the historic deal that your government signed with the Police Association and Victoria Police. Obviously it seems rudimentary in a layperson's eyes: you have crime, therefore you have more police. I wanted to see if you could unpack for us how that is actually going to translate to better safety for the community and what spread across Victoria you think that increase in staffing may take.

Mr ANDREWS — Thanks very much, Mr Dimopoulos, for your question. I note your advocacy on behalf of your community and your concern and the concern, I think, of all fair-minded Victorians. We have a 6–7 year trend in relation to crime; we have seen some improvements in numbers recently. These investments are very important, and we will never rest until we give to Chief Commissioner Graham Ashton the people that he needs, the powers that he needs and the equipment, the technology, that is critically important in terms of modern policing, whether it be community policing, task force-based policing, whether it be gang-related issues, organised crime or indeed some of the counterterrorism initiatives and other threats that we face in our modern world.

The way this has worked in the past has been that political parties on the way into government make promises. They then deliver that promise, or you would hope they would deliver that promise, in the first year or two, and then things dry up and you have got to wait for another political cycle in order to get the policy outcome that police need.

Ms SHING — Boom and bust.

Mr ANDREWS — So it is, as Ms Shing says, very much a boom and bust approach. We have put an end to that. I was just out at the academy only a week or so ago with Minister Neville and the chief, and it was clear to us that the place was full. The first 300 graduates out of the funding we provided in last year's budget — the just under \$600 million that we provided in last year's budget — those recruits were graduating; the first of them were graduating the following day. They are all, I think, now out in stations or at least in the process of moving out into stations in the south-east, in the west and in some regional Victorian locations as well. So the commitment to more than 3000 police over five years — each month, every month; no more boom and bust but a steady, regular investment so the academy will be full — of course comes on top of our commitments to police custody officers. We are getting on and delivering those also, and additional PSOs as part of the Night Network commitment. The academy will be a very different place, as it should be, given our growing population, given that trend in terms of crime data and the fact that chief commissioners have long wanted exactly this approach.

That is the new staffing allocation model that is part of the community safety statement, which is that tripartite agreement — the notion of the Police Association on behalf of the dedicated women and men of Victoria Police, the chief commissioner on behalf of the organisation more broadly and the minister and myself on behalf of the government and the people of Victoria signing up to a very different way of funding police, making it regular and routine that the academy is full but also a more deliberate and more, can I say, evidenced-based method to allocate police numbers into local areas based on crime data.

I cannot give perhaps a better example than the chief commissioner gave when asked a question at the same event we were at at the police academy. He was asked, 'What's the difference here around the allocation of staff?'. The model we have built will take account of actual crime data in as good as real time, because we know that, for instance, the amount of police resources that are required to respond to a shoplifting incident versus the amount of time and resources needed to respond to a family violence incident are very, very different. So using data of actual crimes together with growth in a particular area and all the other intelligence and other demographic information that Victoria Police will now input into this model — it is a very sophisticated model — means they will be able to make much better resource allocation decisions, and they have got the resources to do it through the more than \$2 billion — more than has been allocated ever in the history of our state.

That is all about delivering on the commitments that I have consistently made to give to the chief commissioner all those things that he needs, all those things that he wants in order to fight crime and to keep our community safe. And if you look at the arrest rate, if you look at the work of a number of task forces in recent times and crime data, we are seeing some improvement. But we are not resting on that. We will continue to invest; we will continue to make sure that Chief Commissioner Ashton has what he needs to get this job done and to keep Victorians safe.

Mr DIMOPOULOS — Thank you, Premier. Just to take you up on the discussion about the model, I think that is obviously something very important. For a bit of context quickly before I ask a question: a couple of opposition members, David Davis in particular and the member for Mount Waverley, have come out in the last couple of weeks in my community, in my view, in an attempt to confuse, making commitments of, for example, \$1.5 million to refurbish Murrumbidgee police station, a station which, mind you, the Liberal government closed twice in the last 25 years — —

Mr D. O'BRIEN — Does this apply to the budget papers?

Mr DIMOPOULOS — Yes, I am addressing — —

Members interjecting.

Mr DIMOPOULOS — The response the Premier gave about the model of allocation — this directly relates to allocation. And then another, in my language, pathetic photo in front of the Clayton police station and the fact that they are going to keep refurbishing that — as if there was any risk it was going to close. Just in terms of the boom and bust and depoliticising the allocation of police resources, which effectively I think, Premier, without putting words in your mouth, is what you were saying, can you elucidate for the committee how that actually works? I have noticed a change in language from previous governments to your government around, 'We will give the chief commissioner what he needs', rather than, 'I open such and such station', so there is a bit of a

sense that police are autonomous. Can you talk to us a bit about how that investment translates into, in a way, depoliticising the allocation?

Mr ANDREWS — I think we all agree that the police force will always be in a stronger position to fight crime and keep our community safe if they have the resources that they need. That is the very first issue. Then it comes to the point of on what basis you allocate those initial resources, if you assume that you have received that support from government — support that we are proud to provide to recruit those additional 3000-plus police. The model ought to be, surely we can all agree, evidence based. That is the work. Our dedicated members of Victoria Police are all about evidence. They are all about being as deliberate and as focused and as methodical as they can be, and that is exactly the approach that we have funded. You can have the best model in the world, but if you are not funded to deliver it, then you have not got the people to put into those areas that your model tells you need additional resources. So we have done both. A new model — —

Mr DIMOPOULOS — And the police act applies?

Mr ANDREWS — Absolutely, of course. These matters are under an act of the Victorian Parliament. These are matters for the chief commissioner and police command to determine. So what we have done is the boom-bust is gone. The police being hostage to the political cycle — A, the making of political promises, and B, whether they are kept — is a thing of the past, you would certainly hope. We have provided the funding and the new model, but I would draw you as well to the fact that there are additional supports for the police air wing, both rotary and fixed wing. There are additional vehicles of a specialist nature, so whether it is our critical incident response team or our special operations group they have got the resources that they need. The tablet and smart phone rollout, so that the days of pen and paper policing — —

Mr DIMOPOULOS — Faxing and — —

Mr ANDREWS — Faxing! For heaven's sake, there is a team of people in Victoria Police — they will be deployed to other things quite soon, but they are the last remaining people in the state who can fix a fax. They actually fix the fax machines because that is how the system has been let run. That is not efficient. That is not effective. We are providing the chief commissioner and all his team with the resources that they need — and the equipment. Technology is really important for this. The family violence commission speaks to this directly. Common sense speaks to this directly. If we can have Victoria Police out on the road doing what they do best rather than back at the station, filling out paperwork and faxing it off to head office, that is a great outcome.

Mr T. SMITH — My question is to the secretary. In budget paper 3, page 299, you have previously informed this committee that as of 30 June 2016, \$67 105 have been spent by way of legal costs in relation to the Labor rorts subject matter. For the remaining 2016–17 financial year, in 2017–18 and across the forward estimates, does the department believe that any further taxpayer funds will be spent on this matter, and if so, for what purpose?

Ms SHING — On a point of order, Chair, again Mr Smith is asking for an opinion and for speculation — 'Does the secretary believe'. Rephrase the question, Mr Smith.

Mr T. SMITH — Sorry, Chair, I am not going to be ordered around by Ms Shing about what questions I can and cannot ask.

The CHAIR — Look, if it relates across the forward estimates, it is in order, but again, Mr Smith, I think you are asking the secretary to offer an opinion which I am not sure the secretary would be able to provide.

Mr T. SMITH — I want to know how much the legal costs going forward are going to be for the Labor rorts saga. What is so — —

Ms SHING — 'Does the secretary believe'.

The CHAIR — Last time I checked, law firms often do not bill in advance of services provided, Mr Smith, but there might be a contingency there that the secretary may wish to point to.

Mr ECCLES — All I can bring to the committee's attention is what has been spent to date without speculating what might need to be spent in the future. The total legal costs paid as at 28 April 2017 for the proceedings are \$86 905.03, GST inclusive, with those legal costs broken down by financial year as follows:

2015–16, \$33 141.15; and 2016–17 financial year, \$53 763.88. I do not have information to assist the committee about the future costs.

Mr T. SMITH — Does this include costs from the Victorian solicitor-general's office?

Mr ECCLES — The solicitor-general does not invoice the state for his services.

Mr D. O'BRIEN — Sorry, Secretary, that does include a cost obviously.

Mr ECCLES — That is correct.

Mr D. O'BRIEN — It is not invoiced, but the solicitor-general has obviously been involved in providing advice on this case.

Mr ECCLES — This solicitor-general is constantly involved in advising the government on all legal matters.

Mr T. SMITH — Premier, the government argued that it needed to challenge the Ombudsman's jurisdiction as a matter that goes to the powers of the Parliament. It obviously lost the case in the High Court. If it is a matter for Parliament, why then did the government seek to have members of the Labor Party solely able to have access to all the advice and not other MPs serving in the Parliament?

Mr ANDREWS — Mr Smith, I am unaware of what you are referring to. About what has been made available and what has not been made available, I am not — —

Mr T. SMITH — Premier, you have used a lot of taxpayers money to essentially defend allegations against the Labor Party.

Mr ANDREWS — I reject that as your conclusion.

Ms SHING — On a point of order, Chair, I do not see how this relates to this budget or the forward estimates, Mr Smith. Use it in question time or a motion or an adjournment or a constituency question or something, if the good burghers of Kew have an issue, but otherwise there is actually no nexus between the question that you are asking and this budget process.

The CHAIR — I am not sure how this relates to the forward estimates, Mr Smith, but if you would like to have another go. I think Mr Smith's question is related to the previous provision of information to some members of Parliament but not others. I do not see how that relates to the forward estimates.

Mr T. SMITH — A question that goes to the heart of why we are having taxpayer money spent on, essentially, allegations made against the Labor Party I think is highly pertinent.

Mr ANDREWS — Mr Smith, I am happy to remind you that the Ombudsman is free to conduct investigations into this or any other matters. I would expect that that is exactly what she is doing, with the full cooperation of all involved. As to what has been made available to whom, I am terribly sorry; I am not in a position to be able to provide you with any further information on that. You seem to know more about that than anybody else in the room.

Mr T. SMITH — So at any stage did you seek to have the legal costs identified today paid by the Labor Party and not the Victorian taxpayer?

The CHAIR — Sorry, Mr Smith, again, I do not see how this relates to the forward estimates. Again, we met in February for the outcomes hearings that related to the 15–16 financial year in relation to expenditure that has been incurred by the state in that period of time. You are asking a question as to what expenses may have been paid out by the government. It does not relate to the forward estimates.

Mr T. SMITH — It is particularly galling to come in here and ask perfectly reasonable questions of the Leader of the Government of this state and be told you cannot ask them because there is some issue. You have allowed multiple questions today, multiple Dorothy Dix questions that bear very little semblance to the pledge that your party made a few years ago with regard to transparency.

The CHAIR — I have read this budget cover to cover. It is a fantastic budget. There are plenty of opportunities to ask questions right across the forward estimates, and you have still got 4 minutes and 17 seconds. I would encourage you to ask a question that relates to the forward estimates.

Mr D. O'BRIEN — Can I have a go, Chair?

The CHAIR — Please, Mr O'Brien.

Mr D. O'BRIEN — When this sordid affair finally comes to its conclusion, will you seek to have any of those costs incurred by the taxpayer for this Labor wrought scandal reinforced by the ALP?

Ms SHING — On a point of order, Chair, this is speculation.

Mr D. O'BRIEN — It is not speculation. It has got to come to a conclusion at some stage. Chair, that is not a point of order. You have just directed us to ask about the forward estimates. It is a fair question. We have just had the secretary tell us that there are costs attributable to this case — to the taxpayer. I am asking: in future, when it is finalised whether the Premier will seek to have —

Ms SHING — Further to the point of order, it is not only speculative; it presupposes outcomes which are yet to be determined and which are, as the Premier has already indicated, within the remit of the Ombudsman, who will absolutely have a view on it if she so chooses.

The CHAIR — It is speculation, Mr O'Brien.

Mr D. O'BRIEN — It is not speculation. The secretary just gave us a figure!

Ms SHING — Get your jurisdiction right and phrase your questions right, and then we can actually get somewhere with this.

Mr D. O'BRIEN — Chair, you just asked us to ask about the future. I did that in the context of the answer that the secretary has given, and you continue to run a protection racket for the Labor Party and the Premier.

Ms SHING — It is a protection racket now. Terrific!

Mr D. O'BRIEN — It is. That is what you are doing.

Ms SHING — Now, let us mention a union and we can get the trifecta in before we hit 3 o'clock.

Mr T. SMITH — Shall we move on? How about we move to the cost of the PwC audit into the crooks Nardella and Telmo Languiller.

Mr ANDREWS — As I understand it, the Presiding Officers of the Parliament are appearing before the committee later today, and these are costs incurred by the Parliament of Victoria. They have nothing whatsoever to do with the executive branch of government. This is the Department of Parliamentary Services, the Speaker, the President —

Mr T. SMITH — You know nothing?

Mr ANDREWS — Mr Smith, that may qualify as a clever comment — I am not entirely sure it does, actually — but the answer to your question is: it is entirely up to you what line of inquiry take with the Presiding Officers, but Mr Speaker and Mr President will be able to answer that question, I would think. I cannot provide to you information I do not have, nor can provide you with a commentary on matters I have absolutely nothing to do with.

Mr T. SMITH — Nothing?

Mr ANDREWS — Nothing.

Mr T. SMITH — So who negotiated the payment plan with the member for Melton?

Mr ANDREWS — The Parliament, I assume; not me, and nobody in the government. I do not know what you are talking about.

Mr T. SMITH — Not you at all? You announced it.

Mr ANDREWS — Well, I am curious about this, Mr Smith, because over this comment made a few times this week. Can you explain to me how it is that I announced it?

Mr T. SMITH — I saw a press release from you on 24 April.

Mr ANDREWS — Have you got that there? Can you quote from it?

Mr T. SMITH — No, I cannot, actually.

Mr ANDREWS — There you go — because it is fiction. Mr Nardella has entered into an arrangement. The terms of that arrangement are not known to me, and I have had no involvement in the detail of those terms. As to this nonsense of me having announced them, I learned of them in the Age online.

Mr D. O'BRIEN — At 8 o'clock on a Friday night?

Mr ANDREWS — Yes, when I was at my son's hockey match, actually, at Monash University in Clayton. That is when I learned of it. If you want to contradict that, then fine.

Mr T. SMITH — Budget paper 3, page 275: how many extra prison beds will be required on an annual basis as a result of the limitation of the Coghlan review recommendations?

Mr ANDREWS — The Minister for Corrections will be the best place to provide you with further information on this detailed question. It is important to acknowledge that there is investment in the budget in a number of different security upgrades and capacity upgrades — of course additional facilities for serious — —

The CHAIR — Order! We might come back to that, Premier.

Ms PATTEN — I would like to go back to the budget. Admittedly, this is my first time on PAEC, but in preparing and reading some of the reports from the previous budget, it appears that we are really changing the way that we build infrastructure and that we are going for PPPs a lot more. I think the report that I read noted that nearly half of the asset investment for the state will be provided by the private sector compared to about 40 per cent in 2015–16. I know that VAGO has been looking at chasing the money, and I know that I had some criticisms of Yarra Trams and Metro rail contract consultations. I am just wondering if you could provide me with some information about how we can make these projects more transparent and what plans you have to do that?

Mr ANDREWS — Sure. So I think, Ms Patten, there is quite a bit of material in the question you asked, and I am more than happy to provide you with some further information and then a briefing, if you are interested to that level, from the department.

Ms PATTEN — Great.

Mr ANDREWS — In terms of the mixed projects, what we have seen in recent times is the willingness of the private sector to partner with the public sector, as it were. I think that is something that we should be very pleased about. There is a lot of work going on, and the private sector is very keen to get involved on fair and reasonable terms. We have seen significant market-led proposals come to government. Obviously the private sector do not engage in places they are not confident about — places they are not confident are growing and are going to be strong into the medium and the long term. Given the nature of some of these arrangements over 25-plus years, it is a fair statement of confidence.

The challenge of course in dealing with commercially sensitive matters is to provide a degree of transparency and a degree of oversight, and I am very proud that we have boosted the Auditor-General's powers in relation to following the dollar. We have made commitments and we have honoured them, and I think that is very important. This committee obviously has a special ongoing working relationship with the Auditor-General and his office, and I am sure he has had the opportunity to talk to you about just how important that transparency is.

We have obviously performance audits and project-by-project audits. Throughout my entire time in public life, having been very much involved in the delivery of, at the time, our biggest public-private partnership, the Royal Children's Hospital, we then had a substantial — a forensic — audit of that project by the then Auditor-General. We have consistently — probably both sides, I would think — learned and refined our policies and our approach to engaging with the private sector, contracting with the private sector. I would point out that there are some subtle differences between contracts for service delivery, like the public transport ones, and projects to build infrastructure, and then there is a third category, those who build and then operate. So there is design and construct, build and operate; they are different categories of infrastructure program —

Ms PATTEN — Are you saying that it is the Auditor-General's mandate to provide that transparency, or are there other areas of government that do that?

Mr ANDREWS — It is. Obviously the Auditor-General is free to look into those matters and he has got enhanced powers and support to do that, so that is one important part of that transparency. The other issue too is that through the advent of Infrastructure Victoria and it providing that 30-year plan and the government's response in five-year increments — that ought to bring a much greater community understanding to the strengths and weaknesses or the relative merits of individual projects, almost irrespective of how they are procured.

Ms PATTEN — Is there a document?

Mr ANDREWS — We can get you some further information around how market-led proposals work and the different gateways. We can also provide you with some further information about how the government's public-private partnership policies work.

Ms PATTEN — Fantastic. Just quickly, with all of the projects that have been announced in this budget, do you have a figure of how many of them are partnerships?

Mr ANDREWS — For instance, the level crossing removal projects are not delivered by a state workforce; they are delivered under contract with the private sector.

Ms PATTEN — So that would be considered a partnership?

Mr ANDREWS — No, that is not a public private —

Ms PATTEN — That is right.

Mr ANDREWS — No, they are effectively in the main —

Ms PATTEN — They are contracted by the government, yes.

Mr ANDREWS — Exactly. Metro Tunnel, on the other hand though, there will be public-private partnership elements of that. We can get you some further information on that.

Ms PATTEN — Great, thank you.

Mr ANDREWS — I am grateful to Deputy Secretary Phemister, who will get you what is called the Partnerships Victoria policy framework, most of which I think is out there and publicly available. We will put it all together and we will not only get it to you but if you want to follow it up with a briefing, we are more than happy to make officials available.

Ms PATTEN — I appreciate that. Thank you.

Ms WARD — Like the member for Northern Metropolitan Region, I am happy to focus on the budget papers as well. Can I get you to go to budget paper 3, page 59, and I want to talk about education if you do not mind, Premier. We have heard from the Treasurer about the population growth that this state is experiencing, and I see that there are a number of line items here regarding school investment. Can you talk through with us how the budget will actually help to meet the demand of the population boom we are experiencing?

Mr ANDREWS — What I can indicate to you is there is further strong investment this year, as there was last year and the year before. Our total investment, as I think I referred to in the presentation earlier, is in excess

of \$2.5 billion. That is to modernise, upgrade, refurbish and build brand-new greenfields schools, and the investment of course is not just in primary and secondary schools, it is in early years and kinder as well. Indeed we have made good on our commitments to the Catholic and independent sector, after those low-fee schools, where we have been able to get away a number of partnership projects where I think the total capital allocation commitment was 120 million. We are making good progress on that as well.

There are funded in this budget 11 land acquisitions; that is totalling \$70 million. There are 13 new schools that will be constructed, funded at \$192 million, and there are 12 planning projects supported by a \$7 million allocation. The 13 new schools are predominantly in the areas that you asked about — those that are experiencing the most rapid growth. Whether it is Pakenham P-6, Sanctuary Lakes South P-9, Taylors Hills Secondary College, Truganina East P-9, Yarrambat Park P-6 or Aitken Hill P-6, those and others are all about supporting those rapidly growing communities, and indeed those communities that are rapidly being formed. Many of these are literally the frontier of the city. They are great local communities filled with passionate, committed families. There are great prospects, I think, that with a government that delivers, in keeping pace with the growth if you like, almost trying to stay ahead of those school enrolments, we are going to get much better outcomes for those communities. I am very confident that they will have really — when I say passionate families, you will have a level of engagement on the school council, a level of volunteerism and support and community engagement in the design and the building of these schools. They will be very well served by a well-engaged local community and they will be great centres of learning.

The land acquisitions, I can tell you, are in Casey, Hume, Melton, Whittlesea, Wyndham and indeed Yarra, and that speaks to the fact that we are experiencing growth in population and growth in enrolment pressure, not just in the peri-urban areas or on the fringes of the city. We are also seeing it in regional Victoria and we are seeing it right in the centre of Melbourne, as former industrial areas are transformed with many new families moving in with primary and secondary-aged kids. There are some unique challenges obviously in dealing with that demand given the constrained nature of the availability of land and the price per square metre. There are a number of \$40 plus million schools being built at the moment. We are proud to do it, but it is a triumph perhaps not having got the planning right over many, many decades. That is why these investments today in this budget are so very important for the future.

Ms WARD — You have spoken about the new schools that the government is building and how that is addressing population growth, which is terrific, but we do have the challenge, as I understand it, with existing schools. We have seen this with my own school of Montmorency South Primary School, which was lucky enough to receive \$8.3 million in this budget, that had an asbestos problem in its toilets. Thankfully the school will be rebuilt and that will no longer be a problem, but there is an asbestos program which is a line item on page 57, as well as there being a reference to it on page 58 of budget paper 3. You have made an additional investment in asbestos removal. Where is this program currently up to?

Mr ANDREWS — There is \$85 million provided in the budget for asbestos removal. It is important to note, obviously, that in some ways the very best mechanism to deal with asbestos risk is when we have a comprehensive upgrade to schools. So the more schools you upgrade and the more new and replacement facilities you are building, the safer they are going to be, given modern building standards and product safety.

Over the next three years, I can advise you, we will replace a further 100 school buildings and remove asbestos at more than 1200 schools. That \$85 million brings the total investment that the government has made in terms of making schools asbestos safe to \$155 million. This is very important funding. It has been welcomed by industry as well. It is on a smaller scale obviously, but it is a bit like level crossings and other infrastructure we are building: if you have got a consistent approach over a number of years, industry will rise to meet that challenge and we get the skills we need, the value for the taxpayers and of course the inherent benefits of this.

This asbestos safety is something that I think had been ignored and not given the proper priority for a long time. We are delighted to be able to provide this funding and to be able to report such significant progress, and no doubt that will be something that the committee and school communities across the state will keep a very close eye on.

Again, strong capital works for new buildings are incredibly important in lots of different ways: jobs, education attainment, modern teaching methods — you need a modern space for that, often — the best equipment, pride in your school as well and all that that involves. But then there are some very clear issues of safety, and asbestos is probably at the top of that list. Then for those schools that are not necessarily getting a complete rebuild or

refit, there are other targeted interventions that we can undertake to make those schools asbestos safe, and that is exactly what we are doing.

Ms WARD — Still on budget paper 3, can I get you to go to page 53, where it talks about the education state in 2018. Can you talk to the committee about the challenges that the government has had in terms of acquitting our obligations under Gonski? I note that this week Montmorency South Primary School, which we funded for \$8.3 million, will lose \$300 000 under the federal government's funding announcement in the federal budget; Montmorency Secondary College will lose \$700 000; Eltham High School will lose \$900 000; and St Helena Secondary College will lose \$1 million.

Mr D. O'BRIEN — They do not lose anything.

Ms WARD — How is the Victorian state government acquitting itself of its obligations under the Gonski model?

Mr ANDREWS — I am very pleased to be able to report to you, Ms Ward, and to the committee that our government has delivered in full every dollar that we were supposed to allocate under the terms of that agreement. We have fully acquitted every obligation under the Gonski needs-based funding model. We honour agreements. We are not in the business of ratting on them. I will say this, though —

Mr D. O'BRIEN — Like no new taxes.

Mr ANDREWS — Well, again there are those whose only purpose here today, it seems, is to defend the commonwealth government.

Mr D. O'BRIEN — I was talking about your eleven new taxes, Premier.

Members interjecting.

Ms WARD — Please do not get distracted by the noise of those opposite. I am really interested to know how we are going to work through Gonski.

Mr ANDREWS — Mr O'Brien, I will take great joy in letting every school in your electorate know what you just said then: they lose nothing. That is what you just said. I would be happy to communicate with every school in your electorate about just how much of an apologist for the commonwealth you are.

As I was saying, we honour our commitments, and we have in full, under the Gonski agreement. Now, as to what Gonski 2.0 will finally look like, we will have to have a look at that and see what that means.

Members interjecting.

Mr ANDREWS — Goodness me! I suppose, Chair, there are some of us who are prepared to fight for a fair share for our state, and there are others who just make noise. But Ms Ward can be assured, as can your community and the committee — all of its members, despite their disinterest in standing up for our great state — that we will keep fighting for a fair share for kids. That is not just in government schools but kids in Catholic schools and independent schools, because I do not think Gonski 2.0 is anywhere near the original Gonski funding — again, an agreement entered into that ought to be honoured. That is what is important. And these are not costs. They are profound investments in better productivity — dare I use the term — an agile, innovative Australian economy that I thought the Prime Minister was interested in.

Think about the life opportunities that our kids can have if we finally fund education based on need and if we actually find the courage to find this capacity in our budgets. Our government has done it, and I would hope that at some point a federal government will do exactly the same.

Mr D. O'BRIEN — Secretary, can I just go back. You gave us the information on the costs of the red shirts rorts with respect to the Legislative Council, \$86 905. You had that figure available. Can I ask if you have the figure available for what the legal costs for the youth justice cases have been?

Mr ECCLES — No, I do not, Mr O'Brien.

Mr D. O'BRIEN — Why can we get one and not the other? They are both legal costs. They are both up to date.

Mr ECCLES — It is a legal cost associated with a matter that falls within the portfolio of the Department of Premier and Cabinet.

Mr D. O'BRIEN — So you do not have any of the legal costs for youth justice?

Mr ANDREWS — Well, that would be with the Department of Justice and Regulation.

Mr D. O'BRIEN — Okay. So I should be able to ask the minister, then?

Mr ANDREWS — You can ask him. I expect that either the Attorney-General or the youth justice minister — you can ask them.

Mr D. O'BRIEN — Thank you.

Mr ANDREWS — Fair enough. And what they might well indicate to you, as I have, is that given that the matter is not yet finalised, we cannot give you an accurate answer today; if we can add to that, we will.

Mr D. O'BRIEN — Neither is the red shirts one, Premier — that is my point — but you gave me a figure. Anyway, look, you are not going to tell us. I understand.

Mr ANDREWS — No, no, I am not letting that go, Mr O'Brien. You are confusing ongoing work of the Ombudsman with what you believe to be ongoing legal work the government has contracted with outside counsel, and in that I think you are confused.

Mr D. O'BRIEN — Okay. I will take your answer, Premier. We will try with another minister. Thank you.

Mr ANDREWS — Well, you can try with every minister if you like. That is the nature of the committee.

Mr D. O'BRIEN — I will move on. Secretary, can you tell us how much Quantum Market Research is being paid to oversee a community survey into attitudes about community safety?

Mr ECCLES — I do not have that information with me, Mr O'Brien, but I am happy to take it on notice.

Mr D. O'BRIEN — Can you confirm that that company has been engaged for that survey by DPC?

Mr ECCLES — I might look to my colleagues to see if they can assist. No, I am sorry.

Mr D. O'BRIEN — Okay. Well, if it could be taken on notice and you could come back to us, that would be good. If indeed they are undertaking such a survey, we would be keen to provide the committee with a list of the questions being asked, if possible, please.

Premier, my colleague asked a question before, but we ran out of time. The reference is budget paper 3, page 275. How many extra prison beds will be required on an annual basis as a result of the implementation of the Coghlan review recommendations?

Mr ANDREWS — As I indicated to you, there are 1000 beds coming online at Ravenhall prison later this year, and we will have further to say about the exact nature of that in due course. There is also \$41.1 million in this year's budget that is directly about addressing demand for prison beds through reoffending. There are also a number of other capital works projects that are about upgrading security and safety at a number of correctional facilities that will allow additional capacity to be utilised. The exact number — I do not want to mislead you. The Minister for Corrections is probably in a better place to tell you that, but if I can add to that answer, I am more than happy to. But there is substantial investment.

However, that is what is in the budget right now. That is framed in the context of Coghlan. However, you would remember just from Monday when the Attorney announced that former DPP Coghlan has put two pieces of advice to the government — two reports. Thirty-seven recommendations will deliver or exceed all of them. But there are some broader policy considerations that are part of the second piece of advice that Justice Coghlan provided to us. There will be modelling that needs to be done as part of that to guide our decision-making. I am

not in the business of making promises on these or any other matters where there is simply not the capacity to be able to actually deliver them — things that might sound good, but they do not really mean anything because you have not got the capacity and you have not done the work to understand what the flow-ons are.

So there are investments around capacity, and I am sure the Minister for Corrections will take you through those in greater detail than I can, but there will then need to be, and there will be, further work done to assess as part of that second piece of advice that Mr Coghlan has put to us. I think the Attorney-General went to this matter in the announcements that were made on Monday following the government's consideration of Mr Coghlan's first report and his second. There will be legislation brought into the Parliament, some quite soon and some a bit later on in the year. So the answer to your question may well be one that takes some time to get you a final number.

Mr D. O'BRIEN — I understand. Premier, this week a 16-year-old alleged serial sex offender was released into the community by the Supreme Court. I appreciate this may need to go to Ms Falkingham or someone else, but can you detail to the committee what the cost of residential care for this young person is, given that they will require 24-hour supervision by two staff and sole occupancy of a residential care unit?

Mr ANDREWS — I am not able to provide you with the information you seek on any individual case. To the extent that I might be able to provide you with some information without necessarily abrogating any responsibilities that I might have under statute, I am happy to respond to you in writing.

Mr D. O'BRIEN — Okay.

Mr ANDREWS — What I would say though — you have not asked about this directly, but I would point you to the more than \$300 million investment that we have made in relation to serious sex offenders and, for the first time, serious violent offenders, which is the direct result of the terrible and tragic death of Masa Vukotic and —

Mr D. O'BRIEN — I am asking about residential youth care.

Mr ANDREWS — You were asking about sex offenders, I thought, were you not?

Mr D. O'BRIEN — Well, residential youth care is what this one is going to.

Mr ANDREWS — Yes, and there is a \$300-plus million investment to ensure that —

Mr D. O'BRIEN — That is different. This is resi care I am talking about.

Mr DIMOPOULOS — He has answered that; it is context.

Mr D. O'BRIEN — No. It is all right. I appreciate you are trying to provide more information. I am just trying to get through the questions.

Mr ANDREWS — If you do not want the background, that is fine. Despite the fact it might sound like it, we are not arguing. They are different issues, but I think they are linked to a certain extent.

Mr D. O'BRIEN — Yes, they are. I am just trying to cut you off, Premier, so I can go on to the next question —

Mr ANDREWS — No problems at all. It is your time.

Mr D. O'BRIEN — which, again, perhaps Ms Falkingham might be able to help with. A young person like this still clearly needs to be educated. If they are in residential care, how is that provided? How do they get in a situation where they are being released by the Supreme Court?

Mr ANDREWS — There are a range of programs that are designed to provide education and training, and care and support, which is as much about that person and their potential for the future as it is about managing their risk to the Victorian community. That is not always an easy balance to strike. With some people, their nature of underlying conditions, the nature of their behaviour, the nature of their risk mean that they cannot be the subject of a residential placement as in this case. That is why additional accommodation options are very important, which is what I was referring to before.

Mr D. O'BRIEN — If it was possible to get an answer on notice, that would be — —

Mr ANDREWS — We can give you some further information. I am very conscious that we do not want to be cutting across any — the last thing any of us want to be doing is to be getting ourselves in trouble around privacy matters. It is a legitimate question, and we can definitely give you some further information. I am not sure what it will be, but we will give you some further information on that.

Mr D. O'BRIEN — Thank you, Premier. Can I just go back to a topic that you have enjoyed talking about — that is, the asset recycling initiative. Can you confirm that the \$60 million that should have been due to the state under the sale of the Rural Finance Corporation has in fact not been delivered? This is separate to the port of Melbourne.

Mr ANDREWS — It is important to acknowledge, in the federal budget on Tuesday — —

Mr ANDREWS — In the federal budget there was money for Murray-Basin freight rail. There was money for other projects. I would need to perhaps confer with colleagues. Just for the benefit of all committee members, the previous government, with no prior warning to anybody, sold the Rural Finance Corporation — —

Mr D. O'BRIEN — I have got 15 seconds left. Did we get the 60 million or not?

Mr ANDREWS — I am not certain, and I will be happy to follow it up for you. On form, I would hazard a guess probably not, but I will check for you, and I will come back to you. Maybe there is 60 more I need to ask for.

Ms PATTEN — In budget paper 3, page 24, which looks at the continuation of your *Ice Action Plan*, I particularly note that you have put aside \$3 million for expanded treatment support for people at risk of overdose. Bearing in mind the significant increase in overdoses in Victoria in the past year, will you keep an open mind to trialling overdose prevention initiatives that the local community, the health sector and experts such as the coroner are calling for?

Mr ANDREWS — Thanks, Ms Patten, for your question, and I acknowledge your longstanding interest in this matter. I know that there are very firm views about these issues, and perhaps good people with good intentions can have very different views on this particular subject. What I would say to you is that we are due to respond to the coroner in due course, and we will. Whilst I cannot today announce a change in the government's policy — I am not here to do that, because there has not been a change in the government's policy — I do look forward to reading the parliamentary committee report. I think that will be a valuable process to go through.

You mentioned the *Ice Action Plan*. I am very proud that we have responded like no government ever to what is a very, very serious issue. That is not to say that other issues that you are more specifically referring to are not important; of course they are. But our total investment in treatment, rehabilitation facilities, a second drug court and a raft of other harm minimisation and addiction prevention programs in just ice alone — we still have some residual benefits for other drug users — —

Ms PATTEN — Absolutely. We know that no ice user just uses ice.

Mr ANDREWS — Indeed. It is just on \$200 million, and I will take the opportunity to thank all the different stakeholders who sit on my ice action task force, which I chair with a number of other ministers. I think it is the notion, really, of government at its best. We are all responding to the same challenge and we are doing it very well.

Ms PATTEN — Exactly, Premier.

Mr ANDREWS — That is not to say that there is not more to be done in future.

Ms PATTEN — No. But to follow on from that, and I appreciate the work that you are doing there, in looking at the budget I certainly did see an output table at page 242 around drug issues. I am just wondering: by what other outcomes will you measure the success of the *Ice Action Plan*. Is it less overdoses? Is it that at the next household drug survey less people are taking ice in Victoria? Are those the sorts of measures that you will measure your plan against?

Mr ANDREWS — This I think is a key strength of this whole approach. We have engaged with the sector, with experts, with our service providers and with the workforce, for the first time ever. They have done a fair bit of work to this point in relation to an evaluation framework, but there is still more to do on that. I am more than happy to get a briefing, because I cannot do it justice in the few minutes available to us. It is everything from all the metrics you just mentioned through to safety outcomes for staff. There are many different ways in which we can measure our success. But all of us sitting around that table from our very first meeting have said, ‘Look, if we can get additional money, if we can do more in this space, we all have to be accountable to each other and to the communities and clients that we serve and make sure that we get good value for that money and good outcomes’.

Ms PATTEN — Fantastic. In looking at one of the coroner’s reports on drug overdoses, what they note is that 98 per cent of drug overdoses in Victoria involve benzodiazepines. It may well be that methamphetamines but also benzodiazepines. So are benzodiazepines in the mix with your *Ice Action Plan*, given they are constantly in the mix of ice users?

Mr ANDREWS — It is named an ice action task force and an *Ice Action Plan*, but it is minded to polysubstance abuse. Addiction take unique forms for each person. It is a much more complex set of issues than one particular substance. So the answer is yes. We can get some further information, both on the evaluation framework and the scope of that work.

Ms PATTEN — Thank you.

Mr ANDREWS — We are now into the third package of funding, which is why we have gone from pretty well nothing when we came to government all the way to 200 million. It is such an impressive sector — really passionate and committed people who do very difficult work. They have been generous with their time and their insights, and we have got much better policy and much better services as a result.

Where I grew up in north-east Victoria and indeed in many communities and many suburban communities this is such a big challenge. It presents in lots of different ways. I think we are better able to respond to it. We are in a stronger position because of the work of the sector and the fact that they have informed very, very directly the government’s policy response to ice. The same approach could be used for a lot of other areas, perhaps.

The CHAIR — Order! I would like to thank the witnesses for their attendance: the Premier of Victoria, Mr Eccles, Ms Falkingham, Mr Phemister and Mr Bates. The committee will follow up on any questions taken on notice in writing. By my reckoning, I think, if you include the briefings for Ms Patten, there were 10 questions taken on notice. The response answering questions in full should be provided in writing within 10 working days of the committee’s request.

Mr ANDREWS — Thank you.

Witnesses withdrew.