

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into the 2025-26 Budget Estimates**

Melbourne – Thursday 5 June 2025

### **MEMBERS**

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Meng Heang Tak

Richard Welch

**WITNESSES**

Natalie Hutchins MP, Minister for Government Services; and

Jo de Morton, Secretary, and

John Batho, Deputy Secretary, Digital Transformation, Department of Government Services.

**The CHAIR:** I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please be turned to silent.

I begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting, the lands of the Wurundjeri people. We pay our respects to them, their elders past, present and emerging, as well as elders from other communities who may be here with us today.

On behalf of the Parliament the committee is conducting this Inquiry into the 2025–26 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

All evidence given today is being recorded by Hansard and is broadcast live on the Parliament's website. The broadcast includes automated captioning. Members and witnesses should be aware that all microphones are live during the hearings and anything you say may be picked up and captioned, even if you say it very quietly.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream today and other committee members.

I welcome the Minister for Government Services the Honourable Natalie Hutchins as well as officials from the Department of Government Services. Minister, I am going to invite you to make an opening statement or presentation of no more than 5 minutes, after which time the committee will ask you some questions. Your time starts now.

**Natalie HUTCHINS:** Thank you. Chair. I too would like to begin by acknowledging the traditional owners of the land and pay my respects to their elders past and present and also acknowledge and pay my respect to Aboriginal and Torres Strait Islander people present or watching the hearings today.

**Visual presentation.**

**Natalie HUTCHINS:** To begin with, if I could give a brief overview around the government services portfolio. The portfolio brings together important services to Victorians, businesses and across government with digital strategy and delivery capability. The objectives of the department are to improve how Victorians and businesses engage with government, accelerate digital transformation and drive reform and productivity in the provision of corporate services to government. These objectives guide the activities of the department daily and the initiatives that it undertakes.

A key focus over the last 12 months has been to improve access to services through introducing new innovative products, reducing waiting times and helping people navigate the important services, advice and supports that this government offers. There are now over 140 services available and accessible on the Service Vic customer platform. Service Victoria is also increasing, with over 33 million activities forecast to be completed via the Service Vic app just this year. In the past year we have launched some amazing products on Service Victoria, including the digital driver licence for Ls and Ps, the streamlined liquor licensing processes, the expanded Savings Finder and a new parents portal for Victorian families. Births, deaths and marriages has improved certificate processing times to an average now of five days. We have also continued our focus on enhancing digital inclusion for Victorians and we are on track to complete the delivery of 350 mobile infrastructure projects and 25 broadband infrastructure projects. VicFreeWiFi is continuing to provide free public internet access at over 400 outdoor location hotspots.

We have also continued our efforts to strengthen the state's cyber defences in the face of evolving threats. The Cyber Defence Centre has supported public sector organisations to respond to an overwhelming 2240 cyber threat intelligence activities so far just this year. DGS is also now administering 37 state purchase contracts, which are delivering social benefits and efficiencies through aggregated purchasing. We have launched a new online digital marketplace with 10 SPCs now available through it, bringing together buyers and suppliers into one central online location. Over the last 12 months, we have seen a 29 per cent increase in the number of zero-emission vehicles in the Victorian government fleet. This is supporting efforts towards the net zero transition by 2035.

Finally, as we look ahead to the next year, I am really excited to outline our upcoming priorities and investments aimed at making it easier for Victorians to interact and engage with government. This budget invests \$105.8 million to modernise the Service Victoria platform and the Victorian government websites, \$37.5 million to support the continuation of critical cybersecurity functions for the Victorian public service and continued funding for Victoria's open data program, which facilitates greater public access to data. We are also investing \$49.4 million for the Victorian Registry of Births, Deaths and Marriages and working with children and NDIS screening checks, and \$2.3 million is provided for the Victorian Archives Centre to manage our state's valuable public records. I am also very pleased to confirm the allocation of \$800,000 to continue our government's partnership with Kinaway Aboriginal chamber of commerce and Social Traders to support the government's social procurement framework.

Finally, the 2025–26 state budget centralises most accommodation funding into my department to improve the strategic management of that portfolio. This budget really underscores our commitment to focus on what matters most for Victorians by improving delivery of core services of government and making it easier to engage.

**The CHAIR:** Thank you very much, Minister. We are going to throw to Mr Welch.

**Richard WELCH:** Thank you, Chair. Thank you, Minister – nice to meet you. Minister, why has the DPC's output funding been cut by \$140 million from last year, in a period of increasing demand? I am referring to budget paper 3, page 168.

**Natalie HUTCHINS:** In regard to output variances – is that what you are referring to?

**Richard WELCH:** Yes.

**Natalie HUTCHINS:** DGS's overall 2024–25 output cost expected outcomes is higher due to the release of funds previously held within contingency supplementary funding. Our overall 2025–26 output cost target is higher than 2024–25, primarily due to the centralisation of the accommodation funding into DGS, and that is basically –

**Richard WELCH:** Sorry, Minister. The budgeted amount last year was \$487 million and this year it is \$399 million, so it has gone down.

**Lauren KATHAGE:** Are you talking about DPC or DGS?

**Richard WELCH:** Sorry. Carry on, Minister, while I check that, please.

**Natalie HUTCHINS:** I am assuming you are talking about DGS. I think in regard to changes to our cost variances within DGS, we have seen that cost actually increase from \$541.7 million to \$790.2 million, primarily because of changes of responsibility within the department, taking on the centralisation of accommodation from across all the departments into DGS, and that requires budgetary support.

**Mathew HILAKARI:** You might be able to help Mr Welch out with the page number and the budget paper reference, so that he can get to where he needs to go.

**Natalie HUTCHINS:** Yes. Page 52 of the 'Department Performance Statement' is what we are referring to.

**Richard WELCH:** Yes. I was referring to page 168 – the 'Output summary'.

**Natalie HUTCHINS:** No, it is 132.

**John BATHO:** Sorry, which budget paper is it?

**Richard WELCH:** This is DPC.

**John BATHO:** Are you looking at budget paper 3?

**The CHAIR:** It is a different department.

**Richard WELCH:** For the sake of time, I will move on. Minister, in ‘Services to government’ – this is page 132 – what explains the 203 per cent spike in ‘Services to government’ costs and why is no breakdown provided?

**Natalie HUTCHINS:** Again, thank you for the question. It is primarily in regard to the transfer and centralisation of accommodation funding to DGS. The government has taken the approach of consolidating all of the accommodation arrangements, or nearly all of them – there are some that are still sitting with the responsibility of departments – to have those centralised so that we can negotiate better cost savings and better outcomes across the whole of government. That means taking on responsibilities from across all of those departments into a central fund.

**Richard WELCH:** Are you able to provide a breakdown of what has been provided where? Because then we can understand what the return on investment is.

**Natalie HUTCHINS:** I think I might ask the Secretary.

**Jo de MORTON:** Can you just help me understand your question, sorry?

**Richard WELCH:** There has been no breakdown of the ‘Services to government’ in those figures.

**Natalie HUTCHINS:** I think it is accommodation services primarily that we are talking about. That is office arrangements primarily.

**Richard WELCH:** Office arrangements.

**Natalie HUTCHINS:** Yes, like leasing spaces, maintaining spaces.

**Jo de MORTON:** Yes, and if you are talking about the output as a whole, you can see the types of functions that get delivered in that output around carpools, libraries, corporate shared services, those types of things. But as the minister said, the material increase is almost fully explained by the transfer of accommodation.

**Richard WELCH:** Okay. And what proportion is being driven by an increase in staff?

**Jo de MORTON:** That increase is not staff. That increase is simply the transfer of accommodation leases and expenses to pay the leases into government services.

**Richard WELCH:** So, no staffing considerations in there.

**Jo de MORTON:** No staff.

**Richard WELCH:** Thank you. In terms of the digital strategy, and again this is page 132, there is a cut of about 13.5 per cent. We all agree how important the digital service delivery is and will continue to be, so why then are we decreasing funding for public sector digital?

**Natalie HUTCHINS:** I think that is in relation to some cyber funding. We talked about page 99 – sorry, 59?

**Richard WELCH:** Page 132.

**Natalie HUTCHINS:** Yes.

**John BATHO:** I am happy to respond to that one. What is contained within the ‘Digital strategy and transformation’ output is infrastructure funding for mobile upgrades as well as broadband infrastructure upgrades. Those projects are phased over a number of years. That program is sort of going down to the tail end.

The funding for those infrastructure projects was predominantly in 2024–25, so next year you will see in our targets we are forecasting to complete less projects because the project is winding up. So that is why there is less funding forwards.

**Richard WELCH:** And they are not being renewed, or there are no replacement projects.

**John BATHO:** What was part of the Connecting Victoria program.

**Natalie HUTCHINS:** Yes, and it is a partnership with the Commonwealth where most of the funding is from the Commonwealth and we are administering it in place.

**Richard WELCH:** So will that roll off then affect your ability to deliver any of your planned services or any planned projects?

**Natalie HUTCHINS:** No.

**John BATHO:** No.

**Natalie HUTCHINS:** It is an elimination of black spots as well across the network in Victoria.

**Richard WELCH:** Black spots?

**Natalie HUTCHINS:** Yes.

**The CHAIR:** Thank you. We are going to go to Mr Galea.

**Michael GALEA:** Thank you, Chair. Good morning, Minister, and Secretary Batho. Thank you for joining us. Minister, I would like to ask you about Service Victoria. I know this is something we have discussed many times in this committee, and, Secretary, I know you are very excited about this as well. There is some output funding in the current budget, and I see on page 47 of budget paper 3, under the DGS output initiatives, a specific line item for ‘Delivering digital services – Service Victoria and websites’. Minister, could you talk to me a little bit about what this funding will do? Obviously Service Victoria has been very successful, but I am curious to know about how this funding will help the service to grow and further develop.

**Natalie HUTCHINS:** Thanks. Yes, I think certainly the focus for us of Service Victoria being a one-stop shop for Victorians to be able to go to to find the service that they need from government is a really important app, and it has been backed up with how many people are actually putting it on their devices. We have seen about 3.2 million people download the app statewide, which is a huge uptake, and we are making sure that we can continue to build upon that. We are making sure that Victorians can access – we currently have 140 services connected to the app that go across all of the portfolios that no doubt you are asking questions of here in PAEC. One of the services in particular that has been very popular is the savings finder, which is a support for the cost-of-living relief. We have also been able to launch a new parents portal this year, which brings parenting resources into one central platform. There are also 13 digital cards that are now available to be downloaded into a digital wallet through that Service Victoria app.

I think this is one of those projects that deserves to be absolutely in the spotlight for what it delivers to Victorians. You can download not only your licence but your working with children check, your seniors card or your veterans card. More than 1.5 million Victorians now have their digital licence saved on their phones and are using both the Service Victoria app and the VicRoads app as a result of that. As you mentioned, the budget invests \$100 million into Service Victoria for ongoing work, and this will enable us to provide expanded resources going forward, including a new fuel finder feature that is currently under development and will be launched later this year. We will be looking at what other resources are available to really support that cost-of-living element for Victorians.

**Michael GALEA:** Thank you, Minister, and yes, I am one of those many Victorians that has the digital licence on their phone. It has been great to have that feature. You did mention the savings finder as well, and obviously we have been talking a lot about this already this week. The state budget is very important, but the 2.8 million household budgets in Victoria are also very important. How can Victorians use the savings finder tool, and what supports are you providing for that tool to ensure that Victorians are getting the best value for money?

**Natalie HUTCHINS:** Well, really, the savings finder is about giving the opportunity for Victorians to find savings to put back into their own pockets and give them access to what government rebates or discounts might be available. Sometimes we launch these sorts of programs, and whilst it is in the news for a week, it is not always readily accessible in terms of how to apply for it or where to get the information, unless you know the website. So this app actually helps direct people right to the source. There have been about 150,000 visits to the savings finder in the past year, and more and more Victorians are taking advantage of this. In the last month, we have added additional saving opportunities to bring the total number of savings that have been published to over 100. This includes policies like affordable school uniforms, vehicle registration discounts for eligible cardholders and solar hot-water rebates as well. Information on budget announcements such as the free public transport for under-18s and seniors can also be accessed, some of the details on that. We will continue to update the tool as new savings come on board or as those applications develop and we put those on. We know that making this information easier to access is really about relieving administrative burden on families as well.

**Michael GALEA:** Indeed, and specifically for parents, you mentioned the parents portal. I realise that is a relatively recent announcement as well, but what information will be provided to families in that space?

**Natalie HUTCHINS:** Thank you. A really exciting part of Service Vic is the parents portal, because not only can you search for services by the age of a child or the category – newborn, toddler, even pre-birth – but you can also apply a cross-section of rural versus regional services. You can look at cohorts. If you are First Nations or if you are from a CALD community, you can actually put that in the search and have that broken down in terms of what services are available to you as a new parent or a parent of a four-year-old. It is a free, online service for both parents and carers, and it really does give a lot of information. It is a one-stop shop. Everything that you need for planning life with a child, including your immunisation timetables, maternal and child health services, kinder and school enrolments – it can take you through to a map of all the local kinders in your area from your postcode. Critical information on emergency services. There is also information around family violence services as well. And really importantly, what we are currently working on is options for our green books to be a part of the app that can be utilised by parents who need that information when they are on the run, or they are getting out the door to go to maternal and child health services, to have that.

It is really about making sure that we have got some tailored support and we continue to expand the portal over time to incorporate new programs. We are also looking to trial later this year our new online digital birth certificate platform. That will be for future Victorians. That will not be retrospective, but for future Victorians that are born to make it easier for parents to show proof of a child's age when enrolling them in kinder or even sport later on. With the complexities of families nowadays, sometimes it is really important to have this stuff digitally. If mum and dad are no longer together and one has the hard copy birth certificate, if we have a digital version, then there is opportunity for both parents to be able to do things like enrolments and to access that information. I think the benefits of having features like this are very, very practical.

**Michael GALEA:** Definitely. That is very exciting about the online birth certificates for future Victorians as well. Minister, as well there was a recent announcement this year about the fuel finder initiative. Will Victorians be able to access this on Service Victoria as well?

**Natalie HUTCHINS:** Yes, and I did touch on that at the start. Fuel finder is a platform that will be launching later this year. It is compulsory for more than 1500 fuel retailers across Victoria to provide real-time data on their fuel prices. This will be published on the app, enabling Victorians to shop around to get the best deal to fill up. The commercial prices that are reported quite often now are not always accurate, and change, so really Victorian motorists that are doing it tough need a reliable service that is locked in with a price point for a significant amount of time – 24 hours. Data from the ACCC shows that in 2023 Melbourne motorists could have saved up to \$333 in a year if they had filled up at the lowest point of the fuel price cycle each time. Using this feature, Victorians will have access to information they need to save at the pump. The second stage of the fair fuel plan will see the introduction of a mandatory cap on fuel prices, and this means that once retailers have put their price in they will not be able to raise it again for a 24-hour period. This is another great example of how the Service Vic platform provides access to useful information that can make a real difference.

**Michael GALEA:** Thank you, Minister. Cybersecurity also falls in some significant way under your department's purview as well, and I note that there is some output funding for 'Cyber Safe Victoria 2026+ and Open Data'. Minister, how will this funding support Victoria's government agency cybersecurity?

**Natalie HUTCHINS:** Big issue – as I said, there have been a lot of threats even just this year. We are investing \$50.8 million over the next –

**The CHAIR:** Apologies, Minister and Mr Galea. We are going to go to Mr Puglielli.

**Aiv PUGLIELLI:** Thank you. Chair. Good morning.

**Natalie HUTCHINS:** Hello.

**Aiv PUGLIELLI:** Just looking at budget paper 3, page 134, the departmental objectives and the output services to the community, currently it is not possible to change your name on your marriage certificate. This is having an impact on trans and gender-diverse people in Victoria who may have changed their names since their marriage and would like to be able to update this important document in the same way that they can update their birth certificate. This is an update that would make a meaningful difference to many people. Are you aware, Minister, of this issue, and what steps are you taking to fix it?

**Natalie HUTCHINS:** Thank you. Yes, I am aware of this issue, and thank you for raising it here. The Victorian Registry of Births, Deaths and Marriages has recorded significant life events since, I think, the 1850s and will continue to deliver that service. We know that this is an issue that has been raised by members of the community, in particular around the name on marriage certificates. I understand the concerns that have been raised by members of the trans community regarding the inability to update names and gender markers on state-issued marriage certificates, even after changes have been made on other government documents. This limitation is imposed somewhat by the Commonwealth *Marriage Act*, which mandates that marriage certificates must reflect the details at the time of marriage. But we are looking at what options we can enforce to make this, I guess, streamlined and better at the point of contact for those that are making applications in regard to this. I just want to make sure that I get the figures right in terms of the application of the fees, so –

**Aiv PUGLIELLI:** Maybe instead of going on to fees, if that is okay, just in the interests of time, is it your assessment, Minister, that a state legislative change would circumvent the Commonwealth issue?

**Natalie HUTCHINS:** I might have to take that on notice. No, I do not think so, but I might have to get some more advice on that. What is important is that we are looking at individual cases. We have a capacity to look at individual cases. We support, obviously, change of sex and then change of name, and then it is what we could do around making sure that we can try to minimise the costs involved in those.

**Aiv PUGLIELLI:** Thank you. Thanks, Chair.

**The CHAIR:** Thank you, Mr Puglielli. Minister and officials, thank you for taking the time to appear before the committee this morning. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request. The committee is going to take a very short break before beginning its consideration of the portfolio for women at 9:05 am. I declare this hearing adjourned.

**Witnesses withdrew.**