

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into the 2021–22 and 2022–23 Financial and Performance Outcomes**

Melbourne – Tuesday 21 November 2023

### **MEMBERS**

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Ellen Sandell

Meng Heang Tak

**WITNESSES**

Jo de Morton, Secretary,

Dr Emily Phillips, Deputy Secretary, Customer and Regulatory Services,

John Batho, Deputy Secretary, Digital Transformation,

Gayle Porthouse, Deputy Secretary, Corporate Shared Services, and

Nicole Rich, Executive Director, Regulatory Services and Director, Consumer Affairs Victoria, Department of Government Services.

**The CHAIR:** I declare open this hearing of the Public Accounts and Estimates Committee. I ask that mobile telephones now be turned to silent.

On behalf of the Parliament the committee is conducting this Inquiry into the 2021–22 and 2022–23 Financial and Performance Outcomes. Its aim is to gauge what the government achieved in both financial years compared to what the government planned to achieve.

All evidence taken by this committee is protected by parliamentary privilege. Comments repeated outside this hearing may not be protected by this privilege.

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

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.

I welcome the Secretary of the Department of Government Services, Ms Morton – you are very much welcome – and other officials. Secretary, I invite you to make an opening statement or presentation of no more than 10 minutes, and this will be followed by questions from the committee. Your time starts now.

**Jo de MORTON:** Thank you, Chair, and good afternoon, committee. I would like to acknowledge the traditional owners of the land on which we are meeting, the Wurundjeri people, and I would like to pay my respects to their elders past and present and Aboriginal elders of other communities who may be with us at today's hearing.

This month we were very proud to deliver our first annual report for the Department of Government Services. As you would know, the Department of Government Services was only established on 1 January this year, and our inaugural annual report presents the performance and achievements of our department for the six months between 1 January and 30 June 2023. Before I talk further about the role and achievements of the department, I would really like to take the opportunity to formally acknowledge the staff in the department for their hard work in laying the foundations for a new organisation. Establishing a new department while continuing to deliver the services and functions that were transferred to us is testament to the commitment and hard work of the staff right across the organisation.

**Visual presentation.**

**Jo de MORTON:** As you will see from the first slide, the Department of Government Services was established to improve everyone's experience of doing business and interacting with the government. The department brings together around 30 functions from four departments to focus on better services. We have listed some of the examples of the major functions and services that the department inherited across digital, ICT, customer services, regulatory services and shared corporate services – you can see that on the screen. Ultimately, though, we aim to become more than the sum of our parts – so in other words, more than simply an amalgamation of those functions from across government.

In order to achieve this we are focusing on accelerating digital transformation and corporate service reform and improving how we deliver services. We have an ambitious aspiration of being responsive to customer needs

and rapidly evolving digital technologies and creating a single touchpoint to make it easy for Victorians to access the day-to-day services and support they need in a reliable and seamless way. So while it is early days for the department, I believe that we are well progressed in laying the foundations necessary to improve how the Victorian government delivers services.

As I mentioned before, a key focus of the department is accelerating digital transformation so that we can provide modern digital services, and we have been doing that in a number of ways. As part of the 1 January machinery-of-government changes, Service Victoria was transferred to the Department of Government Services. Since then Service Victoria has continued its evolution as the place to go for government services. Twenty new services were added in the past financial year, including the digital working with children check card and the digital drivers licence pilot in Ballarat in partnership with the Department of Transport and Planning and VicRoads. The Service Victoria app now features more than 130 services, and on average it is used more than 50,000 times every day. Customers are responding positively. Their satisfaction remains high at over 95 per cent, and what is really pleasing is that the word ‘easy’ is consistently still the most common word used in verbatim feedback. That aligns really well with the department’s mandate of making it easier for people to do business with government.

With the rapid uptake of online services, cybersecurity continues to be an important focus. The department is continuing the important work of protecting Victorian government services and community data from cyberthreats. In 2022–23 the department continued implementation of the domain-based message authentication, reporting and conformance, which is DMARC. It is covering now 91 per cent of email domains. This is really important, because it helps prevent cybercriminals from impersonating the Victorian government to scam people.

The cybersecurity division also responded to 912 cyber incidents and supported 147 agencies to reduce the harm of cyber incidents. The focus will continue into this new financial year. We have launched the state’s cyber defence centre to further protect Victorian government services and community data from cyber threats, and this month we also announced our cyber defence centre internship program for graduates to support a future talent pipeline of cybersecurity professionals into the VPS. This department is also improving accessibility, connecting more Victorians through the Victorian government’s Connecting Victoria program, which completed 93 mobile and broadband projects, and with more than 1400 projects to be delivered by June 2026.

Since the department was established, we have also been running important services and regulatory functions that support people struggling with cost-of-living pressures, with a particular focus on support for people experiencing vulnerability or disadvantage. Consumer Affairs Victoria monitored 375 housing sales campaigns, issuing infringements and official warning letters through its housing market underquoting taskforce, and over the past year it received 5448 requests for rent increase reviews.

The department also administered the Porter Davis customer support payment scheme in May to support families who had no valid domestic building insurance taken out by Porter Davis Homes, and provided over \$13.6 million in grants to Victorians, and this was further expanded in late July to include 14 other liquidated home builders.

The department also boosted funding to community service organisations to provide statewide renter assistance and financial counselling services. Over \$20 million was provided to these services in 2022–23. The financial counselling program supported almost 19,000 Victorians in the 2022–23 financial year. There is also dedicated funding to expand services for people affected by the October 2022 floods. This support included dedicated financial and counselling services to help people and communities in affected areas, which saw many Victorians displaced and financially stressed.

In the local government portfolio, the *Local Government Legislation Amendment (Rating and Other Matters) Act 2022* addressed key recommendations from the local government rating system review and the Ombudsman’s investigation into how local councils respond to ratepayers in financial hardship. The new legislation introduced arrangements to better support people who are facing financial hardship and are struggling to pay their rates, including through flexible payment plans. It is improving how councils deal with people in financial hardship and incentivising councils to work with ratepayers early and proactively as part of their core business.

Further support for cost-of-living pressures was delivered through the Savings Finder tool on the Service Victoria app. The tool gives Victorians information about concessions, rebates, grants, vouchers and other savings across government, and was visited by customers more than 835,000 times in the past financial year.

I would like to conclude by reflecting on the opportunity that is before us. Technology innovation is changing how society operates, and the pace of change is only accelerating. The advent of personal computers and the internet and smartphones are within the recent memory of most of us, and I think there are some even who might remember when artificial intelligence was nothing more than the subject of science fiction movies. The only thing we can guarantee is that that pace of change is accelerating. It is getting faster and faster. So for the delivery of government services, this pace of change has two effects. On the negative side, we need to be careful that we do not leave people behind. We need to make sure that we have the right services in place to support people to access government services and find the supports that they need. But on the positive side, there are plenty of opportunities, and it is also incumbent on us to make sure that we make the most of the opportunities of new technology to support people to get better access, and cheaper access, to the services that they need.

With that, I think that is where the real opportunity for our department is: to harness those benefits. So I thank you for your time today and allowing me to share just some of the highlights we have achieved in our first six months. Thank you.

**The CHAIR:** Thanks so much, Secretary. The first 13 minutes are going to go to Mrs McArthur.

**Bev McARTHUR:** Thank you, Chair. Thank you, Secretary. I am so pleased you are concerned about cost-of-living pressures and leaving people behind, because in Geelong we are certainly suffering from cost-of-living pressures. People are being left behind. But you are imposing \$1296 per day on Geelong ratepayers for covering off on monitors who actually finished their work five months ago. It was all about appointing a CEO. She has been there for months. But you have still got them in place until February 2024. These have significant impact on the ratepayers of Geelong. Why on earth do we still need monitors to do absolutely nothing until February at \$1296 a day?

**Jo de MORTON:** Thank you, Mrs McArthur, for your question. The two monitors you referred to were appointed by the minister for a 12-month term from January 2023, so they expire on 24 January 2024. The appointment was in response to the chief municipal inspector's concerns regarding the CEO recruitment process.

**Bev McARTHUR:** The CEO has been recruited – been there months now.

**Jo de MORTON:** They were without a CEO for over a year, and there have been three mayors over that similar period, so the monitors continue to oversee the establishment of a strong working relationship between the CEO and the council. Their terms of reference include a number of governance matters, including reviewing council's progress on identified processes and practices by the commission of inquiry and any recommendations from the Local Government Inspectorate arising from its investigation of the council. The monitors are providing the minister with regular reports, and they will continue to oversee the establishment of effective working relationships between the council and the new CEO and other governance matters in accordance with those terms of reference. At the conclusion of their appointment they will report to the minister on the council's progress and recommend any further action.

**Bev McARTHUR:** Yes, but they finished their work five months ago. They are still going, at great cost to the ratepayers, yet you tell us you are concerned about cost of living and leaving people behind. Well, you are certainly leaving the Geelong ratepayers behind on this issue. But moving on, last year the Minister for Local Government appointed electoral representation advisory panels to review the electoral structure of Victorian councils and to provide advice to the minister ahead of local council elections in 2024. We have heard from many regional councils that they are now receiving invoices for the review you imposed – often in excess of \$60,000 – and are finding it difficult to pay. Did the department provide any support to the VEC or local councils in running these reviews, such as with seconded staff or direct funding?

**Jo de MORTON:** I think I will refer that specific part of the question to the Deputy Secretary Dr Phillips to speak to that one. Thank you.

**Emily PHILLIPS:** Thanks so much, Secretary. The ERAPs are the responsibility of the VEC to run, and the Act does require councils to pay the costs of the process.

**Bev McARTHUR:** You have said that they have to do it, but you have suggested the review. So now the councils – will you support them in any way? How do you expect them to pay these bills?

**Emily PHILLIPS:** The VEC is responsible for the process.

**Bev McARTHUR:** They are charging them, but how do you expect local government to pay these bills?

**Emily PHILLIPS:** I mean, this is a process that exists under legislation. It is a process that is run by the VEC. As you know, we do a lot of things to support the financial sustainability of councils, and it is an important part of our electoral process that these reviews occur regularly.

**Bev McARTHUR:** But the Minister for Local Government appointed the advisory panels to review the structure, and now local governments are getting the bills for this review that you instructed.

**Emily PHILLIPS:** It is a regular part of the electoral process, and regular reviews of electoral boundaries are a very important part of that process.

**Bev McARTHUR:** So what would you expect local governments to cut if they are to pay these bills – what services?

**Emily PHILLIPS:** The provision of services at the local level is a matter for local councils.

**Bev McARTHUR:** So you will leave it to them – no support whatsoever. Is there anywhere in the department's financial reports or questionnaire that shows the department supporting local councils to pay these bills? There is obviously not. Given the strain councils are experiencing under the government's rate capping, why didn't the department think it was appropriate to provide support for these reviews?

**Emily PHILLIPS:** Under the Act, councils are required to pay for these reviews. Those costs are clearly attributed in the Act.

**Bev McARTHUR:** This is just another area of, basically, cost-shifting, isn't it?

**Emily PHILLIPS:** Electoral reviews occur regularly. It is really important they occur to ensure that electoral boundaries are correct and represent the communities that sit within them. Those costs have always been in the Act, and they have always been the responsibility of councils.

**Bev McARTHUR:** Okay. I do not know who wants to answer this, but why does the government use household CPI for council rate caps, despite that not being necessarily reflective of the goods and services that councils buy?

**Emily PHILLIPS:** We seek advice from the ESC in the setting of the rate cap every year, and that is a matter for the ESC.

**Bev McARTHUR:** Nothing to do with you – out of your bailiwick.

**Emily PHILLIPS:** Well, the Essential Services Commission is established to provide that advice to government, and we take that advice from them.

**Bev McARTHUR:** So you would not like to advise them on suggesting a better measure that is more reflective of local governments' needs, such as one that might focus on rising costs of construction and road maintenance?

**Emily PHILLIPS:** The ESC provides a range of advice to a whole range of different portfolios across government, and it uses standard measures to do that.

**Bev McARTHUR:** Okay. Let us go to the ESC. Councils have had the opportunity to apply to the ESC for a higher rate cap if they believe long-term service provision will be compromised by the government's rate cap. In each financial year, how many councils applied to the ESC to vary their rate cap?

**Emily PHILLIPS:** That is a good question. Let me see if I can find that number for you. I do not believe I have that number in front of me, but you are absolutely right, Ms McArthur, councils do have the opportunity to go to the ESC to apply for an exemption to the rate cap.

**Bev McARTHUR:** Well, perhaps can I ask that if you have not got it with you you might be able to provide it on notice, and I would like a list of those applications, including the councils applying, the rate each council applied for – you know, the rate increase – the outcome of each application and the ESC's reasons for each outcome.

**Emily PHILLIPS:** We are happy to provide you the information that we are able to.

**Bev McARTHUR:** Good. We look forward to seeing what you can provide. Have you heard from any councils that they might need to reduce services or cut programs due to the rate cap?

**Emily PHILLIPS:** Councils are always recalibrating their services. We constantly have conversations with them about their financial sustainability. We monitor their financial sustainability, and we also have in place the local government performance reporting framework, which really looks at the services that they provide and provides a range of transparency to the community so that they can see both the services that their council provides and how they can be compared to other councils to ensure they are getting efficient and effective service delivery locally.

Sorry, back to your question, Ms McArthur – would you mind repeating it?

**Bev McARTHUR:** Well, perhaps on notice, can you give us the list of councils who have told you that they will reduce services or cut programs as a result of the rate cap?

**Emily PHILLIPS:** That is not information that we elicit from councils. Councils are constantly recalibrating their services. They do it every year as part of their planning. They do it in their longer-term strategic planning over five-year periods. They are constantly ensuring that their services meet the needs of their communities, which as we all know, change demographically over time.

**Bev McARTHUR:** Okay. To the Secretary, please –

**Jo de MORTON:** Mrs McArthur, sorry, just back to your answer, we have not had any councils apply to the ESC in the past four years. That is the answer to your previous question.

**Bev McARTHUR:** Thank you for that, Secretary. Let us go to budget paper 3 2022–23, page 410. That is the budget reference, so I have given you that. It is about roadside maintenance. Will the department make the roadside weeds and pest program review public? It is about the questionnaire, where it lists the department's 'Roadside weeds and pest program review'.

**Jo de MORTON:** Yes. That review was done to inform future budget considerations of government. It found that the financial capacity of councils to undertake weed and pest control varies significantly, as you would expect, and reassessed councils that were most in need of the financial support. The review identified that rural councils, who manage a significant proportion of the road network but generally have smaller revenue bases and face greater challenges in managing weeds and pests, have relatively fewer opportunities than metropolitan councils to generate revenue through streams like user fees and charging. They rely very heavily on that. I mean, that is nothing that you would not already know –

**Bev McARTHUR:** I mean, seriously.

**Jo de MORTON:** but for others who maybe are not as familiar I just wanted to provide that context. The revised funding formula for the program was reintroduced in 2023–24 allocations to provide greater support for those councils that have the lower financial capacity, the longest rural roads and the greatest responsibility therefore to manage their weeds and pests. Originally there were 56 councils accessing the program, and I think you will know that there are now 45 rural, regional and interface councils eligible to make sure that the money is spent where it is most in need and supports the councils that need it the most.

**Bev McARTHUR:** So will you make the review public?

**Jo de MORTON:** The review was used to inform the budget deliberations of government, and you have seen the outcome of the review in the budget process.

**Bev McARTHUR:** So it is in the hands of government. Nobody else can see it.

**Jo de MORTON:** Well, it was used to inform the budget deliberations –

**Bev McARTHUR:** So it is secret.

**Jo de MORTON:** so you can see the outcomes of the review in the budget process.

**Bev McARTHUR:** So you conduct a review but nobody is allowed to see what the outcome of the review is.

**Danny O'BRIEN:** Secretary, can I ask maybe, is the allocation per council available?

**Jo de MORTON:** I believe –

**Danny O'BRIEN:** If maybe that could be provided to the committee if you have got it, that would be useful –

**Jo de MORTON:** I am just looking at Dr Phillips here to confirm. We might need to take that on notice if we do not have the answer here.

**Bev McARTHUR:** And if all rural and regional councils are receiving funding.

**Jo de MORTON:** Mr O'Brien, we could certainly get you that information.

**Danny O'BRIEN:** Thank you.

**Jo de MORTON:** And it is not all, Ms McArthur, it is the 45.

**Bev McARTHUR:** Right. So they are all getting funding?

**Jo de MORTON:** We will double-check the list that we provide back to the committee.

**Bev McARTHUR:** Good. And in those financial years that we refer to what criteria did the department use to determine which councils received funding and the level of that funding?

**Jo de MORTON:** I think those were the ones I outlined before around the length of road, the –

**Bev McARTHUR:** Well, let us cut to the chase. It is clearly inadequate, because roadside vegetation in local government areas in rural and regional Victoria is a disgrace. They are out of control. They have not got the funds to control them. By the way, neither does the state government via VicRoads obviously, because they are a disgrace as well. So when are you going to adequately fund this operation?

**Jo de MORTON:** So our department works in conjunction with Agriculture Victoria to target the –

**The CHAIR:** Apologies, Secretary. We are out of time. We are going to Mr Galea.

**Michael GALEA:** Thank you, Chair. Good afternoon, Secretary and officials. Thank you for joining us. Secretary, I would like to start with consumer protections. I note that on pages 85 and 86 of your questionnaire answers you cite protecting vulnerable consumers as a key challenge faced by your department, a key objective, both for the period in which you were a department within our scope period but also previous departments and agencies in the preceding 18 months as well. We know of course with the current cost-of-living crisis that Victorians are facing all sorts of additional pressures in the consumer marketplace, and whilst Mrs McArthur might not be a fan of rate capping, I know most Victorians are, and we would certainly be in a worse situation had we not.

**Bev McARTHUR:** I did not say that at all. I do not support your meaning, Mr Galea.

**Michael GALEA:** It was certainly what you were implying with your questioning, Mrs McArthur – that you were opposed to rate capping. But that is obviously one very big part of cost-of-living relief for Victorians. But other ways of course are through the ways in which your department can offer those support services, and those support services of course are now more important than ever before. Could you please outline some of the work that your department has led under the regulation of the Victorian consumer marketplace output measure to basically ensure that our consumers across Victoria are being protected, especially those vulnerable consumers?

**Jo de MORTON:** Thanks, Mr Galea, for the question. Yes, our department does deliver a significant number of services and supports to vulnerable people, particularly those facing cost-of-living issues, and there are many experiencing pressures as the price of necessities continues to rise. We know factors like high interest rates, low rental availability and housing affordability are weighing heavily on many, and putting that together with the disaster recovery from the 2019 bushfires, the 2021 storm and flood events and the October 2022 floods it has been a very challenging time.

Prior to the establishment of DGS there were many services and functions we have inherited. Consumer Affairs Victoria have responded to the needs of the Victorian community, and they have had strong take-up by those facing hardships. Across the state we have had more people renting. As you said, 2 million people now call a rental property their home. In the past five years, with rents increasing by 21 per cent in Melbourne and 40 per cent in regional Victoria, consumer affairs have received almost 5500 requests for rent increase reviews, which is a 120 per cent spike on the previous year. We have redistributed our resources to meet that spike in demand, with cases being allocated to a consumer affairs officer within one to two days. In addition to this, many renters are often not aware of their rights and what support is available to them, so to increase awareness we have a dedicated residential accommodation phone line, dedicated website content, and we push content out regularly on social media.

Victoria has got some of the highest rental protections in the country. They were bolstered by the 130 reforms introduced to the sector in 2021, but we have always recognised there is more that can and must be done to ensure renters get a fair deal. As part of the government's housing statement, Consumer Affairs Victoria is providing a rental stress support package. The \$2 million package will go towards organisations who provide information and advice as well as advocacy and legal assistance to Victorians. Not-for-profit community service organisations were invited to submit an expression of interest last week as part of a two-stage process. Consumer Affairs Victoria also supports people experiencing financial disadvantage or family violence through renter assistance programs, such as the tenancy assistance and advocacy program. That program has supported more than 8400 Victorians.

Another really important tool for renters is the rent calculator. The rent calculator works out rent per day over a six-month period. You can do it by week, by fortnight, by calendar month. It can help you work out if you can afford to rent over time and the rent you will owe if you move out part way through a rent payment period.

**Michael GALEA:** Thank you for that. I note as well from page 11 of the questionnaire the financial counselling services which are also offered, which is obviously a very big, important part of supporting vulnerable people through financial difficulties. I understand from the questionnaire that in 2022–23 the family violence financial counselling program actually exceeded the target of 3750 clients and delivered support to 3806 victim-survivors. Could you please talk us through how this program has operated, particularly in relation to how, I understand, you have partnered with the Orange Door and how people who might need to access this service could go about reaching out.

**Jo de MORTON:** Thank you. The family violence counselling program was established in 2016 in response to the Royal Commission into Family Violence, and it provides priority services to victim-survivors, including those experiencing economic abuse due to the risks involved. Any person contacting or referred to the service who discloses an experience of family violence is provided with casework support as soon as possible and provided with as much support as they need to resolve their financial difficulties. Victorians can access financial counselling statewide through the National Debt Helpline, which has got a website and a phone hotline, or through local place-based providers.

Family violence financial counselling also extends to the wellbeing of the clients, so financial counsellors undertake safety planning with their clients, assess their risk, ensure they understand actions to take in a crisis and make sure they feel safe and supported. Financial counsellors also ensure their clients are linked in to other

support services that can assist them with their recovery journey. They are located throughout Victoria and have established good relationships and referral arrangements with other local services, including family violence and the Orange Doors. Financial counsellors are participating in team meetings and information sharing with the Orange Doors, and in some locations financial counsellors are now co-located in Orange Door locations. In addition to the National Debt Helpline, Victorians can also be referred to financial counselling through their local Orange Door.

In one case, just to give you an example – we changed the name, obviously, so let us call her Ana – a 38-year-old woman living in regional Victoria with her 11-year-old child was separated from the father of her child, who perpetrated family violence against them. Ana came to financial counselling after finding out that her ex-partner had incurred fines in her name. She was also supported by Victoria Police to get a family violence intervention order in place, but in that process her ex-partner took items Ana had rented from a rent-to-buy company and left interstate with her child. The financial counsellor first put a safety plan in place for Ana and then worked together with the local Orange Door to link her in to case management support, which provided her with counselling services, given the trauma of the situation. Once all that was stabilised, the financial counsellor and Ana could work together then to address the debt issues. Through Fines Victoria they secured a waiver of the \$10,000 in fines and a full debt waiver of the \$3500 debt on the rented goods so that Ana could then focus on her recovery journey. I just thought that was a really important example, because it shows that it is more than just the financial stress. People at times like that need support services to wrap around them, so I think this is a really important initiative to connect all of those government services and focus on the outcomes needed by the individuals.

**Michael GALEA:** Thank you, Secretary, and yes, particularly illuminating with that case study as well. We actually did have, as you may be aware, DJCS and Fines Victoria here this morning, so we heard in brief from them about how their family violence programs work to support people in those situations. It is good to see that from this side as well; hopefully a cohesive, all-of-government approach which we are seeing. That is quite encouraging.

I did also want to talk about housing in particular, and I note and acknowledge Ms Rich, that you attended the Legal and Social Issues Committee's recent inquiry into the rental and housing crisis as well. As you have also mentioned, Secretary, to one of my earlier questions, housing affordability is a huge issue for Victorians, and I would also like to draw attention to what you have discussed on page 12 of the questionnaire, which is the underquoting task force, which I understand was established in September of last year. Can you please update us on how that task force has progressed within the scope period, since September last year, what activities it has undertaken and what has it been able to achieve so far?

**Jo de MORTON:** Thank you. The task force is a really important initiative to make sure that property prices are fairly and honestly advertised to protect buyers' time and money when they need it the most. They cannot afford to be wasting their money on properties they never were going to be priced into in the first place, so targeting those unfair practices in the property market, including underquoting, is really important. Some of the work the task force does includes monitoring of sales campaigns, collection and analysis of market intelligence, such as complaints from the public, and targeted inspections. Inspections can include seizure of documents and data to make sure that those agents are complying with the law.

As you mentioned, when it was set up, \$3.8 million was allocated to the task force, and that funds inspectors, investigators, information analysts and legal officers. In the 2022–23 financial year those inspectors issued 48 infringements and 37 official warnings to estate agents for underquoting. The fines have totalled more than \$520,000. So far this year, from 1 July to 31 October 2023, inspectors have issued 35 infringements and 42 official warnings to estate agents for underquoting. The fines so far total more than \$379,000. There is information available on the Consumer Affairs Victoria website to help consumers understand what to look out for –

**Danny O'BRIEN:** Sorry, Secretary, I just missed what you said the figure was for 2023 so far – how many infringements.

**Jo de MORTON:** So far, from July to October, there were 35 infringements –

**Danny O'BRIEN:** Thank you.

**Jo de MORTON:** Forty-two official warnings, and the fines have totalled more than \$379,000.

I was saying there is information on the consumer affairs website to help consumers know what to look out for and a dedicated complaints web form set up for buyers, sellers and industry to report suspected underquoting. Consumer affairs is also running a targeted campaign to encourage anyone with concerns to report them through that form. Consumer affairs has also been supporting domestic building consumers who have suffered as a result of builder collapse, as I mentioned earlier, for example, the Porter Davis Homes customers, and just generally helping people to know where to go to exercise their rights and get information.

**Michael GALEA:** Thank you. So if my quick maths is correct, that is 83 infringements over both of those periods which we discussed as well as approximately \$900,000 in infringements. Just quickly on Porter Davis as well, I represent the outer south-east suburbs, so obviously I have had a lot of constituents who have been quite affected by that. Can you update us on where that is at the moment, with the Porter Davis assistance specifically?

**Jo de MORTON:** Yes. The scheme, as you know, was originally for Porter Davis customers. I think there was about \$13 million paid to customers. It was expanded on 28 July to include 14 eligible home builders to help other people who may have lost substantial savings.

**Michael GALEA:** Thank you. And still in the broader area of housing, you also mentioned the rental reforms from a few years ago, which I think were built again from the other inquiry we know has made Victoria the nation leader in terms of protections for tenants. And we have also seen some further protections brought in, announced as part of the September housing statement, and that will obviously come through in due course quite soon. In terms of the assistance provided to tenants, though, who are undergoing whether it be financial or other stress, can you please update us on those support services and how you are supporting Victorian renters as they face issues?

**Jo de MORTON:** Thank you. As I mentioned in my opening presentation, Consumer Affairs Victoria, over the past financial year, has been assisting renters by conducting rent reviews – close to 5500 of them now.

**Michael GALEA:** Thank you.

**The CHAIR:** Apologies, Mr Galea. I am going to go to Mr O'Brien.

**Danny O'BRIEN:** Thank you, Chair. I am going to continue along on a couple of the issues that Mr Galea raised, Secretary. Can I go to the underquoting issue – \$3.8 million allocated to the taskforce for so far almost exactly \$800,000 worth of fines. If you suggest last year's 48 infringements at \$520,000, that is about \$11,000 per infringement. Can I ask perhaps first, is there a set fine? I assume there is under the Act.

**Jo de MORTON:** I am going to get Ms Rich to talk about the details of that. I think what you will notice is that work increasing from a standing start, and you will see the numbers in that first half of this year increasing on the numbers from prior. Definitely the team is ramping up, but Nicole –

**Danny O'BRIEN:** Just on that, is the \$3.8 million for the taskforce over four years or is that just one year?

**Jo de MORTON:** I just put the numbers away.

**Nicole RICH:** Thanks for the question. I note your ongoing interest in underquoting, and thank you for the interest. The funding that was allocated is essentially up to that to run the taskforce over a two-year period.

**Danny O'BRIEN:** Two years, righto.

**Nicole RICH:** Obviously post announcement of the taskforce it takes time to recruit staff and so on, so we have sort of ramped up activity as we have gone. That is why you see essentially a significant increase already in the year to date, because the taskforce is now running and fully staffed.

**Danny O'BRIEN:** Can I go back to the original question, which was: is there a set fine?

**Nicole RICH:** Yes, that is right. I would say there are two sets of important provisions or offences that cover underquoting. One is the specific offences under the *Estate Agents Act* in Victoria, but there is also the

Australian Consumer Law, which prohibits misleading and deceptive conduct and misrepresentations in relation to the sale of land, so that is also very important, and we look at those as well. But most people when they think about underquoting sort of think about those technical breaches of the *Estate Agents Act* and the reforms that were brought in to tackle the pernicious concerns of the community. Under the *Estate Agents Act* there are probably three or four key offences – not having a reasonable estimate of a selling price, not disclosing the correct advertising prices, those kinds of things – and yes, there are set penalties and also set infringement amounts under the regulations, so you are bang on. As of 1 July they have gone up again. They are probably a bit over \$11,000 now for the fine and higher if you go to court obviously.

**Danny O'BRIEN:** I mean, I am a little bit sympathetic to agents, particularly in a rising market because it can be difficult to predict, but this is a genuine issue for anyone who has ever bought a home. I remember myself having a list of probably 30 properties that I was trying to buy actually in part of your electorate, Ms Sandell, many, many years ago. But to be honest, an \$11,000 fine or thereabouts when the average price in Melbourne is nearly a million dollars – if they are getting done for underquoting, it is going to be more than \$11,000, it is going to be hundreds, 50, whatever thousands of dollars. Do we need to actually consider increasing the penalties to send a message?

**Nicole RICH:** Maybe I will answer as the regulator. I mean, I think you are sort of asking a question around reform, which I will not necessarily be able to speak to –

**Danny O'BRIEN:** Policy correction.

**Jo de MORTON:** And deterrence.

**Nicole RICH:** Yes. I would say two things. You know, I think you make a fair observation about the amounts, and obviously we follow the law and we issue the penalty amount that is available. So two things: one of the goals of the taskforce in establishing it is to learn more from our dedicated blitz approach. So if we are finding as we continue our operations that we need to provide advice to the government about our experiences and how easy or not it is to deter the conduct, that is absolutely a part of what we have designed the taskforce to do. We will provide that advice up as and when we sort of uncover those issues. So that could be an example. But in the meantime, I am actually confident that our activity is having an effect. So I take your point, but I do believe that the message is getting out strongly to the industry. Our activity is only increasing. I think if you would ask any agent who has had us turn up to many of their auctions, had us turn up unannounced at their offices and had us ask questions – and we are doing more and more of that – I think the message is definitely out there. I am confident it is acting as a deterrent.

**Danny O'BRIEN:** Can I ask, you mentioned for the \$3.8 million over two years so far you have monitored 375 housing sale campaigns. I do not know how many there are in Victoria every year but literally tens of thousands. Has the department looked at any IT methods to do that sort of scoping, some artificial intelligence or something? Surely when the data is available, it is not that hard to be looking at what is being advertised and what the final sales are. Is that something that has been considered?

**Nicole RICH:** It is an excellent question. We like to say at Consumer Affairs Victoria that we operate an intelligence-led and risk-based approach, so that is absolutely part of how we have designed the taskforce and part of why it is a multi-disciplinary force with a number of analysts, intelligence analysts, hired into the team. We do not just necessarily randomly turn up to any auction or monitor any sales campaign. It is very much guided by intelligence. But you are right. We are in the Department of Government Services now, and we are always looking at ways in which we can use IT, and that is sort of a constant thing we are looking to improve in our approach as well. But it is definitely intelligence-led.

One of the key things there is – I know sometimes you hear people complain that they report underquoting to us, and they do not hear what happened. Just to assure you and the public, we look at every report, and in fact they are really helpful. We have seen an increase in reports since we designed a web form that makes it easier for people to tell us about a suspicion and to give us the information we need to do the intelligence analysis on it. That has significantly guided the sales campaigns that we have monitored and some of the breaches that we have detected. So thank you to the public and also to other estate agents, who are very good at identifying potential breaches and reporting them to us as well.

**Danny O'BRIEN:** Can I move on to –

**Jo de MORTON:** Sorry, Mr O'Brien, just before you do to close back to where you started the question – that is the current state of monitoring what is going on in the marketplace. As you heard Ms Rich say, we will take that information and use it and work out then where you might go with strengthened penalties. Certainly from a policy perspective, that is one of the things we will be looking at, and I think you saw that foreshadowed in the housing statement around possibly things like taking commissions away from rental agents. There is a lot of that analysis and then using that to inform what are the right next policy steps.

**Danny O'BRIEN:** Yes. Speaking of rents, you mentioned in your presentation 5448 rent increase review requests last year. How many of those were upheld in the sense of, presumably, the rent increase was knocked back?

**Jo de MORTON:** Well, the outcomes go back to the customer to take action. I might refer to Ms Rich and ask whether she has got any indication about that?

**Nicole RICH:** I was asked this at the rental inquiry as well. I understand why. It is a really important question. We are not the end part of the process, so it is difficult for us to answer that. The way that the legislative process works is a rent increase is only valid if you are given a formal notice. It takes 60 days before that comes into effect. The renter has 30 days in which to ask us if they would like a report or investigation, I should say, into whether the rent increase is excessive. They can use the report as essentially evidence in an application that they have a certain amount of time to bring to the Victorian Civil and Administrative Tribunal. It is only the tribunal that has the power to declare that they find the rent excessive, and they can make an order setting a maximum rent.

**Danny O'BRIEN:** The department cannot do that.

**Nicole RICH:** We cannot do that. We can only give an assessment which the renter can take, so it makes it hard for us to report on the outcome.

**Danny O'BRIEN:** Do you have data for how many requests you have had this year? As in, since –

**Nicole RICH:** I do not have the data in front of me about what the running total is but happy to take that on notice.

**Danny O'BRIEN:** That would be good. Secretary, one that is a consistent bugbear of mine and I know many of my colleagues – births, deaths and marriages. When it comes to services, we still have to this very day the births, deaths and marriages website saying that the customer service centre, quote unquote, is still closed, and that the call centre is only open from 8 am to 2 pm. Is it ever going to reopen? Because I just get complaints about BDM all the time, and I am hearing other members saying the same thing. I asked the Attorney-General, who used to have carriage of it last year. 'Oh yeah, we've got trouble recruiting people.' Here we are 18 months later, and it still closed. What is happening?

**Jo de MORTON:** Yes. BDM was one of the services that I was most pleased to have transferred into this new department, because I think, as you are rightly pointing out, it needs support. That is in no way a reflection on the staff that work in there. They are really dedicated and working tirelessly. They are not taking their time in lieu; they are continuing to work their long hours just to make sure the customers get the service they need. So I did want to give a shout-out to the commitment and effort of the staff. However, as you rightly point out, it is the system that has failed to support them to be able to provide that better service, and I think that has been recognised, and that is part of why it has been transferred to this department – to have the time and the space and the capacity to give it the support that it needs. We are able to bring together a whole lot of different skills from across, in a way putting them –

**Danny O'BRIEN:** Can I get to the point? Sorry, Secretary. Is the customer service centre ever going to reopen?

**Jo de MORTON:** Well, that is one of the things that we are looking at – where customers go to get support. The priority for the moment is getting those digital services up and running, because I think you can agree that the wait times through the call channel are not appropriate at the moment. So we are investing heavily in the digital services. Service Victoria is well advanced in building them, and you will see them come online soon. That is step one – getting the proof of identity online through Service Victoria. Getting the full service is step

two. Step three has been in parallel, recruiting additional staff for the phones. So there are 37 new staff that are coming on board to help clear those calls and get the call wait down.

**Danny O'BRIEN:** When have they been employed, and when will the 37 be fully on board?

**Jo de MORTON:** It is staggered – about 'Can you get them all in one go?'. We started about three or four months ago I think, and they are coming on board in stages. I think they are nearly all there. We are starting to see a reduction in call times, I think, but it is just very early days at the moment. Also, their back-end system is a problem – operators are using it and it is not as quick as it needs to be, so we will do some remediation work there. Customers still do have – back to your question – 34 centres they can go to around Victoria. So the physical services are still there.

**Danny O'BRIEN:** That is the justice centres.

**Jo de MORTON:** Yes. So where else they might need to be we will look at as part of this remediation. But we have got a couple of other urgent priorities first ahead of that.

**Danny O'BRIEN:** I might suggest, if I am not mistaken – oh, no, there is the list of justice centres; that is there. But just for the record on the digital: making it more accessible digitally is good, but I am sure, like my colleagues, the people that ring us are the elderly, the digitally challenged who just want to talk to a person, and that is a big frustration they have got.

**Jo de MORTON:** I completely agree with you, but I think what you are finding is the limited resources that are there are getting clogged up with people that need not be on the phones. What we need to do is make it easier for them and get better service that they want to use so that then the available time can be spent with the people who really do need the support. And I think that is how you get that service operating in a way that is better for the customers, giving them their choice of their channels and giving the ones who need the extra support the time that they need. So that is our goal over the next little while, just to sort that through.

**Danny O'BRIEN:** Okay. Thank you.

**The CHAIR:** Thank you, Mr O'Brien. We will now go to Mr Tak.

**Meng Heang TAK:** Thank you, Chair. Thank you. Just to pick up where we left off with the question by Mr Galea, can you keep going with your answer in terms of tenancy assistance?

**Nicole RICH:** Look, I am very happy to talk a bit more about what we are doing. Thank you for the question. I think the Secretary mentioned that there are a number of different services that we provide, but in terms of more details I would say firstly there is the importance of – so we talked a little bit about the family violence financial counselling. Consumer Affairs Victoria funds a number of financial counselling programs throughout the state, and of course in the current environment I would say those are just increasingly important services. A lot of renters and people more generally are doing it quite tough with cost-of-living challenges. So I would say financial counselling services are a really critical part of what we are providing to the community at the moment, and I am happy to talk about those in a bit more detail. But then to renting more specifically, we actually fund a number of renter assistance programs separately to financial counselling programs as well. The headline program is probably what we call our tenancy assistance and advocacy program, which the Secretary mentioned. People call that the TAAP. It is essentially a place-based program, so we have a number of community not-for-profit organisations across the whole state in both metro areas and in regional areas, and they are funded to provide support to renters. They will provide everything from information and advice through to referrals or to negotiation with the rental provider and in some instances support with actual advocacy at the tribunal if that is required for people in particularly complex matters.

Last financial year we helped 8410 clients across all of Victoria under that program, but we also have sort of a matching program called the retirement housing assistance and advocacy program, or the RHAAP – so we have got the TAAP and the RHAAP. The RHAAP is a specialist program for renters or residents who are over 55 years of age and are living in retirement housing, so it is a specialist statewide service. It is provided by a group called Housing for the Aged Action Group. That helped 437 older renters and residents with specific issues in retirement housing and renting last year. And then we also fund a couple of other specialist programs, including something we call the tenancy central service. That provides professional development and specialist

advice, legal work and casework to all of the local workers across the state that are providing help. That is a really important service that we provide.

Those are probably the most intensive services that we are providing to renters, but we also provide a range of general Consumer Affairs Victoria services. We assisted over 64,000 contacts on renting issues last year through the Consumer Affairs Victoria specialist phone line for residential accommodation matters – that was touched on – and I think over 70,000 online email and written contacts from people seeking information and advice on renting issues as well. Then even the website is a really critical channel for us, and again, we are really conscious of digital services. As a whole the Consumer Affairs Victoria website had over 5.8 million visits last year, and a significant proportion of those were about renting. Renting pages are easily the most popular pages on the website. And then of course we did a number of rent increase investigations last year, which we have already talked about. I do not want to necessarily go over old ground, but that is another important service that we are providing.

**Meng Heang TAK:** Thank you. Would you like to talk about financial counselling? I have met many of the smaller providers in my electorate of Clarinda, and that seems to be a hot topic at the moment. Could you elaborate more on that, please?

**Nicole RICH:** Yes, and I think I am aware of the provider as well, Mr Tak. I would say in terms of the financial counselling program, last year we provided over \$15 million to financial counselling services across the state, I think. We are really proud of that. I think we are really the strongest state in terms of support for financial counselling across the country, so we are a really significant funder of financial counselling services, and that is just the services that Consumer Affairs Victoria are funding. There are also specialist gambling financial counselling services, small business financial counselling services and rural financial counselling services that are supported by the government as well. I think that is a recognition of how important the services are. A big component of the financial counselling program that we administer is the generalist program, which is a bit similar to the TAAP program – the financial counselling equivalent – so we fund community organisations across the state both in metropolitan areas and regional areas to provide generalist financial counselling services, and some of those also provide the specialist family violence financial counselling services and other specialist services.

We went through a large exercise to review the service model and then go out to market for the service providers a number of years ago, but I think it is fair to say that that was a little while ago. It is important that we review the program from time to time and also who the providers are, to your point of interest. In fact that process is about to begin, so we have told the sector already that the government is committed to a review of financial counselling services. In fact some public consultation is imminent; it is about to commence.

On the Engage Victoria website we will be opening up information about public feedback on the financial counselling program very, very soon, and we will be encouraging existing providers and other providers of services that maybe are not currently in the program as well as stakeholders more generally to contribute to that review. The terms of reference are reasonably broad, so I am quite confident that we will be able to collect a lot of feedback about how the program is meeting people's needs and about changing patterns of demand, in terms of who is providing the services, where they need to be and the types of services. So that will be a really useful process in collecting feedback from agencies such as those in your electorate about the future of the services.

**Meng Heang TAK:** Thank you so much. If I can move on to government services and the digitisation initiative, Secretary, I note on page 23 of the provided questionnaire there are several different digitisation initiatives that are occurring within the DGS – at the front end and back end. These include the digital drivers licence program, the common corporate platform and digital business licensing. Can you please elaborate on the delivery of these programs, how they are contributing to a more digitally enabled Victoria and what, if any, the efficiencies are that government may be able to realise from their delivery?

**Jo de MORTON:** Thank you for the question. So, in terms of the projects that you mentioned, I will start with my favourite one, which is the digital drivers licence. It is a priority for our department. People in Ballarat are the first in Victoria to be able to access the digital drivers licence in the Service Victoria app, and it is great to see the community is really embracing what digital licences have to offer. It went through a number of rounds of customer testing to make sure it would be a product that people, businesses and law enforcement could use, and since the launch of the pilot in July the numbers have been growing steadily and the feedback

has been really positive. So far customer satisfaction is sitting at around 97 per cent on that one, which is really good for a brand new service.

I have been having a bit of a look at the verbatim comments from people in their feedback. I have just been collecting a bit of what customers are saying about it. The main one is the one that I also want, which is being able to leave home without your purse and just your keys. That is the main thing that people are seeing, and then there is a lot of feedback about how easy it is to use it for ID. A lot of people are saying they are using it at the post office and that it is working really well and really easily. Ballarat businesses are having a good experience so far. Businesses are saying that they accept the licence as official documentation. They are getting at least one a week, and people are sort of excited to be able to show it; it is quite novel for them.

There are now more than 10,000 drivers licences that have been issued as part of the pilot. It is being delivered in partnership with VicRoads and the Department of Transport and Planning, and you can update the licence in real time to show any changes of licence conditions or any change of address. It is more secure. It has got the in-built hologram. It has got the feature refresh. It updates every 2 minutes so that you know it is live. They will automatically reveal if a licence has been revoked or suspended. The QR code can be scanned by licence validators to make sure that it is a valid licence. So with all of those benefits, it is a lot safer than having the physical card in your wallet.

It has also got in-built privacy features so that people have control over how much or how little information they want to share. We have all been in that position where you have been asked to hand over your physical licence, and it has got your address and your date of birth and everything else on it. Well, you can control that with a digital licence.

And there are plenty more cards coming. We have got seniors cards, seniors business discount cards, veterans cards, working with children cards, ambulance membership and fishing licences. I think we have got more than 55,000 people now with a digital working with children check card, about 23,000 people with a seniors card and about 12,000 with a veterans card, which was the first of its kind in Australia. So we are quite excited about the digital cards. I think they are just so much easier for a lot of people.

What else? You asked about business licensing. In business licensing we are supporting small businesses through initiatives on the Service Victoria platform. The idea was to investigate how the customer-centric approach could be leveraged for businesses rather than just for individuals – how we could help business owners improve their experience dealing with government's departments and agencies by reducing red tape and paperwork and ultimately boosting productivity. The work began in 2021 with customer research to understand the priorities and features that businesses expect from a digital service. It became clear that the same pain points visitors have with digital services are there for the customers – needing to wade through complex bureaucratic language, filling in the same information multiple times, not knowing where your application is up to et cetera. So Service Victoria began to build a series of digital products and tools that helped remove red tape and frustration for small business. The first initiative saw the creation of a business permit finder to help businesses wade through all the information that is needed to start up a business. They could answer just a few questions – about what industry they are in, and the location and the make-up of their business – and the business permit finder presents them with a personalised list of all the various permits and permissions they need to complete across local, state and Commonwealth laws. You can also email the list to yourself when you are done so you have got a handy checklist. The finder has been used more than 4500 businesses who are setting up or running a small business to help them find the permits, and the feedback says 'Very easy to understand' and 'Logical question-and-answer format' and they got the answer they needed in a short time.

Service Victoria is also working with Department of Treasury and Finance to make it easier then, once you know what permits to get, to actually get them. They have started small with a series of scalable and extensible forms, using an automatic approvals approach. This saw decision-making for simple permits codified into the software so that applicants who met the relevant requirements and criteria could instantly receive the permit or permission in real time. This meant no effort or demand on back-office processing. The types of forms included footpath trading, outdoor fitness and skip bin applications. They were the ones delivered in the first tranche, and more will follow to build out that business package. Were you about to tell me I am out of time?

**The CHAIR:** I feel like I need to do a bit of a ding-ding as we get to the 1-minute mark. We are going to go back to Mr O'Brien.

**Danny O'BRIEN:** Thank you, Chair. Secretary, can I continue on digital drivers? Sorry, I missed the first part of the answer you gave, but the wider statewide rollout is next year.

**Jo de MORTON:** That is correct.

**Danny O'BRIEN:** 2024 – can you tell us any more information as to when next year?

**Jo de MORTON:** Soon. We are hoping it will be right at the beginning of the year. I think we are wrapping up the Ballarat pilot. We are collecting all of the lessons learned. I think there is some quality assurance going on about: is there anything there that needs to be changed ahead of the statewide rollout? I have not been told of any show stoppers along the way, so I hope that means that there are none, but I look forward to seeing the outcomes of that report and those recommendations. Then we will be able to put those recommendations to government to say, 'We think we're ready for a statewide rollout.' So I hope it will be very soon.

**Danny O'BRIEN:** When that happens, obviously individual licence-holders apply themselves, so it is entirely an opt-in system.

**Jo de MORTON:** Yes, that is correct. On the Service Victoria app you can say, 'Add my drivers licence.' The app will walk you through a couple of steps that verify your identity and just make sure that the licence we are going to put in your wallet really belongs to you, so we have got that added security layer. That was one of the things we wanted to test – was there friction in that system, and was it easy for people to get their licence added? That seems to be working very well. So people just can choose to add it, like they add any of the cards in their Service Vic wallet.

**Danny O'BRIEN:** In terms of opening it up, you may well have a rush. Is the department planning additional resources to deal with the statewide rollout?

**Jo de MORTON:** So far we think that the system will deal with that. Again, that is one of the testings – what are the load points? It is things like: can we check the identity documents with the Commonwealth system? How many will that connection handle at any one time? So all those tests are being done. If we need to stage it, we can. For example, now it is only to eligible Ballarat residents. We can make some decisions about: how you might roll it out, or whether you can go all at once. Those are all things that will inform as part of the trial and end up in our ultimate recommendation that we make.

**Danny O'BRIEN:** Okay. At this stage you do not have a 'February' or 'November' deadline for it?

**Jo de MORTON:** Not at this stage.

**Danny O'BRIEN:** Okay. You obviously will be aware of the issue that occurred with the emails sent to 57,000 people and they got the wrong surname on those emails. Did the department investigate that, and can you now give an assurance that there will not be any errors or data security issues in the rollout?

**Jo de MORTON:** So that one you will need to address to the Department of Transport and Planning, because that was an issue that happened in VicRoads. For the Service Victoria and Department of Government Services side, what we have done to check that our systems will operate as we intend them to is that you are directly operating within the Service Victoria app, so you are already logged into your app on your phone and we already know that that is your information. If we need to communicate with you, we will send you notifications through that app, so they are coming directly to you. Then, as I said, when it comes time to add your card, we will put you through a couple of extra identity steps to make sure that we really have got your licence that we are matching. Our service operates in a different way to the VicRoads service, so I think for that one you will need to address that to the Department of Transport and Planning.

**Danny O'BRIEN:** Sure. Can I go back to – I think Mr Galea asked some questions about the Porter Davis situation. You mentioned \$13 million was allocated. Has that all been expended to all the eligible Victorians now?

**Jo de MORTON:** I believe so. I am just looking at my colleague Dr Phillips.

**Emily PHILLIPS:** Mr O'Brien, there is \$13.2 million in payments that have gone out. There is still just a very small handful of very complex cases that are still underway, which just require some additional scrutiny.

**Danny O'BRIEN:** How many people have actually received a payment? Or how many payments have been

**Emily PHILLIPS:** 537 is my understanding.

**Danny O'BRIEN:** 537. And is it literally less than five still outstanding?

**Emily PHILLIPS:** It is of that kind of order, yes.

**Danny O'BRIEN:** Okay. Can I ask when the department first became aware that the VBA had failed to ensure Porter Davis had valid domestic building insurance on behalf of its clients?

**Emily PHILLIPS:** I am not sure we have got that history here.

**Danny O'BRIEN:** Would you like to take that on notice?

**Nicole RICH:** Mr O'Brien, did you ask: when did we become aware?

**Danny O'BRIEN:** When did you first become aware of the fact that there was not the building insurance that was required –

**Nicole RICH:** I know that Porter Davis went into liquidation on 31 March, so certainly as the regulator of domestic building contracts and general consumer law, we sort of became aware of the situation on that day. I cannot tell you specifically when we became aware of that issue, but those concerns started to emerge very quickly afterwards as a result of work done by some of our colleagues across government. So it is probably not a question that we can shed a lot of further light on, just because the matter of taking out domestic building insurance falls under the *Building Act*. But certainly we were aware reasonably quickly, as the government worked together to share the information that we could, around how we were going to respond to support the consumers that had obviously been impacted. They obviously are a significant builder, so we knew immediately that it was going to be a significant issue for consumers.

**Emily PHILLIPS:** Mr O'Brien, can I just add to that: our role in this has been to administer the scheme through the Victorian government grants centre that sits within our portfolio, and consumer affairs, led by Nicole, has done work just to ensure that there is information out there in the public for consumers.

**Danny O'BRIEN:** Because the VBA is under DTP?

**Emily PHILLIPS:** Yes.

**Danny O'BRIEN:** So this may be a question for them, but does the department or the government generally know how many home builder clients were not covered by valid domestic building insurance in the review period that we are looking at now?

**Emily PHILLIPS:** I do not have that information, I am sorry.

**Danny O'BRIEN:** Is it information that your department would hold, or would we need to ask the VBA?

**Emily PHILLIPS:** I am not actually aware. I do not have that information in front of me.

**Jo de MORTON:** Yes, I am not sure that people would know. I mean, I think clearly the VMIA is an insurer when you have insurance. The question of how many clients or particular builders did not – I think certainly with Porter Davis we had the application service available for customers, if you remember, so people could come and register that they were one of those customers. We would then validate that information.

**Danny O'BRIEN:** Okay. Could I move on to a different issue, Secretary, about government office space?

**Jo de MORTON:** Yes.

**Danny O'BRIEN:** The 2021–22 actual figure in budget paper 3 this year showed the total accommodation cost per square metre was \$424, which was higher than both the target and the expected outcome at \$397 and \$419 respectively. In July it was noted that Melbourne has the weakest CBD office market in Australia. I am

just wondering why, with a weak market and the higher vacancy rates in office accommodation, the government was paying more for office accommodation – above its targets more particularly.

**Jo de MORTON:** Yes. Just to clarify, you were talking about the 2021–22 year results?

**Danny O'BRIEN:** That was the original figure? Yes.

**Jo de MORTON:** Yes. I think you noticed the spike in there correctly. I think what we had was a large proportion of onboarded properties onto the central service, so inherited from other departments and agencies into the centralised management, and the proportion of those onboarded properties being located in the CBD fringe area had a higher square-metre rental price. So what you are watching is the average getting skewed by onboarding of a large number of properties at a higher value than the profile of the portfolio in the previous year.

**Danny O'BRIEN:** Is that because other departments had paid above the odds?

**Jo de MORTON:** No. I think it is just the proportion of higher value areas coming on. Before it would have been weighted more in the lower value – not more, but you know what I mean, average; we have had more smaller cost regional centres. So you are just watching the averages move, is what I am trying to say, with the portfolio balance.

**Danny O'BRIEN:** Okay. But the 2022–23 target was 397, but the expected outcome was 446, considerably above the target. And again, in a situation where vacancy rates are high, why is the government paying above its targets for rental accommodation?

**Jo de MORTON:** Again, I think you are watching the change in the portfolio mix. So in that particular year we offboarded regional sites with a lower cost per square metre, and I think you will see that we are slowly bringing the total cost of the accommodation portfolio down again. So you are watching movements of things coming on and off and then trying to push down that total cost.

**Danny O'BRIEN:** Do you have a target for this year?

**Jo de MORTON:** For the total cost? Not a target per se. I think –

**Danny O'BRIEN:** Sorry, a square-metre average I am talking about.

**Jo de MORTON:** I am not sure. I am just looking at my colleagues to the right about what other onboarding and offboarding you have got planned, whether you will see it move very much or whether –

**Danny O'BRIEN:** Sorry, I can actually answer my own question. The 2023–24 target is higher again, 472 in the budget papers.

**Jo de MORTON:** In the budget papers, yes.

**Gayle PORTHOUSE:** The plan is obviously to reduce space where it is actually vacant – so true vacant space. At the moment we are working with the departments about what their needs are as staff slowly start to return to the office in line with the flexible work arrangements. The complexity added to that is that we have long-term leases in place, so to offboard leases is not as easy as it might seem unless we can be subleasing or those kinds of things. In terms of some of the increase in cost, it is also related to inbuilt increases year on year through some of those rental arrangements, so that will affect the cost per square metre as well as the prices just going up according to those contractual arrangements.

**Danny O'BRIEN:** Without getting into an argument on that, surely we are not locking ourselves into annual increases when the market is going down.

**Gayle PORTHOUSE:** No, not now, but some are locked in. Some of the leases that were put in place when there was absolutely no office accommodation available have very long tails, and they have that locked in.

**Danny O'BRIEN:** Okay. What is the average utilisation rate of government office space at the moment in the state?

**Gayle PORTHOUSE:** It depends by department – department by department. It depends also on their workforce make-up. So in some departments they will have more people that will be in the office now against that flexible work arrangement, which is three days minimum.

**Danny O'BRIEN:** I understand all that –

**Jo de MORTON:** I can maybe do it in the inverse and talk about the vacancy rate, if we can quickly do the maths together.

**Danny O'BRIEN:** Yes, sure.

**Jo de MORTON:** I think certainly the vacancy rate is still very low, so I think we gave you information last year that said it was around – it is under a 1 per cent vacancy rate and has been for some time.

**Danny O'BRIEN:** As in, government offices are 99 per cent full on a day-to-day basis?

**Jo de MORTON:** Government offices are 99 per cent under lease by departments and agencies –

**Danny O'BRIEN:** That is not what I meant.

**Jo de MORTON:** so that is a different question then about how many people are in there on a day-to-day basis.

**Danny O'BRIEN:** I am going to run out of time. Do you have that data across government and then across departments, and if you do, could you provide it to us on notice?

**Jo de MORTON:** No, I think what you will see is that is up to individual departments and agencies. We cannot tell who is in on any day or not. What you have got is a flexible work policy of three days a week, so that is shifting a lot.

**Danny O'BRIEN:** Okay. Thank you.

**The CHAIR:** Thank you, Mr O'Brien. We will go to Mr Hilakari.

**Mathew HILAKARI:** Thank you so much. I might just take us to cybersecurity and safety, and I refer to page 85 of the general questionnaire. We all know we are doing a lot more online, and obviously as government we are encouraging people to do so and that is a particular focus for the department, but with this comes rising cybercrime risk around data and increased attacks on the public sector and the important infrastructure that we have across the state. I am just hoping you can talk through how we are protecting some of our essential services, those things that are really critical for Victorians, and also their data. This has been front of mind I know for the department, so I would be pleased if you could just give a bit of information to the committee.

**Jo de MORTON:** Yes. Thank you for the question, which is really important, because as we know, as more people go online, protecting their data and information becomes even more important to make sure that those cybersecurity protections are in place. In Australia we have got incidents of cybercrime now reported about every 6 minutes, with reports increasing by about 23 per cent in the last year, so we cannot deliver digital services without those strong cybersecurity practices. We are doing this through the \$50 million Victorian cyber strategy for 2021–26. It is underpinned by three key missions. The first one is safe, reliable delivery of government services, the second is creating a cyber-safe place to work, live and learn, and the third is a vibrant cyber economy. We are already well underway with many of those as they transferred into the department – it was great to see the work that had been done.

The cyber team are doing a lot – if we are talking first mission – about government services. The cyber team have introduced a program – I think you heard me talk about it at the beginning – called DMARC, which stands for 'domain-based message authentication, reporting and conformance'. It is an authentication protocol to make sure that the vic.gov.au email domain can only be used for legitimate sources. It is really important because it will prevent impersonation of Victorian government email communication by scammers, stop scams before they reach an inbox and provide assurance for Victorians that government emails come from a trusted

source. To ensure the safe, reliable delivery of government services, we have announced in this year's budget a further \$34.7 million to accelerate the cyber reform agenda over the next two years.

The cyber defence centre was an important expansion for the current Victorian government cyber incident response service. It allows us to scale our whole-of-Victorian-government threat, intelligence and incident response capabilities to deal with the rising tide of cybercrime affecting government. It is a 24-hour, seven-day-a-week service. It helps Victorian government departments and agencies respond to cyber incidents. It provides access to cyber for intelligence services, cyber incident investigation services, compromised identity and victim support services, and liaison with Victoria Police in the Australian Cyber Security Centre. We are continuing to do this by collaborating with national and interjurisdictional counterparts. We share intelligence and situational awareness. We coordinate cyber operations response. We align our support to those affected by cyber incidents.

Another key piece of work we have recently launched is the cybersecurity portal. It gives Victorian public service staff access to important cyber response, digital forensic and vulnerability scanning services. It supports them to prevent and respond to cyber incidents. The portal supports entities to elevate their cybersecurity maturity so they can better protect government systems and community data and ensure continuity of services for Victorians. Alongside our incident response efforts, we are also supporting departments and agencies to protect themselves and mitigate cyber threats. We are building further awareness and encouraging greater adoption of the Australian Signals Directorate's Essential Eight maturity model across government. This includes dedicated training and resources for staff and government board members to identify and respond to potential cyber risks, including education on making sure cybersecurity obligations are met. Essential Eight outlines a minimum set of preventative measures that organisations can implement. It includes measures like multifactor authentication and regular data back-ups. By implementing these baseline controls, organisations will help ensure government has the necessary safeguards in place to defend their systems, protect community data and thus support safe and reliable delivery of government services.

We are also strengthening Victoria's preparedness for cybersecurity emergencies and other significant cyber events to reduce potential impacts on the community. We know the financial, social and psychological cost of cybercrime on Victorian businesses and community members, and it is increasingly significant. We want Victorians to be aware of cyber risk and educated on cyberthreats so they can connect, engage and transact safely online. To create cyber-safe communities, we are working to reduce the risk of cyberthreats and consequences of cybercrime; we are partnering with and supporting Victoria Police to develop an enhanced cybercrime environment and horizon scanning to improve capability and to detect, investigate and deter cybercrime in Victoria; we are consulting with the Australian Cyber Security Centre and Victoria's cyber industry to establish a clear, trusted voice to advise the community on cyber risks and prevention strategies; and we are educating the community on how to recover from cyber incidents by providing important cyber safety information through our digital channels. We are also in the process of establishing a state purchase contract dedicated to cybersecurity. This will make it much easier for departments and agencies to leverage the best tools to protect their systems and to save them some time and money. It will have four streams: it will have end-point protection, vulnerability management, application control and third-party risk management.

Another key part of our cybersecurity response has been the cyber operation centres and their automated threat intelligence. We already have the foundations of a vibrant cybersecurity economy. Our state is home to many homegrown tech companies. We have got a strong cyber sector, with more than 150 businesses, and we are leading the way with a digital and cyber talent pipeline. To build on these foundations and ensure a sustainable cyber economy into the future, we are investing in an industry full of cyber professionals. By investing in that talent now we are producing talent for when we need it in the years to come, and we are collaborating with universities, TAFEs and education providers to create that pipeline.

This month we also announced our cyber defence centre internship program – so that is really exciting – where grads can support a future talent pipeline of cybersecurity professionals into the public service. They will get hands-on experience and guidance from cyber experts who are leading preparedness in response for whole of government. We are also increasing the digital literacy across the public service with networking opportunities and events to raise awareness and to upskill people on the types of things they need to be doing for cybersecurity. We have supported women and people who identified as non-binary to gain exposure to more digital and tech career pathways. We have got two public sector wide events held for public servants to try their hand at coding. If anyone is looking for a –

**Mathew HILAKARI:** Have you tried your hand at coding?

**Jo de MORTON:** I am not really good at it.

**Mathew HILAKARI:** That is okay, not everyone needs to be.

**Jo de MORTON:** Yes, but that is definitely the career of the future, certainly. We are partnering with industry to run short courses to support staff to develop their skills. We have had more than 700 people attend these, which is a really great upskilling in modern technologies.

**Mathew HILAKARI:** I am sure you speak to your colleagues interstate regularly about these matters; where do we fit in in terms of our preparedness versus other states?

**Jo de MORTON:** There is a benchmarking – the name is going to escape me. Yes, we will get back to you on what it is.

**Mathew HILAKARI:** That is okay.

**Jo de MORTON:** It benchmarks Australian jurisdictions into median benchmarks, but I just forget what they call it. I think we were the second state behind NSW in terms of maturity, so that is a really good result from all the effort that has been put in to date.

**Mathew HILAKARI:** Just on the cybersecurity portal, that might be too new to have any data on it, but are we seeing a good uptake in usage of that?

**Jo de MORTON:** Yes, we have got really strong support across government. I have not got the actual numbers here, but we have got really strong support of people participating. I think certainly one of the pleasing things for me was we asked government agencies to voluntarily report their cyber maturity in a self-assessment tool, which just helped them know the types of things that they should have in place if they need to be able to be cyber ready. We had – again, I have not got the exact numbers here – almost 100 more agencies participating than we thought we were going to have in a voluntary scheme. So I think people are really understanding the risks of cybersecurity, and they are understanding that it is important in –

**Mathew HILAKARI:** We have seen some of those problems with tech this week and in the last week or two.

**Jo de MORTON:** Yes, that is right. Risk management in government is quite mature and a lot of time is spent on it. I think what people are realising is that cyber risk is equally important as the other more traditional risks that they have had in their risk register, so they are really interested in learning what are the types of things they should have in place to mitigate against those risks.

**Mathew HILAKARI:** I am just going to take us to Service Victoria, a quick follow-up question on the Ballarat trial. What do you do if your phone is out of battery? Some of those are off to charge their batteries at the moment for these same problems. What do you actually do? You know, you get pulled over by the police, who do regular checks to check your licence – what do you do?

**Jo de MORTON:** Yes. There are two parts to that: one is out of battery and one is out of range. In the out-of-battery situation, showing your licence, unless you are on your Ls and your Ps – and that is not part of the initial rollout; we are having a look at those at the moment – it is not an offence to not carry your licence with you, and so police can still look you up using their in-vehicle systems. So I think you are okay with your out of battery scenario. The out-of-range one has a time stamp on your licence for the last time it was refreshed, and so people can ask you to re-refresh; in the event you are out of range, they can make a call as to the risk of whether or not that is important.

**Mathew HILAKARI:** And 6.6 million devices signed up to Services Victoria – I expect that, like mine, a lot of the uptake was during COVID.

**Jo de MORTON:** Yes.

**Mathew HILAKARI:** Are we seeing people start to re-engage with that platform again? It would have really trailed off of course, but are we starting to see an uptake in engagement?

**Jo de MORTON:** Yes, we have, and currently we have still got 2.6 million active app users. That is a significant proportion of the Victorian population.

**Mathew HILAKARI:** Okay. That is a big number, yes.

**Jo de MORTON:** And they are using it a lot. I think the latest numbers are at about 50,000 times a day, doing something in the app. One of the most popular things that we have had on there are the promotional tiles at the top of the app so when you open it up you can see what current things are there. I was looking for something just yesterday and I saw we can now get container deposit refunds; that was pretty interesting, so I clicked on that and had a look. That is what a lot of people are doing: they are hopping in there to do something, but they are finding that there is quite a lot of relevant information. So that has turned out to be one of the most used features, surprising even us – we thought we were just helping with a bit of navigation, but people have really engaged with that.

**Mathew HILAKARI:** I did actually just re-sign up to it today, so you have got 2.21 – you know, 0001 users. So I am back on there just to have a look at a few things.

**Jo de MORTON:** Well done. I hope you gave it a thumbs up.

**Mathew HILAKARI:** I did. I had forgotten my password, and it came through very quickly, so no complaints, for sure. We talked about some of the real estate issues that we have – are those reporting issues available on the app, or is that considered as part of a future tranche? How does the reporting of some of those really simple things in to government work through the app?

**Jo de MORTON:** That is exactly one of the goals around the new department, as we have inherited a lot of functions – as I said, more than 30 different functions coming in. We are prioritising the backlog now of which ones to work on, so definitely a stronger partnership with consumer affairs will be there, definitely.

**Mathew HILAKARI:** You have heard a shout-out from me then, so there you go.

**Jo de MORTON:** But I think you heard me say earlier we have started with births, deaths and marriages. We already had an existing partnership with the worker screening unit, and that –

**The CHAIR:** Thank you, Mr Hilakari. We will go straight to Ms Sandell.

**Ellen SANDELL:** Thank you so much. Good afternoon, everybody. I asked the Department of Treasury and Finance about two contracts with PwC that have significant potential for conflict of interest. You might have seen those questions. They referred them to you, given that now you cover government procurement policies. So I want to ask: since we have seen some pretty widely publicised instances of PwC misusing government information for the benefit of their clients, breaching the assurances that they have given to governments, has there been any update to the procurement practices – so rules or penalties, for example – when it comes to consultants?

**Jo de MORTON:** I am going to pass to my colleague Deputy Secretary Porthouse here to talk about the work that her team has been leading in exactly that space.

**Gayle PORTHOUSE:** Thanks for the question. Yes, there is. There is a supplier code of conduct, which outlines very clearly to suppliers what their responsibilities are and protects the state of Victoria from any such actions that we have seen recently. Importantly, linked to that are the contractual arrangements with the supplier. So we have strengthened the supplier code of conduct, but importantly it is around the conversations we have or discussions we have in striking those contracts which will really put some meat on the bones of what there has been in the past. So we are working on looking at potential penalties and looking at being able to act more quickly, when there is an issue that arises similar to the PwC one recently, around whether or not we could suspend providers or whatever in the meantime while we are looking into and doing our due diligence on whatever the allegations may be. There is a lot that is going in that space. It is very close to completion. It needs to be agreed by government that the arrangements we make can stand up from a contractual and legal perspective – but yes, very much.

**Ellen SANDELL:** Do you know how long we are expecting – like, by the end of the year, or next year?

**Gayle PORTHOUSE:** It is imminent, so I would say in a couple of months. But it just depends how slowly the cogs move. We are actually looking very closely at what is happening in the Commonwealth, because obviously particularly to the PwC issue they are running the overarching investigations and reviews into that matter, so watching what they are doing and watching what other jurisdictions are doing I think you will see there are some pretty basic changes that are made right across the board.

**Ellen SANDELL:** Thank you. I referred to two contracts in the two financial years that this inquiry is looking into. One was around regulatory reform, and one was around tax reform – two areas where there is I would say very clearly the potential for a conflict, given that those reforms are likely to benefit clients that the consultants probably do have. The department said, ‘We sought verbal assurances that no misuse of information occurred.’ Are you looking back at those contracts, or is your work only going forward, to determine whether those verbal assurances actually were strong enough?

**Gayle PORTHOUSE:** The changes that I was referring to will be looking forward, so what we can do from now, and we have not been looking at going backward.

**Ellen SANDELL:** Is there anything that could be done?

**Jo de MORTON:** Maybe just talk about all the work you have done on assurances.

**Gayle PORTHOUSE:** There is a heap of due diligence that is going on at the moment specific to that particular case and seeking the assurances of PwC, who are handing over obviously to Scyne. They sold the arm of their business for dealing with government to Scyne, so there is a major amount of work that is going on in terms of seeking the assurances from Scyne and also watching assurances that are happening, as I said, in other jurisdictions, like the Commonwealth, where they are saying that they believe there is good governance, there are good processes in place and they can operate according to the requirements we have both from an ethical standards perspective but also just in making sure they meet the compliance aspects of any contractual arrangement.

**Ellen SANDELL:** Thank you very much. I would like to ask about the rent increase review. Mr O’Brien was asking about the 5448 rent increase reviews. You mentioned that the role here of this department is to provide reports that then could potentially be used in VCAT, so can you provide any indication or data on how many of those reports actually indicated that the rent increase was excessive?

**Nicole RICH:** That is a really good question. I wish I could, and we will be able to next year. I just cannot for the year that has been. The reason for that is, to be honest, Ms Sandell, it was a smaller part of our service suite until we came out of COVID. It is a historical statutory service that has been around since before the current version of the legislation, and it has never been –

**Ellen SANDELL:** As big as it is now?

**Nicole RICH:** as big as it is now. It has always been a safety valve for really egregious conduct by a landlord against a renter. It has never been a mechanism that is being used because the market is doing something unusual. Obviously during COVID the service dropped even further because we had a rent increase freeze and an eviction moratorium, then when we came out of COVID and with the challenges in the market we have seen an exponential growth in the service. So we have really had to prioritise a lot of effort around this service, and there have been a number of things that Consumer Affairs Victoria has done in the last year. It has been one of our really key priorities in the year that has just been, because we recognise how important it is as a service for renters, who are really facing a lot of challenges in the market. One of the number of improvements that we have made is that we are now collecting much better data about what is going on.

**Ellen SANDELL:** Are you expecting it in quarter 1, or do you know when you might be able to provide it?

**Nicole RICH:** That is a good question. I am always a bit nervous about partial data, because what is a closed case if people come back and forth, so I prefer to close off reports and then provide reporting. But ask me again next year and we will certainly be able to provide a better indication of that. One thing that does not answer the question in terms of numbers but is important to note is that to the extent that we make an assessment about

whether we think the rent is excessive or not we are very much not only guided but in fact directed by the statutory criteria under the legislation, which you might be aware of. But we have had it confirmed that we must take into account all of those criteria and we cannot take into account any criteria that are not listed in the legislation.

**Ellen SANDELL:** Are you finding that that is hamstringing your ability to indicate that something is excessive? Do you feel like they need to change?

**Nicole RICH:** It guides the way in which we conduct the rent increases, is what I would say. But it is important to note that it reflects the origins of the legislation, so again it does not necessarily address what happens when the whole market is moving as opposed to assessing whether an individual property has particular conditions or a rent level.

**Ellen SANDELL:** Understood. Okay. Thank you. Perhaps a question for the Secretary, if I may. A question that I took up with the department of treasury as well is that we have seen quite a number of government services be privatised or following a lease model, as they call it. Has any preparatory work been done for the sale or lease of or private sector involvement in Service Victoria?

**Jo de MORTON:** Service Victoria has been growing – I mean, it is tiny – from its origins as a startup. The work we have been doing is really concentrating on getting more services onto it, and that has been the focus for Service Victoria. For the time being we are really using the MOG in the new department to really get it at a size and a scale that it can deliver more services and help more people. That is really the focus. Then probably the next step would be to say, ‘Should it be operating in a more commercial fashion inside of government ownership?’ I think certainly there is room to be thinking about user charging for the internal government businesses that operate their services on it, but it does not have any of those structures or mechanisms in place at the moment. It is very early days, and there is a long way for Service Victoria to go.

**Ellen SANDELL:** I guess the community will be wondering what kinds of services that are currently provided by government might be up for lease or privatisation or private sector involvement next. I am wondering: has any preparatory work been done on any of the services that exist under your department to go down that path, similar to the land titles office?

**Jo de MORTON:** Yes, I think again, there is so much more that would need to be done to Service Victoria, that the focus really is on creating a good, solid foundation for that organisation to get it on a sustainable footing and to get it operating like a mature, scaled business, whereas at the moment it is still coming out of its startup period. It is only just operating as a scaled enterprise.

**Ellen SANDELL:** I guess we have seen it with VicRoads licensing and registration. We have seen some of the issues, for example, with births, deaths and marriages and other elements of government services. I am wondering if your department has done any preparatory work for private sector involvement in some of those other functions.

**Jo de MORTON:** Again, the focus for our department – and it is very new, as you know – is trying to consolidate and get them onto the Service Victoria platform, and we have got our work cut out for us to achieve that. Right at the moment that is our priority.

**Ellen SANDELL:** On a different topic, I would like to talk about prices. Obviously, we have seen inflation have a huge impact on Victorians over the last little while. Has consumer affairs looked at any tools that you have to prevent unfair price hikes with things like groceries and price gouging by supermarkets. I mean, we have seen supermarkets make huge record profits while increasing prices above inflation.

**Jo de MORTON:** Yes. It is a great question. Again, given the regulator is here, I will let Nicole speak to that.

**Nicole RICH:** Sure. Thanks, Secretary. Look, it is a good question. I mean, I guess you probably will not be surprised by my answer that as the regulator we do not regulate prices per se under consumer protection laws in Victoria.

**Ellen SANDELL:** You could. I think the government has the power. I understand you do not currently have the power.

**Nicole RICH:** I guess the Parliament has the power to pass laws around a range of topics obviously. The Australian consumer law, which we administer in Victoria, does regulate things like pricing information and also things like misleading and deceptive conduct, which are really important in regulating fair pricing, and there are some really specific obligations around pricing disclosure. Everyone will laugh at me, but I am Victoria's biggest fan of unit pricing, so –

**Ellen SANDELL:** Sorry, I am running out of time. I appreciate all of that work.

**Nicole RICH:** But that is a really important consumer tool, and I encourage every Victorian to use unit pricing in grocery shopping.

**Ellen SANDELL:** I appreciate that. I might just move on. I am sorry, it is just in terms of my timing. Historically, the department of consumer affairs did have the explicit aim of deterring excessive prices. That was in annual reports from the 90s. Has the department looked at undertaking those activities again?

**John BATHO:** I can probably defer to Nicole. I know as the regulator they have set their strategic priorities for the coming year, so I suppose we can talk about some of your priorities.

**Nicole RICH:** Sure, I am happy to talk about regulatory priorities, but, Ms Sandell, it probably will not really go to your answer. We do not have those powers currently, so we do not do any sort of price control. But we do take seriously any kind of misinformation – and just to note also that it is a clear breach of the Australian Consumer Law to mislead people about the reasons for a price increase as well, so I mean –

**Ellen SANDELL:** So has any enforcement action been taken, for example, on supermarkets who are clearly raising prices above inflation and costs?

**Nicole RICH:** Well, you can raise prices; there is nothing that says you cannot raise your prices in Victoria. But if you tell people that you are raising them because, I do not know, there is a government tax or because of inflation –

**Ellen SANDELL:** Has any enforcement action been taken on common items?

**Nicole RICH:** Not in the period of time that is covered by these hearings.

**Ellen SANDELL:** Thank you.

**The CHAIR:** Thank you, Ms Sandell. I am going to go to Ms Kathage.

**Lauren KATHAGE:** Thank you, Chair, Secretary and officials. I want to talk about the Connecting Victoria program. We have had the recent Optus outage, which has shown us how vital and important it is for us to have a resilient network, so I want to ask about an update on the rollout: your questionnaire says you have recently had an evaluation of the program, so I am keen to hear a bit about what has been learned that you can apply to the remainder of the program.

**Jo de MORTON:** Thanks for your question. You are right to call it out; it is such a key element of customer-facing services and it is really vitally important for people around the state to have that connectivity. This is a program that is really important to us. It has come across into the department in recognition of that importance to government service delivery and to inclusiveness for Victorians. By 2026 – I think you have alluded to how the rollout is going – there will be 1400 projects across Victoria, and that is mobile and broadband upgrades. What that means is that every regional and peri-urban local government area in Victoria will receive a project either directly or benefit from proximity to one going on in a neighbouring area. That means Victorians living in growing suburbs will have access to better mobile coverage and will go about their day to day without worrying about falling into a black spot and their signal dropping out.

The chosen projects are informed by 11,000 reports of local connectivity issues as part of an extensive public engagement process. The types of projects range from removing mobile black spots and building new base stations to accelerating upgrades. It also has a number of projects to improve broadband connection. They

include fibre zone upgrades, existing fibre and extending fixed wireless coverage. So the Ararat free public wi-fi network, launched in October 2022, joins the existing public wi-fi projects: there are some in Ballarat, Bendigo, Geelong, Latrobe, Melbourne CBD and Shepparton. Access to these digital services and digital inclusion is important for us, and I think then continuing to hear that input and feedback from Victorians about where their connectivity needs are will be a rolling feature of where the program goes.

**Lauren KATHAGE:** So are there any findings from the recent evaluation that can inform future rollout?

**Jo de MORTON:** Well, they were the ones around where the local connectivity issues were and the public engagement process to inform where the investment went next.

**Lauren KATHAGE:** Okay, right. So not so much the program itself but where the need is.

**Jo de MORTON:** Where the need is, yes.

**Lauren KATHAGE:** Sure. I am interested in that in terms of to what extent the department works with the telecommunications firms to prioritise projects. Are there principles upon which you prioritise? Does the department have a role, or is it purely left to the telecommunications companies to choose which project goes first? Or is it shovel readiness, et cetera?

**Jo de MORTON:** I will hand to my colleague Mr Batho in a minute to talk about the specific criteria, but certainly the telecommunications providers have their own suggestions of projects that they would like to put forward, and the Commonwealth runs grant rounds where people can put forward projects into that. We will have our own ideas based on the process that I talked about before around community involvement about where those priority needs are, but also we will take the input from those telecommunication providers around the types of projects they are looking to progress, and then we assess them –

**John BATHO:** Yes.

**Jo de MORTON:** and if you can elaborate on how we assess them –

**Lauren KATHAGE:** Sorry, I mean more about prioritisation of the projects within the program, so which ones are happening first.

**John BATHO:** Yes. Thank you, Secretary. I am happy to answer that question. The Secretary was mentioning there are two key inputs. One is about what the telecommunications providers are able to provide and what they want to invest in, and then we would map that against where the black spots are and where the community need is. Then what our project team does is work really closely with the telecommunications providers to develop up a forward schedule of work over the coming years. That is based on a number of criteria, including provider readiness but then also where the greatest need is. I am happy to provide further information around how each of those criteria are weighed up and how that has been set into a forward program of work.

**Lauren KATHAGE:** And to what extent are you working with local government? Because I understand local government planning approvals et cetera can be one of the key determinants of how long it takes to get a tower up. Has local government had a role? Are they regularly briefed on the program? Are there ways that we can streamline that?

**John BATHO:** Our project team within DGS provides a concierge and facilitation-type role as well in working across local government to ensure the necessary approvals are obtained, and as part of that process there is engagement with local government. Dr Phillips, I am not sure if you wanted to add anything further on local government engagement programs.

**Emily PHILLIPS:** Yes, I am happy to. As part of setting the priorities for the current round of Connecting Victoria, councils were engaged locally. I think your team, John, went around and met regionally with groupings of councils to talk about priorities. I think they are in the process of going back and confirming the decisions regarding where infrastructure is going to be sited.

**Lauren KATHAGE:** It is quite interesting, isn't it? Basically all levels of government are involved. It is traditionally a federal government issue, but we have stepped up to the plate I guess, like we have in many other

areas in our state. The focus on growing areas from myself and my colleague here – this delivery of improved amenity and quality of life for people who are living in the growth areas is a key plank of the housing statement that was released by the government recently. Are there other ways that you see lessons you learned in 2021–22 and 2022–23 that might inform other ways that your department could support fulfilment of improved amenity for people in growth areas?

**Jo de MORTON:** Amenity generally or amenity digital connectivity wise?

**Lauren KATHAGE:** Generally – other services that you provide that you can see a role for yourself in improving livability for people.

**Jo de MORTON:** Do you want to talk about the local government aspects of that? I think a lot of it is indirect around the way that we provide the frameworks for the assessment of what is going on locally in those local government areas. We have got the performance framework and the community satisfaction focus – if you want to elaborate.

**Emily PHILLIPS:** At the broadest level what we do in the local government portfolio and under the *Local Government Act* is we ensure good governance in councils. That really goes to ensuring that they are engaging in planning with their communities and engaging their communities in the decisions they are making about their services and about the investments they are making in things like local infrastructure and the amenity of their local area. So you are absolutely right – those are some of the really key processes by which that tier of government engages with communities around amenity.

**Lauren KATHAGE:** Staying on local government services, libraries are a really beloved program delivered by local government. Looking at budget paper 3 of 2022–23, it talks about the performance measure for metro and regional libraries being visitor numbers. We are just curious if support provided to public library networks in Victoria is contingent on them meeting targets of visitor numbers.

**Jo de MORTON:** Thank you. The department administers the funding for the libraries through the public library funding program. That annual funding across regional libraries – Myli, My Community Library; Your Library; Vision Australia; all of those different ones that provide the library services – contributes to their purchase of collections, information technology, library outreach and all the other really great services that local libraries provide. Visitation is just one of the ways that people engage with their local libraries. That is why we make sure that the funding is provided to libraries based on a formula that takes into account consideration of the population, the age profile, the languages, the socio-economic characteristics, the population dispersion and the remoteness of the local area. Lots of factors go into that, so the performance measure based on visitation and attendance is not linked to that funding formula provided to public libraries, given they fulfil so many other aspects in that local community.

**Lauren KATHAGE:** Does government have a detailed understanding of what all those other uses are? If I think about my local library, of course we have got baby reading, toddler reading, photocopying and printing. From personal experience I know it was a great place to breastfeed. There are so many different ways that libraries are used by communities. Does government have a full picture of what they are?

**Jo de MORTON:** Yes, and I think, just to add to the ones that you mentioned, the one that was most important in the early days of bringing together a department with a focus on digital transformation was of course a lot of people go there to access wi-fi. If they are financially disadvantaged, it is a place that they can get online. The really important one dear to my heart was the program we had for seniors to help them with digital literacy, so there are many seniors who – I take my dad, for example. He has got time and he really wants to learn how to get online, but he is nervous. He is scared he is going to press the wrong button and something is going to go wrong, so those programs where he can go and he can get help locally and people can just give him confidence to give things a go and navigate his way around – I mean, those examples and the ones you gave, there are so many important things that libraries provide, and that diversity of services is driven by location and the population demographics in these areas, so not only can they provide those things but they are also responsive to the local needs in the area and flexible to those needs.

Back to your first question, a budget paper performance measure that we have inherited that is based on in-person visitation I think does not then measure the full range of benefits that libraries provide to their community. Certainly it is one of the things that I am keen to do, to work with councils and the library sector to

work out what is a more appropriate performance measure for libraries to reflect the scope, benefits and effectiveness of the services they deliver. Hopefully at some stage when we bring back a note to this committee around changed performance measures you will look upon that favourably.

**Lauren KATHAGE:** Thank you. And perhaps conferring with your colleagues around the support they provide as service providers with prevention of gambling and isolation at night-time with libraries after dark I think it is really important, so we are looking forward to seeing updated performance measures for libraries coming back to us.

I think I am pretty much – no, still going. With the distance between libraries, you mentioned some of the factors that are used for determining the population, age profile et cetera. I think something that is important for government to consider is the distance to the next library. A bit closer to town there are lots of options for people which library they go to, but for those of us who live in the outer, outer suburbs, there is quite a long distance between libraries, so they become even more important as the sole provider.

**The CHAIR:** I could not agree more. Thank you, Ms Kathage. That brings us to the end of today's session this afternoon. Secretary and officials, thank you very much for taking the time and appearing before the committee today. 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 now going to take a short break before beginning its consideration of Court Services Victoria at 3:45 pm.

**Witnesses withdrew.**