

TRANSCRIPTS

STANDING COMMITTEE ON LEGAL AND SOCIAL ISSUES

Subcommittee

Inquiry into machinery of government changes

Melbourne — 21 July 2015

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**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — I welcome Mr Chris Eccles, the Secretary of the Department of Premier and Cabinet. Thank you for making yourself available this afternoon.

I caution that all evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and further subject to the provisions of the Legislative Council standing orders. Therefore the information you give today is protected by law. However, any comment repeated outside this hearing may not be so protected. All evidence is being recorded. You will be provided with proof versions of the transcript in the next couple of days.

We have allowed 45 minutes for this session. I invite you to make a brief introductory statement, and thereafter my colleagues and I will have questions for you. I invite you, Mr Eccles, to make some comments.

Mr ECCLES — Thank you very much for the opportunity to appear before you today. My comments are probably going to fall into two categories, one being a bit of an overview of the MOG process, particularly important because of the central role played by DPC in that process, and then probably spend a little bit of time on the changes relevant to DPC. I suspect that is somewhere you will take me through the course of the 45 minutes. It is fair to say, leaping to the conclusion, that we have a first minister's department that is unlike first minister's departments in other parts of Australia and in particular in parts of Australia where I have led the Premier's department in terms of the breadth and depth of its functions and policy responsibilities. I suspect that might be something that we touch upon later in the inquiry.

Turning to the first part, which is the implementation process, DPC has a central oversight and coordination role in implementing MOG changes. It partly goes to the role we play in supporting the Premier, who gives effect to MOG changes by transferring functions and staff using a section 30 declaration under the Public Administration Act. It is my considered view that the implementation process of the MOG changes following the November 2014 election was effective and efficient, and I would even go so far as to say, having been involved in machinery of government changes in other places at other times, that it was remarkable in its efficiency and its effectiveness. They were announced on 4 December 2014 and the departments had their structures in place by the time they commenced on 1 January.

I think the effectiveness of the process can largely be attributed to the collaboration of departments and a collective emphasis on the importance of meeting some very tight time lines. By way of process, DPC convened a whole-of-government interdepartmental committee to manage the implementation processes. We also worked bilaterally to determine what each department needed with respect to resourcing and budgets to successfully transfer each function. Significantly, all matters were resolved without escalation beyond the IDC, so there is a process for there being, if you like, an appeal to other parts of government in the event of there being disagreement, but that was not required on this particular occasion.

That, if you like, is the implementation process. Then to the changes relevant to my department. Just to preface it by reference to our core purpose and to remind the committee of DPC's core purpose: setting clear expectations, driving the government's objectives, providing what I call a unifying intelligence within the Victorian government and pursuing excellence in whole-of-government outcomes in delivery and reform. The functions that were transferred into DPC as part of the 1 January MOG changes align with those particular objectives.

The first was establishing the prevention of family violence function in DPC, which enabled the quick formation of the royal commission and provides access to our whole-of-government coordination processes to enable the effective functioning of the preparation for and conduct of the commission.

We also had the Office for Women being transferred to DPC from the former Office for Youth, Disability and Women's Affairs in DHS. Again the objective being to bring a whole-of-government approach to the implementation of a number of the government's commitments in the portfolio, the most public and prominent of which would be the commitment that 50 per cent of all future appointments to paid government boards and Victorian courts will be women.

We established the equality function in DPC, again enabling a coordinated, whole-of-government approach to assisting the government to implement their agenda, including the most recent appointment of the gender and sexuality commissioner.

DPC supported both the Premier and the Special Minister of State on the creation of Infrastructure Victoria, the bill for which is in the Parliament presently. This provides the Premier and Special Minister of State with direct oversight as the new entity is being established.

The government has committed to a number of accountability and integrity related reforms — the establishment of the Office of the Public Access Commissioner, reform of the Independent Broad-based Anti-corruption Commission and transferring wholesale the integrity and accountability functions into DPC aligns with these government objectives and again brings a whole-of-government focus to implementing what is a substantial range of reforms, whether with IBAC, whether with the Auditor-General, whether with the Ombudsman.

Public sector ICT and Digital Government were transferred into DPC to assist the Special Minister of State to reform information-sharing arrangements between public sector entities and establish the necessary data capabilities across government to enable better integrated and targeted service delivery and policy development, and to strengthen the integrity of the government's management of ICT projects and provide whole-of-government leadership on the adoption of digital technologies to enable a more flexible, accountable and connected public sector.

The Special Minister of State also has carriage of the establishment of Service Victoria. Service Victoria is planned to be the public face of the most common government-to-citizen interactions. It will start the process of modernising the delivery of the highest volume government transactions in order to improve the quality and ease of interactions between the government and citizens. The 2015–16 budget invested \$15 million for the Department of Premier and Cabinet to begin the planning phase of this project to make it easier for citizens to complete the most common government transactions. It is all about removing red tape and designing information so it is simpler for people to use and faster and easier to access government services. It is very early days. They have established the office out in Footscray, but the model looks like it is going to be creating a single digital shopfront by building a common platform for online transactions.

With all of the ons, there is one substantive off, and that is Arts Victoria being transferred out of DPC and into DEDJTR, which aligns with what no doubt Richard Bolt confirmed as the objective of co-locating the drivers of economic development with industry.

Chair, probably to end where I began, we do have an uncommonly broad set of functions and areas of policy responsibility within DPC. But, nonetheless, all of them are entirely relevant to our vision and objectives as the first minister's department.

The CHAIR — Thank you, Mr Eccles.

Mr RICH-PHILLIPS — Mr Eccles, thank you for your statement and the material provided from your office last night. You spoke in your opening comments about the mechanism used in machinery of government changes, and indeed the mechanics of some of the changes in the Department of Premier and Cabinet. What I am interested in, firstly, as the architect of the machinery of government changes across government, what was the rationale for the whole-of-government structural changes that were made at the beginning of December?

Mr ECCLES — I think you do me too much credit in describing me as the architect of the machinery of government changes. In fact I am simply a servant of the implementation of the machinery of government changes that were determined by the Premier as the first minister. I think there is a comprehensive account given in the written statement as to, if you like, the meta rationale in relation to some of the signature or most prominent machinery of government changes, namely, the consolidation of the departments of Health and Human Services — I will not go into the description of paragraph 30 — and similarly the creation of DEDJTR, which again, as it says, is bringing together many of the key leaders and functions that drive economic development and job creation. Again I will not take the committee back through what is described there. But I think if you were to reflect upon the fact that we moved from nine departments to seven and they were the two portfolios that were most impacted, that the rationale is best described there.

For myself and my portfolio, I think the single largest change comes with the formation of a portfolio responsible to the Special Minister of State. You are familiar with the accretion of a whole series of functions that go with Minister Jennings's portfolio, so public sector reform, public sector ICT, the integrity and watchdog agencies, his responsibility for monitoring the performance more generally of government. Between the two large-scale consolidations and the introduction of this unique portfolio related to the Special Minister of

State, I think they are probably the highlights. I should not leave the highlights without reference also to the portfolio related to the prevention of family violence, because that is a signature initiative of the government and we have the privilege within DPC to service Minister Richardson.

Mr RICH-PHILLIPS — Can I ask you for a bit more clarification around the creation of the department of economic development et cetera, the rationale for bringing together what are some quite disparate functions of government — transport, industry et cetera — the rationale that put those together in the way they have been. Are you able to elaborate beyond what is in the submission that came in last night?

Mr ECCLES — If I was to elaborate, I would probably do a disservice to the rationale that I am sure Secretary Bolt elaborated upon in some detail. What I can add is that the Premier has a very clear interest in driving economic development and jobs creation in the state. We have a responsibility within DPC to further that objective in that it is the Premier's Jobs and Investment Panel. The secretariat function for that panel resides within DPC. I chair the economic policy IDC on behalf of all of government, around which table all secretaries are represented. The fact of there being this responsibility vested in Richard Bolt's department does not mean that the Premier has vacated the space. In fact he occupies the space very prominently and my department and myself have a core role in driving the economic development and jobs creation agenda, and in particular servicing the jobs and investment panel.

One extra piece probably is we have within the portfolio the responsibility for incubating the development of Infrastructure Victoria, a similar role I must say to that I had in New South Wales where Infrastructure New South Wales was incubated within the Premier's department. So there are parts of the economic development and jobs creation agenda that require a whole-of-government coordination, and we have responsibility within DPC to further that.

Mr RICH-PHILLIPS — Does incubation of IV suggest an intention to spin it off? I know it is independent, but put it under other stewardship elsewhere in government?

Mr ECCLES — The government has no intention of doing so. The responsibility resides with the Premier and the Special Minister of State. Incubation was probably a term that reflects its current state of development rather than a term that implies at some point it is going to be spun off.

Mr RICH-PHILLIPS — Thank you. Can I just ask while I think of it, are you able to provide the committee with a copy of the section 30 declaration?

Mr ECCLES — I anticipated that request, and I am able to provide you with some further advice around that, and within that advice I can explain what I can and cannot provide at the minute.

The section 30 declaration transferred the staff between the relevant departments to support the transfer of functions between those departments. There was one other declaration made, under section 29 of the act, which was to transfer Dean Yates as a secretary to DPC, which the Premier chose to execute because he deemed it in the public interest for Mr Yates to be within DPC. No other declarations were made by the Premier or ministers to transfer staff or work units between departments. I take it that you have now requested the Premier's declaration.

Mr RICH-PHILLIPS — Yes.

Mr ECCLES — I am advised that we will need to assess it to confirm — that is, my department will need to assess it to confirm — that it is appropriate to release the declaration, having regard to potential claims of privilege and to redact to remove individuals' names for privacy reasons. I took the opportunity before attending the committee to personally review the declaration, and it is a document of some substance and does indeed identify individual public servants.

Mr RICH-PHILLIPS — I am familiar with previous section 30 declarations, and I can, Mr Chairman, indicate on behalf of the committee that we would not be seeking the names of individuals named in the document.

Mr ECCLES — Thank you.

Mr MULINO — Thank you very much, Mr Eccles, for your attendance today. Thank you also for your additional comments around the rationale for some of the major changes within the machinery of government changes that we have been discussing today. I have a high-level question of a contextual nature. Without revisiting each of the rationales for why certain departments look the way they do — and I think you have talked about certain broad themes, like trying to align certain policy area developments and synergies and trying to change the relationship between certain parts of departments — I simply wanted to ask: is it fair to say that if some of these MOG changes achieve better delivery of outcomes by departments, it is possible that we could see much greater gains for the government and also for the broader community than the costs?

Mr ECCLES — You would certainly hope that not only the motivation but the execution of machinery of government changes was able to deliver on that objective and that the costs, specific as they are — and the direct costs have been identified — the perhaps less direct costs that come with enhanced customer experience, enhanced service delivery, greater prominence given to addressing entrenched disadvantage, further focus on reinventing the Victorian economy and creating wealth and jobs would, in its own way over time, have a substantial value.

I know within my own department that the restructure that I commissioned was entirely directed to furthering the big themes that the government is embarking on. Just the names of the groups perhaps give you some indication of how I have assessed the agenda of the government as a whole and how I have aligned my department to support that; one group being economic policy and state productivity; one group being social policy and service delivery reform; and one being governance policy and coordination. A very different model to the structure of a Premier's department in the past and entirely motivated by aligning the intellectual heft of DPC with the overall directions of the government and the priorities of the Premier. A very long way of saying yes.

Mr MULINO — Thank you. In relation to a couple of the larger MOG changes that affect your department — I will not go through all of them — one we have already touched on is Infrastructure Victoria.

Mr ECCLES — Yes.

Mr MULINO — You mentioned that you have been involved with a similar organisation in New South Wales. Do you think it is a sensible way to structure IV to have it reporting to a central agency so that it can provide a line of advice that is independent of the department that may be making decisions on actual projects?

Mr ECCLES — Indeed. Perhaps it would appear to — at least in my experience — be a sort of bipartisan initiative in that it was in New South Wales very much driven by the then Premier O'Farrell. The motivation is similar: that if you are located within the Premier's department, you are therefore independent of the infrastructure spending departments. You are separate from the Treasury, which might be another portfolio where there would be a logic to locate it. By having it within the Premier's department, no. 1, it gives expression to the significance it has in the mind of the Premier; and no. 2, it can act as a — I am trying to think of a diplomatic word — centrepiece between the competing interests of a Treasury department and an infrastructure spending department and to take into account both sets of considerations in coming to a balanced view about your infrastructure investment.

Mr MULINO — Thanks. The last one at the moment is another of what you described as a signature policy area, the family violence prevention royal commission. Again it seems to be a topic well suited to being placed in the Premier's department in that there will be a number of potentially very complicated policy recommendations arising from it which will have whole-of-government consequences and which may require different departments to coordinate in order to implement them effectively. Again that seems like something which is well suited to being moved into Premier's for that reason and also for the prominence that it gives it, given the topicality of the issue.

Mr ECCLES — I think that is exactly right. The location of the responsibility for the prevention of family violence reflects the fact that the Premier has declared it to be a national emergency, the fact that he has established Australia's first royal commission into the subject, and therefore it warrants location within the Premier's department. But to your point, it touches upon so many areas of public policy and service delivery that to have a unifying intelligence around its conduct, but more importantly where it might lead by way of recommendations, supports the logic for it being located within the Premier's department.

Mrs PEULICH — Perhaps I might just start off with that particular point, if I may just continue. Thank you very much for your presentation. Given that you have already spoken about the family violence, are you able to inform us whether indeed you have offered advice in relation to the terms of reference for the family violence royal commission?

Mr ECCLES — Personally, no. I would imagine that the department would have assisted the Premier in formulating his position and the minister's position on the terms of reference for the inquiry. The precise nature of that contribution is something that I am very happy to come back to you on.

Mrs PEULICH — Noting of course that investigation of the causes has been excluded from that royal commission. Thank you. In relation to the decision to move the inspectorate of local government into the integrity regimes depot, would you still expect the Office of Local Government to take some lower level role of advising about complaints, perhaps helping to resolve complaints at an early level, because often councillors or members of the community will phone up the Office of Local Government and say, 'Look, this is happening. I don't know what should happen, whether this is in breach of the rules or whatever'. In the past there has been a degree of dissatisfaction with the inspectorate, but in moving that would you still expect the department to take some level of responsibility towards the resolution of complaints at an early stage?

Mr ECCLES — You have taken me out of my area of expertise, but to respond to your logic with my logic, I think there is a logic in not absolving the Office of Local Government from responsibility for dealing with all matters with probity and good governance at the local government level, and the formation of the inspectorate certainly would not have been contemplated with a view to absolving it from that responsibility.

Mrs PEULICH — So as part of your role overseeing the department, and obviously the person in charge of the integrity regimes depot, I would imagine that you will be developing some protocols for interface between the Office of Local Government and the inspectorate.

Mr ECCLES — The Office of Local Government remains within Secretary Fennessy's portfolio.

Mrs PEULICH — I understand.

Mr ECCLES — Again, I know that the reform of the integrity regime is under active consideration by the Special Minister of State. I am not familiar enough with the detail of that reform agenda within, as you described it, the depot to be able to confidently assert yes or no, but again it is probably something where I can be of more use to you by way of a written response rather than continuing.

Mrs PEULICH — That would be useful. I think theoretically you are saying it makes sense.

Mr ECCLES — It does. There is a policy logic to what you say.

Mrs PEULICH — With the local government council elections next year, I would imagine it is a topic that you may well need to become expert in very quickly. Next, in relation to OMAC — Office of Multicultural Affairs and Citizenship — your Department of Premier and Cabinet supports that role and in particular the reforms that have recently been announced in relation to the responsibilities of OMAC and the Victorian Multicultural Affairs Commission, including the establishment of the social cohesion and resilience fund, \$25 million. A task force has been established, made up of ministers. Is your department supporting those processes?

Mr ECCLES — It is in a couple of respects. In the first, as you correctly identify, Minister Scott as Minister for Multicultural Affairs is taking a leadership role in the development of programs to deal with issues of countering violent extremism. As minister he is taking a leading position. I have, however — and it is not part of the office of multicultural affairs but it is in fact located in that building — formed, with the Premier's agreement, a position of chief resilience officer. That is a new position within the state — and I think it is probably fair to say a new position generally in the public service around the country — where, with a small coopted group of support staff from Victoria Police, multicultural affairs and the education department under the leadership of Mark Duckworth, who is the chief resilience officer, it has a particular focus on supporting the task force and in particular supporting the task force through the development of programs which will enable Victoria to continue its leadership position in promoting community harmony, cultural coherence, social

cohesion and resilience. You have come across the intersection between resilience and multicultural affairs, both within DPC, co-located but slightly different focuses.

Mrs PEULICH — So your oversight?

Mr ECCLES — Yes indeed.

Mrs PEULICH — Just a follow-up question if I may. When you speak about taking a leadership position and protecting Victoria's leadership position, that implies short-term, medium-term and long-term responses. That strategy is being developed by whom?

Mr ECCLES — By us.

Mrs PEULICH — By DPC?

Mr ECCLES — By DPC indeed. Just to show how topical this discussion is, on Thursday at the Council of Australian Governments one of the three items on the agenda will be counterterrorism and countering violent extremism, so it is a national agenda where the Prime Minister is exercising a national leadership role, and Victoria is able to make its contribution through the proven fact of it having progressive sensibilities and a deep history of community engagement and cohesion. Not to say that we should rest on our laurels in that respect. Every day — —

Mrs PEULICH — Is a challenge.

Mr ECCLES — Indeed. Every day is a challenge, but I think Victoria is as well positioned as any jurisdiction to continue its leadership position.

Mrs PEULICH — I think the short-term goals would constitute a part of that response, and I have not seen any coming out of the \$25 million. One of those could be, for example, funding organisations that are currently grossly underfunded to remove inappropriate material from the internet, that incites racial violence and recruitment of young people or vulnerable people to radical causes. They are screaming out for funds. We are talking leadership short term, medium term and long term.

Mr ECCLES — I would be delighted to draw Mr Duckworth's attention to this transcript.

Mrs PEULICH — Thank you.

Mr MELHEM — Just one question. It is six months since the implementation of the machinery of government changes, so can you give me your thoughts on how it went and obviously what you encountered along the way? Are you happy six months on? I can see you have consulted widely with the CPSU and various stakeholders, so how you will make the changes and whether it was worthwhile doing the changes?

Mr ECCLES — The answer is yes. Machinery of government changes of this scale do not come without particular challenges. The thing that I have found most comforting is the degree of collaboration between departments in giving effect to the government's agenda. You could be endlessly consumed in petty disputes over physical accommodation, over resourcing, and there has been none of that.

For example, Secretary Fennessy and Secretary Bolt established their own arrangement to deal with the intricacies of the transfers required between their portfolios, so in addition to the IDC supervising the whole of government, they were able to form a bespoke arrangement to deal with their particular issues to avoid the unnecessary transaction costs.

I return to my original point about it being the most seamless transfer of power that I have been involved with. I think at the bureaucratic level that was largely achieved through almost like a bottomless pool of goodwill on the part of secretaries and then the rest of the public service who modelled their behaviour on the secretaries' behaviour. That is in terms of the process.

In terms of the effectiveness of the machinery of government changes, it is really not for me to comment upon; it is for people such as yourself and the community to see whether there has been the apparent change in direction and the pace of reform and the focus of reform. From my vantage point, all I can do is respond to the

government's agenda in as effective and efficient and timely way as possible. I think we are barely keeping pace with the government's ambition for reform, but the machinery of government changes are positioning us as well as possible to keep pace with that very aggressive agenda for reform.

Mr RICH-PHILLIPS — Mr Eccles, I would like to ask you a couple of things about structures within the Department of Premier and Cabinet. The first goes to the statement made by the Premier on 4 December announcing the MOG changes, where the Premier indicated that DPC would assume responsibility for Major Projects Victoria.

Mr ECCLES — Yes.

Mr RICH-PHILLIPS — Did I miss that in your — —

Mr ECCLES — You did, because it was in the original statement and indeed in the media release of 4 December but it has not occurred. It was a subsequent policy decision of government that it would not occur.

Mr RICH-PHILLIPS — Right.

Mr ECCLES — I suspect if you wish to pursue the rationale, that is best pursued by seeking that information from the government.

Mr RICH-PHILLIPS — And likewise with the port transaction unit?

Mr ECCLES — Not quite as binary as the Major Projects Victoria, in that while the port transaction unit remained with the Department of Treasury and Finance in order to draw very directly on the skills that are found within that department in pursuit of the transaction, the unit is reporting regularly to the Premier through me, and I have a dedicated position, being my special adviser, commercial, who is closely connected to the work of the ports transaction unit.

Mr RICH-PHILLIPS — Thank you. I was going to ask you about the two special advisers you have appointed, two former deputy secretaries in your department — special adviser, commercial, and special adviser, business transactions reform.

Mr ECCLES — Yes, that is right.

Mr RICH-PHILLIPS — Are those roles standing roles — ongoing roles — or do you see those as short-term roles?

Mr ECCLES — I will stick with the special adviser, commercial. I suspect it is a transitional role. It is getting the commercial agenda of the government off to a flying start, but as the skills that are being built up within DPC to support the Premier's expectations develop and mature, the need for that as a dedicated position will be removed.

Mr RICH-PHILLIPS — Did that role lead the east–west link negotiations/discussions?

Mr ECCLES — The east–west link negotiations/discussions were led by me.

Mr RICH-PHILLIPS — And the other role — special adviser, business transactions?

Mr ECCLES — That role is more likely to develop into an ongoing position as the head of Service Victoria. Business transactions reform was, if you like, the business development component of what has now transformed into Service Victoria. Jo de Morton is the head of Service Victoria and is leading the planning phase, where the government has invested the \$15 million. Again, borrowing the New South Wales example of Service New South Wales, they have a CEO, and I expect that in time there will be a senior executive leadership position heading up Service Victoria.

Mr RICH-PHILLIPS — Will that be as a stand-alone entity or remain within DPC?

Mr ECCLES — It is again a very good question, and it goes again to the issue of incubation. It is receiving in the development phase, where it is now working on identifying the most frustrating and time-consuming transactions and looking at ways to streamline the process from the customer perspective — that function will

continue in the planning and positioning phase. The function will continue to reside within DPC. At some point, when it is a fully mature entity, there is less of a logic for it being within DPC and more of a logic for it being with a part of government that deals with the large-scale enablers of government.

Again, using the analogue of New South Wales, Service New South Wales moved out of DPC to a department of finance and services. So it was developed with the authority of the Premier, as is the case here in the Special Minister of State. It got to a particular point, and then it was placed outside the portfolio. I am not predicting or anticipating that; I am just drawing upon that previous experience in New South Wales to say that there is an option for that to occur with Service Victoria down the track. It does not mean privatising it; it just means that it would be located, perhaps, in another part of government.

Mr RICH-PHILLIPS — Can I ask you about one of the ‘ins’ to DPC that I do not think you referred to, which was the Victorian Competition and Efficiency Commission? The Premier referred to that in his statement on 4 December — that it would transfer into DPC. I am wondering if you are able in the first instance to outline the rationale for that entity, which, you would appreciate, does competition reviews and assessment of regulatory impact statements, why that was transferred from Treasury into your department.

Mr ECCLES — As you would be aware, it was established over 10 years ago. I think the Premier’s view was that it was timely to revisit the functions and governance around the delivery of regulatory review, around the function of adjudicating competitive neutrality and the responsibility for initiating economic inquiry. While that review is ongoing to determine precisely how best practice regulation would be exhibited within the state, the inquiries function of VCEC has been embedded in the day-to-day operations of DPC to better integrate the inquiries function with the delivery of the government’s economic agenda. So it is drawing upon the horsepower that VCEC possesses around economic inquiry and mainstreaming it within my department because my department has the responsibility of supporting the Premier’s leadership in relation to economic development and jobs creation.

So the logic was to recognise the three components, to review in particular the ongoing regulatory impact statement and competitive neutrality function — and that is an ongoing conversation — but to move quickly to embed the economic inquiry function within DPC. I think it is important to note that the VCEC staff continue to be employed by DPC. There were no forced job losses, and both VCEC commissioners continue to oversee their existing functions. So my view, it is not about disbanding an organisation that was not delivering; it is being able to review and assess its ongoing relevance within the new operating environment, which has DPC taking this economic leadership role.

Mr RICH-PHILLIPS — I assume you were not implying in your statement there that there was an entity that was not delivering. That was not what you meant.

Mr ECCLES — No, it is more about, as with all these things, everything can be done better.

Mr RICH-PHILLIPS — Am I correct in understanding that VCEC as an entity — and I know it was never a statutory authority — no longer exists?

Mr ECCLES — Just to be a bit precise about its form, it was established by the Governor in Council as a state body under the State Owned Enterprises Act, and so it has its functions described in that way. To the best of my knowledge it has not been removed, because we are still in the process of reviewing the best ongoing arrangement. If it has been removed and it happened without my attention, I will let you know.

Mr RICH-PHILLIPS — If you could provide that clarification. Where do the commissioners sit now within DPC? What is the reporting line?

Mr ECCLES — The reporting line is to the deputy secretary of the economic policy and state productivity group.

Mr RICH-PHILLIPS — So, Simon?

Mr ECCLES — Simon Phemister, yes — although the two commissioners continue to exercise their statutory or their mandated independence in relation to the regulatory impact statement function and the competitive neutrality function, so we have not compromised their historical independence from government in providing that advice to government.

Mr RICH-PHILLIPS — The only other matter I wanted to ask you about, Mr Eccles, is I was interested in your speech at Public Sector Week where you spoke about the role of a central agency —

Mrs PEULICH — Maybe we could have a copy of the speech.

Mr RICH-PHILLIPS — and whether a central agency in fact is the appropriate descriptor. What you said in the speech is more about equal among peers rather than a senior department or superior department. It seems somewhat at odds with the direction of the machinery of government changes. The Premier in his statement in December referred to ‘a number of community portfolios will be elevated to the Department of Premier and Cabinet’. Indeed you have brought a number of functions into DPC that were not previously in DPC. How do you reconcile the view you have articulated more recently that DPC is not senior?

Mr ECCLES — It is about how you do your business, not what business you do. To me the term central agency has, as I articulated in the speech, almost a bygone industrial concept of the bureaucracy where you exert your authority by the false authority that comes with being the first minister’s department by fiat rather than by influence, persuasion and intellectual endeavour. My mission for the department is not to ever rely upon that false authority but to define itself by the value it creates. Therefore it was more of a rhetorical device in describing DPC not so much as a central agency but as an agency of unifying intelligence. I would submit that it is not inconsistent with the Premier’s expectations of our pre-eminence for me to characterise us as a contemporary agency of unifying intelligence rather than a central agency.

Mr RICH-PHILLIPS — Is that a view that you are articulating across the secretaries board and across the VPS?

Mr ECCLES — Absolutely. No-one has any doubt, including the people within my department, that the expectations of their attitudes, values and behaviours are all referenced to value creation and understated excellence rather than some sort of Napoleonic shouting from the rooftops and demanding through terror.

Mrs PEULICH — Just one last question: noting your comments about the need to unify and influence and also your experience in the running of Infrastructure NSW and now of Infrastructure Victoria and the bill that is before the house, would you say that one of this vehicle’s roles is to build a community consensus about the priorities with a sort of knowledge of the costs? Is it some sort of community agreement — given that it is a 30-year plan — that it is something that is intended to build that community consensus?

Mr ECCLES — It is an interesting concept. I think it is less about building a community consensus and more about having a fully informed community that is able to make a substantive contribution to the debate. The risk in consensus seeking is that you reach for the lowest common denominator.

Mrs PEULICH — You end up having a multi-humped camel.

Mr ECCLES — And I suspect Infrastructure Victoria — well I know Infrastructure Victoria — is not about a lowest common denominator consensus-building exercise, but it is certainly about exposing matters such as benefit-cost ratios and creative private financing, opening the debate more generally to the community about different ways in which infrastructure can be funded and financed. Beyond that, under the plan itself, the 30-year strategy, will be a plan that will benefit from the contribution from all who are prepared to make a contribution.

Mrs PEULICH — In view of your response, why was it not a part of the legislation that the 30-year plan be tabled in Parliament?

Mr ECCLES — I cannot answer that question.

Mr MULINO — Chair, that is getting very specific.

The CHAIR — Mr Eccles, I have just got a couple of minor points flowing from your commentary before we close, if I may. In relation to the integrity functions that are now in DPC, we heard from Mr Condrón of the Department of Justice and Regulation that most of those organisations are still in situ in their former departments or former locations. Do you envisage that over time they will come to be housed or located within DPC?

Mr ECCLES — One of the hallmarks of those organisations is their statutory independence. They also have different requirements for security, so I suspect that if there was an opportunity for sensible co-location that made economic sense, then that is something that we would pursue on their behalf. It would need to be at their initiative. It does not mean that they are not pursuing individually their own accommodation upgrades. I went down and toured the Ombudsman's facilities, and I can see why Ms Glass is keen to try to upgrade her facilities. They do operate in pretty reduced physical circumstances. It is a long way of answering the question that we have no agenda to co-locate. It would largely be driven by their wishes. If there was an opportunity to co-locate, then we would offer them the opportunity to participate in such co-location, but nothing is being planned at the moment.

The CHAIR — I take you to the summary of costs incurred in the Department of Premier and Cabinet that you provided yesterday. Of the \$341 430 that has been identified in your submission, \$324 453 of that relates to IT and records management. Can you just give a bit more detail about what sits behind that IT and records management, given that it is the vast bulk of the money that has been identified?

Mr ECCLES — I can indeed. Of the \$324 453, \$157 173 relates to IT systems integration and onboarding — mind you, I do not know what that means, and if you needed more information I would have to write to you about that — \$75 500 for TRIM data migration, \$50 000 for TRIM training and onboarding and \$41 780 on grant management system data transfer. Because I have that breakdown across all of those domains in some detail, I would have no issue with providing you with that level of information if you were pleased to receive it.

The CHAIR — Mr Eccles, thank you very much for your presentation and for your preparedness to answer our questions today.

I note Mr Rich-Phillips's request for a copy of the section 30 declaration, with appropriate redactions for privacy et cetera. I also note that we do have a reporting date of 1 May next year, so we may seek in due course additional information, noting that the costs have been provided from 30 November last year to 31 May this year.

Again, the committee thanks you for your presentation and your evidence today.

Mr ECCLES — Thank you for your time.

Committee adjourned.