

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2010–11

Melbourne — 10 May 2010

Members

Mr R. Dalla-Riva

Ms J. Graley

Ms J. Huppert

Mr W. Noonan

Ms S. Pennicuik

Mr G. Rich-Phillips

Mr R. Scott

Mr B. Stensholt

Dr W. Sykes

Mr K. Wells

Chair: Mr B. Stensholt

Deputy Chair: Mr K. Wells

Staff

Executive Officer: Ms V. Cheong

Witnesses

Mr J. Brumby, Premier,

Ms H. Silver, Secretary,

Mr P. Reed, Deputy Secretary, Government and Corporate Group,

Mr P. Philip, Deputy Secretary, Policy and Cabinet Group,

Mr D. Speagle, Deputy Secretary, National Reform and Climate Change Group, and

Mr E. Gibbons, Manager, Planning, Reporting and Governance, Department of Premier and Cabinet.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearings on the budget estimates for 2010–11. On behalf of the committee I welcome the Premier, the Honourable John Brumby, MP; Ms Helen Silver, secretary, Department of Premier and Cabinet; Mr Philip Reed, deputy secretary, government and corporate group, Department of Premier and Cabinet; Mr Pradeep Philip, deputy secretary, policy and cabinet group, Department of Premier and Cabinet; Mr Donald Speagle, deputy secretary, national reform and climate change group, Department of Premier and Cabinet; and Mr Eddie Gibbons, manager, planning, reporting and governance, Department of Premier and Cabinet.

Departmental officers, members of the public and the media are also welcome. In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff, can approach the table during the hearing. Members of the media also requested to observe the guidelines for filming or recording proceedings in the Legislative Council committee room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. There is no need for evidence to be sworn. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days. In accordance with past practice, the transcripts, PowerPoint presentations and any handouts will then be placed on the committee's website.

Following a presentation by the Premier, committee members will ask questions relating to the budget estimates. Generally the procedure followed will be that relating to questions in the Legislative Assembly.

I ask that all mobile telephones be turned off. I now call on the Premier to give a presentation of no more than 10 minutes on the more complex financial and performance information that is the responsibility of the Premier.

Mr BRUMBY — Thank you, Chair and members. I was going to start by just running through a 10-minute slide show of some of the fundamentals, particularly about the budget that was delivered by the Treasurer, John Lenders, last week and really go to some of the key themes of that and some of the indicators that back up and support that. Have the slides been circulated? I will refer to those as I go through.

Overheads shown.

Mr BRUMBY — In terms of the budget themes, it is a budget for jobs, for business, for families, one that grows the whole state, and importantly, too, a budget that delivers, as I will show in a moment, on all of the election commitments that we made in 2006.

Just on the jobs side of it, one of the things — I have mentioned this in Parliament, obviously — that I am very pleased about is the very strong jobs growth in Victoria over the last 12 months. More than half of all the new jobs in Australia over the last 12 months have been generated in Victoria, so a very strong economic performance translating into jobs, particularly full-time jobs. In turn, that reinforces a trend which has been pretty apparent during the whole of this decade — that is, strong jobs growth in Victoria. Although we are not, obviously, a resources state, the way in which we have diversified our economy, particularly in high value-add manufacture and the life sciences — medical research, biotechnology — and the services sector in tourism and education has meant that we have a remarkably diverse economy. That is reflected in those job numbers over the last decade and quite a change from decades before that.

One of the things that has underpinned that is our tax competitiveness. This is actually a graph that the Treasurer used in the budget papers. This is looking at taxes and royalties as a share of GSP. Again, it just shows the competitive position of Victoria. One of the things that we have worked hard to achieve, obviously, with the cuts we have made to land tax and payroll tax and with the taxes which we have abolished under the GST agreement is to maintain that competitiveness and Victoria as a great place to invest. I know when the Treasurer presents he will talk too about his focus on cutting regulatory burden for business because this is very important with those decisions as well.

In the budget itself we cut the payroll tax rate to 4.9 per cent. You can see the trend there. In 7 of the 10 budgets we have cut payroll tax. I suspect there are not too many other states that have done that. In fact, I know there are no other states that have done that. This is the lowest payroll tax rate in 35 years.

On WorkCover premiums, there is a great story about sound financial management. You will see the top line of that graph is the rates of injury across our workforce. Of course the more you can drive down the rates of injury and death in the workplace not only is that good for employees, obviously, but it drives down the cost of operating the scheme. These are huge reductions in premiums. Again, they have come about because of the effective management of this scheme. We are able to pass on those reductions both in the form of lower premiums to employers but also of course as we did recently with some improved benefits, particularly for those on WorkCover benefits who are most vulnerable and most in need.

On the consequences of that, just a little cameo to show what that means to businesses. This is an actual business which shall remain anonymous. You can see it is quite a large business with a large payroll and it employs a lot of people. I have just looked there at payroll tax, what they used to pay, at 5.75, what they are paying, at 4.9; land tax, what they used to pay at 5 per cent, what they are paying now, at 2.25 per cent; and other taxes — these are all the ones abolished under the GST agreement.

The biggest of those obviously is stamp duty on mortgages, which we abolished in 2003. You see the 'WorkCover charges' then 'total taxes and charges' — and you can see that company has saved close to \$1.5 million. It may well be that those savings are what is now driving the jobs growth I referred to before, because those companies now can reinvest that in capital or reinvest it in labour. It is a total saving of 28 per cent on business costs. It is a great story about business competitiveness in our state.

In terms of the budget itself, on the outlays, many commentators said that this was a very healthy budget. In fact the Minister for Health said there were really two health budgets in one, and there are. We were able to provide an extra \$4 billion over the forward estimates period. You see there 'extra capital works' — so this is obviously things like Bendigo hospital and Box Hill Hospital.

There is the extra funding that we secured at COAG in those negotiations with the federal government and the Prime Minister. You will remember there was nothing on the table in the Prime Minister's original health plan, not a cent extra for Victoria, and we came out of that with close to \$1 billion — and of course our own purpose increase in recurrent funding over the four years, of \$760 million. You put all of that together and it is a \$4 billion boost to the health budget.

In terms of police, this graph is worth having a look at. It shows what happened here in the late 1990s — in 1997 and 1998 — with the cuts to police numbers under the former government and the devastating impact that had in reducing overall police numbers. We have had to build them up, and we have done that with 800 in the first term of government, 600 in the second term of government, 350 as we promised, the 120 extra that we found last year in the midst of the global financial crisis, and then of course the additional 1966 new front-line police that we have committed to over the next five years. You can see there the very significant increase in police numbers to protect community safety.

In terms of schools, you will recall that in the 2006 election we promised under our Victorian schools plan 500 schools would have major modifications or improvements. In this budget we actually exceed that, so you could say that we are delivering on this commitment 110 per cent — 553 schools against the 500 we promised. All of this is driving an enriched education experience for students across the state in those schools we are upgrading.

There are just a couple of other things. In terms of the budget growing the whole state, we have tried to show here through all the things that we are doing in terms of education and health and transport, community development and livability, the number of budget-related decisions which are taking place across the state. You can see there in health and education and transport the huge spread of investment across the state. There is scarcely a part of the state which is untouched by that investment.

Finally, I said it was a budget that delivers on our promises, and it is. If we go to the last slide we see there are 172 output initiatives and those are fully funded, and on the capital side there are 93 asset initiatives, which are fully funded. That means in this budget we complete the task of implementing every single one of those election commitments that we made in 2006.

Ms SILVER — I am pleased to assist in the presentation of the 2010–11 budget estimates for the Department of Premier and Cabinet. I want to highlight the role of the Department of Premier and Cabinet, its major outputs and the proposed budget for 2010–11.

About DPC: we have four major areas in DPC. We support the Premier, provide strategic policy leadership, develop and coordinate whole-of-government initiatives, and develop and deliver whole-of-government services and programs. The core of DPC is divided into four groups, and then we also have Arts Victoria. In terms of the portfolio agencies there are six major agencies that are part of DPC and there are seven arts agencies.

In terms of the output budget, as you can see we have four major areas: strategic policy and advice, which takes around 20 per cent of the output budget, advising on key policy issues and coordinating and analysing policy; public sector management, governance and support provides independent support and services to public sector governance across the state; multicultural affairs looks at targeted support to specific population groups and increased inclusion of our diverse communities; and then there is arts and cultural development, which is obviously part of developing our arts sector in Victoria.

I would like to quickly talk about some key highlights over 2009–10 for DPC. The major one I wish to talk about is support for intergovernmental negotiations. Clearly COAG is of crucial importance to the state. Throughout the year there were 19 meetings of the Premier and other first ministers, the Premier and his state counterparts, and myself and my counterparts in other jurisdictions. The three COAG meetings dealt with very significant issues.

In July we dealt with indigenous disadvantage, early childhood development, regulatory reform, in particular transport reform, and we also dealt with the commonwealth national building and jobs plan in response to the global financial crisis. In December there was the start of the process to look at health reform, where the Premier looked at and talked about the issues facing our state in terms of health, as did every other state and territory Premier.

There was work that was done with international students as well as work in terms of major VET reform. In April, as the Premier has talked about, we dealt with the outcomes of health reform in terms of the Prime Minister's work in this space. In addition to the first-ministers and other senior officials meetings there were heads of Treasury meetings and approximately 110 other intergovernmental working groups and subgroups. COAG is an enormous work effort in terms of the Department of Premier and Cabinet. In terms of this work, we support the Premier in providing expert policy advice, negotiating strategies and coordinating policy across the whole of government. We also provide extensive logistic administrative support to the Premier in terms of COAG and CAF. DPC provided 182 separate briefs on issues preceding COAG and CAF.

Another major highlight, which I will talk about, is bushfire rebuilding. VBRRRA has continued to coordinate and support a community-led recovery process. This process has local groups developing community recovery plans that identify local priorities. The VBRRRA 12-month report provided a progress update on bushfire reconstruction and recovery.

We have also supported, and this is the heart of DPC, 41 cabinet meetings, 161 cabinet subcommittee meetings and 6 community cabinet meetings — an extensive response by the department. This concludes my summary of what the department has done this year.

The CHAIR — Thank you very much, and of course these are the budget estimates hearings and we are concentrating on the future in terms of the budget, the money and how it is going to be spent. It allocates funds for 2010–11 and the subsequent out years for state government priorities and outcomes which the funding will seek to achieve.

Premier, could you please advise the committee of the medium and long-term planning strategy or strategies upon which the budget for the state and particularly for your portfolios is actually based and any changes from last year?

Mr BRUMBY — If I was to summarise the budget into those four future strategic areas, jobs and a competitive economy would be the first driver of that. I think you have seen in this budget again a very strong jobs-focused budget. The forecasts on growth, as you have seen, building to 3.25 per cent, the strong budget

surplus position, the AAA credit rating of the budget by both Moody's and Standard and Poor's, the cuts to tax, the investment in skills and the huge infrastructure program — all of these things are about building a competitive economy and building jobs into the future.

The second major element of this budget is obviously the investment in health, as I mentioned before. This is a huge investment — \$4 billion extra — and designed both on the capital side and on the recurrent side to ensure we treat more patients and we do so in a continually improving sense — that is, higher and higher quality going forward.

The third element I would say about this budget is that it has a very strong focus on community safety and law and order. The commitment of 1966 additional front-line police over the next five years is a very substantial commitment indeed. In round terms it is close to \$600 million over that five-year period, and it confirms the importance that we place as a government on Victoria's livability and making sure we are, and that we remain, the safest place in Australia.

I think the fourth element is the continuing work and investment in bushfire recovery and bushfire preparation, and there is \$254 million of new initiatives in this budget devoted to that focus. They are four areas. I could go on at length, but I think in those four areas there is a clear strategic focus going forward.

Mr WELLS — Premier, I would like to ask you some questions about myki. I guess myki typifies your government's inability to manage major projects. I have some questions surrounding myki, firstly in regard to the additional \$350 million you have given to the TTA. The TTA is not actually doing anything that we can see; they are not the ones building the myki project.

On top of that you have money being put aside for the PR and marketing of myki. You have a situation where Gary Thwaites is still being paid \$6000 a week when he is actually not there. You have brought in Bernie Carolan to run the place, and he has brought in Ernest and Young, so I am not exactly sure who is running the place.

The question I would like to ask you is: what has the TTA spent its money on, putting aside its marketing? Why did the government agree to give TTA \$350 million? Why is the TTA getting more money than the people building myki? And can you explain to us what Ernst and Young is actually doing at the TTA?

The CHAIR — Premier, particularly as it relates to the estimates.

Mr BRUMBY — I think if you have particularly detailed questions, you should leave some of them to the Minister for Public Transport when he appears, but let me, if I can, Mr Wells, go to some of the questions you have raised. In relation to myki, myki is now operating on metropolitan trains and on regional buses. As we all know the project has experienced some difficulties; we are acutely aware of that —

Mr WELLS — Some difficulties?

Mr BRUMBY — But it is not unusual for a large and complex IT projects like myki. We are seeing some improvements in terms of the advice I get about the KPIs being achieved, and we now have more than 20 000 regular myki users on trains, and we have many more on regional buses.

There have been, as we know though, ongoing technical issues with the reliable operation of myki on trams and on regional buses, and myki will not commence operation on trams and buses until we can be certain its performance will be acceptable to commuters. Significant efforts have been undertaken to address technical issues as soon as possible, but like all IT projects sufficient time is required for the testing of the systems prior to them going live. I think that is a responsible decision for both the government and the TTA to make.

In terms of the present ticketing arrangements, we obviously have the Metcard system which is continuing to operate well, and the TTA for its part is also working with Kamco to ensure smooth operation of the customer-facing aspects of myki such as the call centre responses and a speedy resolution of issues in relation to the website.

Finally, can I say, to get myki up and running reliably the government has, as you know, appointed a new chair of the TTA, Patricia Faulkner, who would be known to many of you — a highly respected person in the public sector, experienced, and in the private sector — and a new CEO, as you remarked, Bernie Carolan. The TTA is

undertaking a thorough review of the myki system to ascertain what works and what is not working at this stage and is taking all appropriate action.

When you look at the cost — you made some claims about the cost — the total cost of myki is \$1.35 billion. It is important to be aware that this cost covers the capital side — for example, there are nearly 20 000 new electronic devices across the state — so a significant part of that \$1.35 billion is actually the capital cost of installing that equipment, which will be in place for many years to come. And of course it includes the operation of the system out to 2017. So all of that is built into that amount.

When you hear that figure of \$1.35 billion, it is made up of amounts for capital, amounts for operation, amounts for the TTA and amounts that have to be paid in order of around, in rough terms, \$50 million a year just to run a ticketing system, irrespective of what type of ticketing system that was and is in place. That is probably the extent of the information that I have here today. As I say, if you have more detailed questions, you should refer those, I think, to the Minister for Public Transport.

Mr WELLS — Just the main part of my question — —

The CHAIR — Thank you, Premier. Ms Graley?

Ms GRALEY — Thank you, Chair.

Mr WELLS — Hang on, just a moment.

The CHAIR — You have had your question, Mr Wells.

Mr WELLS — The main part of my question has not been answered — —

The CHAIR — No. Ms Graley?

Ms GRALEY — Premier, as you are aware — —

Mr WELLS — Could he answer the main part of my question — —

The CHAIR — I think he has answered the question.

Mr WELLS — No, he has not.

Mr DALLA-RIVA — The \$350 million.

Mr WELLS — The \$350 million is the main part of the question.

Mr BRUMBY — Sorry, the three — —

Mr WELLS — Chair, if you are going to chair this properly — —

The CHAIR — I am chairing you properly.

Mr WELLS — At least give us in the opposition a chance to ask our questions fairly. I think that is fair.

Ms GRALEY — You have.

The CHAIR — You have asked them. I gave you a very big scope in order to ask many questions, in fact, rather than just one. Premier?

Mr BRUMBY — The \$350 million — I am pretty sure the Minister for Public Transport said this at the time — is to cover the cost of Metcard, because Metcard has to operate longer, and other project improvements which we are endeavouring to make.

Mr WELLS — And the reason why Ernst and Young was brought in?

The CHAIR — Ms Graley?

Ms GRALEY — Thank you, Chair — —

Mr WELLS — And the reason why Ernst and Young was brought in?

The CHAIR — He has answered the question.

Ms GRALEY — I am ready to — —

Mr WELLS — No, he has not.

Ms GRALEY — Excuse me — —

The CHAIR — Ms Graley?

Mr WELLS — The reason why Ernst and Young was brought in was the other main part of my question.

The CHAIR — Thank you, Mr Wells.

Ms GRALEY — Thank you, Chair. As you are aware, Premier, I represent a very fast-growing community, and one of the great pleasures is to see so many young people moving into their own new homes — —

Mr WELLS — The main part of my question was why you have a new CEO and you have brought in Ernst and Young on top of that. Why are you so keen to shut this down, Chair?

The CHAIR — I am not shutting down anything.

Mr WELLS — Anything to do with myki, you are so keen to shut it down. You have been given your riding orders by the Premier.

The CHAIR — That is not true.

Ms GRALEY — I will start again.

The CHAIR — Thank you, Ms Graley.

Ms GRALEY — I do not think the Premier got to hear my question.

Mr WELLS — It is true, Chair. It happens every year. You get a grilling before we come here.

Ms GRALEY — As you are aware, Premier, I represent a very fast-growing area, and as you are probably also aware, many young people are moving into the area and moving into their dream homes, and it is fantastic to see, so I would like to refer you, Premier, to the dwelling approvals on page 24 in chapter 2 of budget paper 2.

Mr BRUMBY — Yes, which page?

Ms GRALEY — Page 24.

Mr BRUMBY — Dwelling approvals, yes.

Ms GRALEY — In chapter 2 of budget paper 2. I would like to ask: can you update the committee on the most recent statistics regarding not only dwelling approvals but housing affordability in Victoria, and what does this mean for the future actions of the government?

Mr BRUMBY — The story, as you have said, in relation to dwelling approvals is a great one for the state.

Ms GRALEY — It is a terrific story.

Mr BRUMBY — The key thing, I think — —

Mr WELLS — You bring in a new CEO and then you have Ernst and Young coming in over the top.

Ms GRALEY — I beg your pardon. I want to hear the answer to my question, Mr Wells.

Mr WELLS — The Chair just asked me a question; I was just answering it.

The CHAIR — Premier?

Mr BRUMBY — The dwelling approvals, I think, tell a good story for the state — that is, that there is obviously a strong economy, a good sense of confidence. Our housing affordability is better than for anywhere on the eastern seaboard, and of course the incentives that we have put in place for first home buyers have attracted record levels of first home buyers into the market.

When you put all of that together you get extraordinary growth in dwelling approvals. It is the strongest growth in Australia over the last 23 months. It is a good story because it translates into jobs as well. And obviously the initiatives we took in this budget — increasing the first home bonus by \$2000 in metropolitan Melbourne and in country Victoria — mean that that sort of activity should continue into the future.

The CHAIR — Thank you, Premier. Mr Rich-Phillips?

Mr RICH-PHILLIPS — Premier, I would like to take you back to the issues raised by Mr Wells in relation to myki. You indicated in your answer that there are ongoing technical issues with the roll-out and you said there had been an audit of what is working and what is not working. Can you tell the committee what those issues are and what is not working — are they still falling apart like they did for Lynne Kosky — and when will you guarantee the system will work?

Mr BRUMBY — Again, I think in relation to detailed questions of that type, you should direct them to the Minister for Public Transport.

Mr RICH-PHILLIPS — Surely you have an idea of what is not working and why the system is not working?

Mr BRUMBY — No, I answered the question — —

Mr WELLS — \$1.4 billion.

Mr BRUMBY — I answered the question openly before, and I think it is normal in these meetings that if you have got detailed questions, you should ask them of the minister responsible. In terms of any subsequent information that you want, I am happy to take that on notice, as I have always done in the past, to ensure that the committee has access to the best and latest information.

The CHAIR — We can take that on notice.

Mr RICH-PHILLIPS — Are you saying that after seven years, Premier, and \$1.4 billion, you as head of the government cannot tell the committee what is wrong with myki — you do not know?

Mr BRUMBY — No, I just gave you a detailed answer before.

Mr DALLA-RIVA — You did not.

The CHAIR — I think the Premier has answered that one.

Mr WELLS — No, the second part of the question was when is it actually going to start. We just want to know when is it going to start.

The CHAIR — Excuse me, thank you very much. Allow me to chair this meeting.

Mr WELLS — No, it is a simple question.

The CHAIR — Mr Wells, if you do not stop — —

Mr WELLS — The Premier should be allowed to answer that part of the question

The CHAIR — Mr Wells, thank you very much.

Mr WELLS — When will myki start? When will it be fully operational?

The CHAIR — Mr Wells is disruptive.

Mr WELLS — He has the documents. At least give him the chance to answer the question. He has the document in front of him.

Mr BRUMBY — I was just checking my answer before, actually. I answered that question before.

The CHAIR — He has given an extensive answer before.

Mr WELLS — Mr Rich-Phillips asked when it was going to be fully operational — \$1.4 billion, when will it be operational? It is just a straightforward question.

Mr BRUMBY — I answered that before.

Mr WELLS — No, you did not. You did not give us the date of when it will be fully operational.

The CHAIR — Thank you, Mr Wells.

Mr WELLS — The \$1.4 billion — the taxpayers are entitled to know when it will start.

The CHAIR — Mr Wells, thank you. Mr Noonan.

Mr NOONAN — Premier, you outlined in your slides that this is a budget that delivers on our promises. I note in budget paper 3, page 271, that the government has now fully funded its election output and asset commitments as outlined in LFS 2006. I wonder whether you can provide some details on this and how this budget delivers on those commitments?

Mr BRUMBY — Thank you for the question. Could we put slide 14 up — the one on promises?

In terms of this budget, as the slide, I think, showed before, we are able in this budget to fully fund all of our election output and asset commitments, so in this budget we have approved election asset commitments worth \$337 million which builds on the \$3.1 billion that we have previously funded. The asset investment initiatives included in the LFS cover things like the upgrades of existing facilities and new construction projects that are targeted to maintain high quality and accessible communities and services.

In terms of the specific election asset commitments funded in this budget, it includes \$203 million for modernisation, regeneration, replacement of schools and other projects as part of the Victorian schools plan; \$90.5 million for Sunshine Hospital expansion and redevelopment, which I know has been welcomed by you, Mr Noonan; \$14.5 million for Frankston intersections that have been redirected as part of Peninsula Link. This has removed the need for the proposed overpass at the Cranbourne-Frankston Road, Moorooduc Highway intersection. There is \$10 million for urban parks; \$9 million for community health centres; \$7 million for increased access to computers in schools; and there is \$2.5 million for Aged Care Land Bank.

The budget also continues delivery of our 12-year Victorian transport plan which was released in December 2008. In fact, in this budget there is something like \$5.7 billion which has been allocated to fulfil these commitments. These are very substantial commitments indeed: \$15.3 million towards level crossing programs; more than \$300 million in road funding; \$37.7 million for the fourth new train station in growth areas; and \$4.3 billion for the regional rail link.

All of this is a huge investment in transport, and on top of that, you have the extra 53 schools that I mentioned, on top of the 500; the extra police and an extra 20 premium stations right across the network, and I must say the feedback I have had on the premium stations has been extraordinarily positive, and when you match that too with the 22 stations that Metro is upgrading themselves for 4 hours a day, it gives a much greater reach now across the transport system of those star stations.

Mr DALLA-RIVA — I refer to budget information paper no. 1.

Mr BRUMBY — The asset one?

Mr DALLA-RIVA — Yes, asset investment program, and in particular page 9. Have you got it?

Mr BRUMBY — Yes.

Mr DALLA-RIVA — It is titled on page 9, the second paragraph, 'myki'. It says:

Train, tram and bus travel will become simpler for passengers throughout Victoria with the progressive rollout of a smartcard ticketing system.

Premier, we have given you two opportunities before, two questions, of which you can now say completely to the people of Victoria and to the taxpayers that firstly, you do not know what is wrong with system, and secondly, you do not know when it will start. We have asked you time and again when will it start.

It is in the budget paper. It is specifying that it is going to be released. When, Premier, when, or is it just a complete shambles now, that you have got no idea, you do not know how much it is going to cost, and people out there on the train system, tram system, bus system are battling every day and you just do not care?

Mr BRUMBY — Sorry, just going back to those questions, I was just checking my — —

Mr DALLA-RIVA — No, it is a very simple question — when?

The CHAIR — The Premier, to answer.

Mr DALLA-RIVA — This is what he did the last time.

The CHAIR — Without assistance, the Premier to answer.

Mr BRUMBY — I was just checking, if I may.

Mr DALLA-RIVA — You are going back to the previous answer.

The CHAIR — Mr Dalla-Riva, you have asked your question. The Premier, to answer without assistance.

Mr BRUMBY — In answer to the first question today on myki, I said that myki will not commence operation on trams and buses until we can be certain that its performance will be acceptable to commuters.

Mr WELLS — So, when?

Mr RICH-PHILLIPS — 2012, 2014?

The CHAIR — Without assistance.

Mr BRUMBY — When we are certain that its performance will be acceptable to commuters, it will be rolled out.

Mr WELLS — But when is that?

Mr RICH-PHILLIPS — Before the end of the contract?

Mr WELLS — Hang on. You told us — this is the man that told us — —

The CHAIR — Ms Huppert, thank you.

Mr WELLS — Hang on, what about, 'and what is wrong with the system?'.

The CHAIR — You have had your turn; you will have another turn shortly.

Mr WELLS — You said we would get an answer; we have not had an answer on either of those two.

The CHAIR — The Premier has answered the question.

Mr DALLA-RIVA — Three times; we went everywhere.

Mr WELLS — There were three questions.

Mr DALLA-RIVA — It is a shambles.

Mr WELLS — No idea — \$1.4 billion.

Ms HUPPERT — Premier, you touched on the changes to payroll tax in your presentation. I note that budget paper 4 on page 207 states that payroll tax is scheduled to decrease to 4.9 per cent. As you have noted in your presentation, it is the seventh rate reduction during this government. Can you outline what impact this will have on business competition and competitiveness in Victoria during the forward estimates period?

Mr BRUMBY — Yes, I can. Fortuitously I have got another slide on this. This is just another example. You will recall the one I showed you before was a very large regional business. This is another one that I had Treasury prepare as well. Again this shows a real business. This is a medium-sized metropolitan manufacturing business. It shows the benefits here of the payroll tax cut and the land tax cut. Remember with land tax too that for these businesses of that size — —

You would remember well, Jennifer, that when we were elected to government that top land tax rate under the former Liberal government was at 5 per cent; it was just a punitive rate and provided crippling levels of land tax to so many medium and larger businesses that hit that. You can see here that dragging down the payroll tax rate to the lowest level in 35 years, the land tax cuts, the WorkCover cuts — all of that, as you see there, produces significant savings for that business over time. What that means too is that businesses down the eastern seaboard of Australia with payrolls between \$5 million and \$50 million in round terms, which is where the bulk of your businesses are, pay the lowest payroll tax rates of anywhere on the eastern seaboard. With a couple of tiny little anomalies in there, it is true that if you aggregate payroll tax and land tax down the eastern seaboard, you get the most competitive outcomes.

The level of taxes are not everything in terms of business competitiveness obviously. Red tape is also important, as you know well. The targets that we have set and Treasurer Lenders is implementing in cutting red tape also go to creating a competitive business environment. The other thing that I would say runs parallel to this is skills, the investment that we have made in skills, whether it is in IT, whether it is in apprentices, whether it is reforms to the training system. When you have got a business that wants to make a decision in Australia about where to invest, it looks at all of those factors plus the certainty of government approaches and policy going forward. Again it is one of the reasons why we have seen such strong economic performance in our state over recent years: because that competitiveness is there, and it is backed up with skills and the certainty in government decision making.

Ms PENNICUIK — Budget paper 3 on page 177 states:

The department will continue to oversee the development of Growing Victoria Together framework and contribute to the goal of 'Greater public participation and more accountable government' —

which is something that the department committed to in 1999. But the latest Victorian Auditor-General's report on performance reporting by departments has found that the extent of reporting has actually declined in almost all departments since 2003, that DTF and DPC have failed in delivering an adequate internal and external accountability system and that six departments have no or a limited number of departmental indicators that are relevant to the achievement of their objective, and they represent nearly half of the state's allocated funding. So my question is: what action do you propose to remedy the situation with regard to performance and accountability and the reporting by departments across the whole of government?

Mr BRUMBY — Thank you for the question. This is a very important area. I know it has been the subject of a lot of work that your committee does. I have not read all of the Auditor-General's report. It was obviously released during what has been a busy week, being budget week. I was asked about it though when I was out at the Austin Hospital announcing the \$68.9 million for the Olivia Newton-John cancer centre, stage 2. My comments were that we would accept the recommendations and look to make whatever improvements we could in terms of performance reporting. I think it was clear from the Auditor-General's report that there was quite a bit of discussion in the development of his report between the Auditor-General and department heads — between the head of my department and the head of Treasury — who I think it is fair to say probably had a view

that there was a lot of information provided in the budget papers and that the quality of that information was very, very good indeed. Nevertheless the Auditor-General has formed a view that we can do better in these areas, and I accept the advice, the recommendations and the conclusion he has given. I would say though that there is a over 1100 pages of budget information, and it is genuinely difficult in this area in that the more information people want you to provide the longer and more detailed the budget papers get. As I said, there are over 1100 pages of papers. Many people, of course, are happy just to see the summary paper. Nevertheless I accept that there needs to be more information. I would say too that the existing performance framework includes the reporting against the GVT performance measures and outcomes, so that chapter is there. Not every element is a glowing report. It is clear that in some of those areas we need to do better.

There is also output reporting in the budget papers. There is also narrative reporting in the annual reports. There is also a range of other departmental reporting, so there are things like *Your Hospitals*. Again, they are not always glowing reports of what is happening in the hospital system, but they are more information available to the public so that everybody can see. There is also the innovation I introduced as Premier — the annual statement of government intent, which I think does provide a huge amount of information to parliamentarians and the public about what it is that the government is doing. There are these hearings — the Public Accounts and Estimates Committee. As you know, it has not always been thus until our government. Certainly the former — —

Mr WELLS — Yes, I know, but we still do not get answers though.

The CHAIR — Without assistance! The Premier, to continue without assistance.

Mr WELLS — It is great to see you here, but we do not get any answers.

The CHAIR — All right. Without assistance.

Mr WELLS — We are not getting the answers.

Mr BRUMBY — There is all of that, if I may. There is the annual budget process through ERC. There is the biannual output performance reporting to ERC. There is quarterly asset reporting that goes to ERC, and there is also secretary's performance plans and assessment, which I sign off. All of those things, I think, really put a very high emphasis on performance reporting and meeting KPIs. But again, I accept the benefit obviously of having an independent Auditor-General, who as an officer of the Parliament is able to step back and to look at those things and to make those recommendations. My aim will be to ensure that when he next reviews this reporting that he is able to say unequivocally that he thinks the information we are providing is the best in Australia.

The CHAIR — It also relates to the accountability reports that we did in terms of Financial Management Act revision, which quite a number of people worked on.

Mr SCOTT — Premier, I wish to ask you a question regarding health capital. I refer you to page 8 of budget paper 2, which reads:

Net infrastructure investment by the general government sector is projected to be \$6.4 billion in 2010–11 ...

Mr BRUMBY — Sorry?

Mr SCOTT — Budget paper 2, page 8, the second paragraph after the heading 'Infrastructure'. Could you outline how much of this infrastructure investment is in health and what the key investments in this area are?

Mr BRUMBY — Thank you for the question. Actually we have got a slide on infrastructure spending. We might put that up as well if we can.

In answer to your question, I think that tells a pretty graphic story about the extent of infrastructure investment in Victoria. Again, you can go right back to the last decade and that era there where net infrastructure spending, I think, in 1998–99 was \$1 billion. In our first budget we lifted that to almost \$2 billion. You can see this year, 2009–10, in partnership with the federal government the total spend will be close to \$10 billion; this is the budget sector. The remarkable thing is we have been able to do this with a level of net debt today as a share of

GSP which is actually below where we were in 1999, so it has been a remarkable performance in terms of budget management, which many commentators of course have remarked on.

In terms of hospitals, there is \$2.3 billion for our hospitals. The biggest of that obviously is the Bendigo hospital — \$473 million. That builds on top of the \$55 million that we announced last year. If you look at the other big ones in there, there is the \$426.1 million that is our half of the new comprehensive cancer centre that will be built in Parkville. This is going to be a wonderful asset for the community. We intend to build this by the way as one of the 10 best cancer research and treatment facilities anywhere in the world. I hope we can lift it up in performance terms to as good as the Sloan-Kettering, if you have heard of that or visited that in New York, which is probably no. 1 in the world, where the outcomes that you get from having the best research, the best detection, the best treatment and the best after care are dramatic improvements that you can make in life prospects for people.

In addition of course there is Box Hill Hospital, \$406 million, just fully funded in this budget. There is the integrated cancer centre in Ballarat, \$55 million. There is Sunshine that I have mentioned; there is Coleraine; and there is Leongatha. There is scarcely a part of the state that does not benefit from this injection in capital funding. To put it in perspective, if you take that \$473 million for Bendigo, that is more than the total aggregate of all capital funding during the seven years of the Kennett government. It gives you an idea of just — —

Mr WELLS — You know, things are — —

The CHAIR — Without assistance.

Mr BRUMBY — It gives you an idea — —

Mr DALLA-RIVA — Myki. Can you say the words?

The CHAIR — Thank you.

Mr BRUMBY — This is a good news story, and it is a great story about investment in health making a difference to people's lives and of course generating strong jobs growth in construction. I know many people who come into work on the tram or driving up Flemington Road would go past the magnificent new children's hospital there. There are more than 2000 people on site there now at the moment. I mention that because this is not just a beautiful new hospital in terms of the benefits it will provide to children in this state but it is also a huge generator of new job opportunities.

Dr SYKES — Premier, I have a question in relation to ambulance services or health in general, on page 82 of budget paper 3. I want to put it in the context of what Sue raised in relation to performance reporting and keeping track of what is going on. The Auditor-General's report concluded:

Overall, there is a lack of effective outcomes performance reporting across the departments, and the standard of reporting varies considerably. Only a few departments were able to demonstrate the extent to which objectives had been met.

That is hardly glowing praise from the Auditor-General. If we look at page 82, in relation to the timeliness I note that in 2010 — or 2009–10 and the target 2011 — that the ambulances are not getting out and meeting the target of timeliness — that is, responding to code 1 emergencies within 15 minutes. I also understand that the previous target for this response time had been 10 minutes, but it has been dropped back to 15 minutes, and even in dropping it back to 15 minutes they are not able to meet those targets. The question comes down to: is that a resourcing issue or a management issue?

Mr BRUMBY — When you say that the target has not been met, I am not sure you can conclude that yet. It says the 'expected outcome', but the financial year has not concluded. The two columns you need to be looking at is the — —

Mr DALLA-RIVA — It will actually be the year before.

Mr BRUMBY — I am just saying. It is the 2009–10 target, which you are correct in saying is 90 per cent, and the expected outcome at the moment is 89 per cent, all right? There is a footnote there that says:

...the 2009–10 expected outcome reflects the increased demand for emergency services.

So it may be, or it may be not. I assume you — —

Dr SYKES — The track record over the previous year was it failed to meet the targets over 2008–09.

Mr BRUMBY — What was the target in 2008–09? It is not there. That is the actual. I do not know whether the target was the same or not. But in any case, the target is there and our endeavour is to meet the target. The 89 per cent that is expected for this year, I understand, is because there has been a very strong demand for emergency ambulance response.

In the metropolitan and rural areas last year, Ambulance Victoria responded to 433 549 emergency road cases — that was in 2008–09, so 2009–10 is not finished yet. If you included non-emergency cases, Ambulance Victoria responded to a total of 714 362 cases — that was in 2008–09.

In terms of 2009–10, I am advised that emergency ambulance demand has increased significantly. In the first eight months of 2009–10, emergency incidents were 6 per cent higher than the same period in 2008–09, with AV responding to more than 307 000 incidents. This represents an increase of 3 per cent over the forecast caseload for the period.

You will all remember that last year we announced a big package for Ambulance Victoria. There was \$185.7 million — that was in the 2008–09 budget. There were 334 extra paramedics recruited. On the basis of the anticipated increase in demand, which was 3 per cent, all of those targets would have been met or exceeded. However, what has occurred in 2009–10 — as I have said, in those first eight months of 2009–10 — is that emergency incidents grew by 6 per cent against the estimate of 3 per cent. If you think about it, you have got a population that is growing at about 2 per cent, and you have got ageing of the population, which would tend to accelerate that. Nevertheless, 6 per cent growth is very strong indeed.

I do not have any advice with me as to why the emergency demand was so strong, but nevertheless the funding, the management of the service and the achievement of targets was predicated on 3 per cent growth in emergency demand, and what we have seen for the first eight months of this year is 6 per cent. On the basis of that, at the moment it would seem that 89 per cent would be achieved within 15 minutes against the target of 90 per cent.

By the way, 89 per cent would still be better than last year's performance of 88.2 per cent — so that is despite that huge increase in emergency demand — but if emergency demand continues to grow at that rate, we will need to again examine the resources that are made available to Ambulance Victoria to ensure that they can meet those targets.

I am conscious of some recent cases in the state where targets have not been met, and it is obviously important that resources are provided to ensure that we can achieve those targets. As I say, we would have had it not been for the extraordinarily strong growth in demand that we have seen this year.

Dr SYKES — Would the increase in drug and alcohol-fuelled violence have had any impact on increased emergency demand?

Mr BRUMBY — I do not know the answer to that question, but I will get information to you and follow that up. I doubt it, in the big scheme of things — you are talking about 300 000 cases; it is a huge number. The majority are road accidents and calls to home, but I will get that information and provide it to you.

The CHAIR — Thank you, Premier. Premier, the Treasurer, in his speech on pages 6–7, talked about a safer community. You will also find this on pages 324–326 of budget paper 3 in terms of additional unsworn staff for Victoria Police, additional police, recruitment of additional police on page 325 and a recruitment campaign over on page 326. Can you explain what all these measures taken together will mean — there seem to be three or four elements there — and particularly in terms of what is meant in terms of jobs in regional Victoria?

Mr BRUMBY — Yes, thank you for the question. The commitment that we made in the budget — and as you know, brought forward and announced prior to the budget — was for 1966 additional front-line police over the next five years. That consists, as you know, of 1700 additional police, plus 200 reallocated — if I could put it that way — from behind the desks out into the field and onto the front line, and 66 police who are presently taking 000 calls in country Victoria whose work will be transferred to ESTA in Ballarat. All up this will mean

1966 police over five years. If you take the reallocations and the recruitment over the next 12 months, there will be more than 600 additional new front-line police on the streets in the next 12 months.

So all of this will make a huge difference, I think, in terms of a visible police presence. And, as I have made clear, and as the chief commissioner has made clear, it means that with that significant increase in police, the chief commissioner who has the flexibility of course to deploy those police as he sees fit will be able to do that through things like the new task force, plus of course provide more police as required in uniform and out of uniform on the transit system to ensure that that is not only safe but seen and perceived to be safe by the people of Victoria.

On top of that, there are other initiatives as you mentioned: support to our court system, support for legal aid, and support, too, in an initiative that I was very pleased about. It did not get a lot of publicity, but this was the 55 youth workers who will be out there in the community working with many of the NGOs, particularly with young people and particularly focused on the issue of knives. We have seen this culture emerging, particularly with young people, 10 to 14, some of whom unfortunately think it is a trendy thing to do, to carry a knife. We need to break that culture and we need to be very clear about breaking that culture. We can do that with more police but we can also do it with more youth workers, who are out there working with those young people and making sure that they understand just how wrong it is to carry a knife or other illegal weapon. So they will be working with the NGOs, they will be working with the likes of the Les Twentymans and others, and they will be working particularly in those high-risk areas, hopefully to be both tough on crime, as the old saying goes, but also tough on the causes of crime.

The CHAIR — And in terms of regional Victoria?

Mr BRUMBY — In terms of regional Victoria, again, the deployment of police is a matter for the chief commissioner. But as he has made very clear, he will target those additional police to crime hotspots, to the major regional areas — Geelong, Bendigo, Ballarat, Shepparton, Wodonga, those sorts of centres — so they will all see more police as a result of this. Of course for Ballarat itself, Ballarat picks up the new ESTA centre, so it picks up the additional 66 call takers plus those being transferred from Ambulance Victoria. So there will be something like 180 jobs in Ballarat, too, as a result of this initiative. I visited that facility there last week and needless to say the Ballarat community is very happy about that initiative. It is a great story for regional Victoria.

The CHAIR — Thank you very much, Premier.

Mr WELLS — Premier, when you announced Metro as the successful tenderer, you said that we would get more train services, greater reliability and punctuality; they will deliver a better transport system for our state from day 1. That is what you said. I understand that Metro's penalties for late services are capped at \$12 million per year, a much less onerous regime than faced by Connex, which was liable for open-ended penalties for late and cancelled trains. In 2009, Connex paid \$25 million back to the government for poor performance. Metro is performing worse than Connex, with performance standards failing for four months in a row. I have some questions around that, especially budget paper 3, page 231, where the expected outcome for train —

Mr BRUMBY — Hang on.

The CHAIR — Just slow down.

Mr WELLS — Budget paper 3, page 231, payments made for train services. You were expecting it to be 433 million; it is actually 705 million, the expected outcome.

Mr BRUMBY — Sorry, whereabouts are you? What column?

Mr WELLS — Payments made for train services. The expected target for 2009–10 was 433 million; it is now 705 million.

Mr BRUMBY — Yes.

Mr WELLS — So you are talking about hundreds of millions of dollars more. Have Metro trains or their representatives threatened at any time to walk out of the contract or break the contract and leave Melbourne? Have you been told that Metro was threatening to withdraw from all services before the election? Have there

been negotiations between lawyers and government rather than representatives from government and Metro? And how much extra money have you promised to pay Metro not to walk away from the contract?

The CHAIR — All right.

Mr WELLS — Hang on, just a moment.

The CHAIR — Finish your question, please.

Mr WELLS — Already, on page 231 you are saying there is an increase from 433 to 705.

The CHAIR — All right, you have finished the question.

Ms GRALEY — If you read the footnote, you would understand.

Mr WELLS — So there are a number of questions. We just want some answers.

The CHAIR — Thank you, Mr Wells. I will chair this.

Mr WELLS — Well, can you start chairing it, so we can get some answers.

The CHAIR — I beg your pardon. I think that is actually most unbecoming. I think you need to reflect on your behaviour, thank you very much. Premier, insofar as this relates to the estimates, thank you.

Mr WELLS — Well, it all relates to the estimates.

Mr BRUMBY — I will, but this is a bit like your comments trying to cause a run on Members Equity Bank — you know, completely scurrilous and without foundation.

Ms GRALEY — Absolutely, yes. The recession — the make-believe recession.

The CHAIR — Without assistance.

Mr RICH-PHILLIPS — How is this relevant to trains?

Mr BRUMBY — And your comments last year that we would be in recession — completely scurrilous.

Mr WELLS — I was just copying the Prime Minister of the country.

Mr BRUMBY — No, completely scurrilous. So today — —

Mr WELLS — The Prime Minister of the country said we were going into recession, so I was just following his comments. So are you saying the Prime Minister was not correct?

Ms GRALEY — You are always talking Victoria down.

Mr WELLS — No. Is that the fact? The Prime Minister was saying that we were going into recession.

The CHAIR — With assistance, please. Thank you, Mr Wells, Ms Graley.

Mr WELLS — He has referred to it, so we would probably get an answer.

The CHAIR — You should ignore it, and the Premier should ignore these things as well. The Premier to answer the question, thank you very much.

Mr WELLS — Maybe we can get an answer in regard to the extra payments for train services. I am just reinforcing the question.

Ms HUPPERT — If Mr Wells read the footnotes, he would understand the answer to the question.

Mr BRUMBY — I am making the point that what you say should not be believed.

Mr WELLS — It was the Prime Minister who said we were going into recession. The Prime Minister said we were going into recession.

The CHAIR — All right, Mr Wells. We do not need you to give a personal explanation.

Mr WELLS — So we are asking the Premier to answer the question.

Ms GRALEY — You are always talking Victoria down.

Mr RICH-PHILLIPS — A better transport system for our state from day 1. Can we believe that?

Mr WELLS — So can we believe what you say?

The CHAIR — The Premier, to answer the question.

Mr WELLS — They will deliver a better transport system for our state from day 1. Do we believe what you are saying?

The CHAIR — Mr Rich-Phillips, you can ask the question at the appropriate time.

Mr WELLS — Do we believe or not believe what he says?

The CHAIR — I think the Premier is answering the question.

Mr WELLS — No, he is not.

Mr BRUMBY — So the claim that you just made in your question, which I understand you have been peddling to the media desperately all day, is completely false?

Mr WELLS — I have not spoken to anyone in the media today.

Mr BRUMBY — I understand you have been peddling it all day.

The CHAIR — We are not having a discussion here. This is a formal hearing.

Mr WELLS — I do not know where you are getting your information from.

The CHAIR — This is impossible for Hansard. I know we are in a very close space here; it is not like the parliamentary chamber. I hope that members and witnesses will respect each other and we will have one person talking at a time, please.

Mr BRUMBY — In terms of the additional funding that is provided for in the budget, this is actually more money for transport. It is one thing that our government does that yours never did. It is more money for public transport. The additional funding is for rail maintenance, which is part of the additional \$500 million investment in infrastructure upgrades and maintenance over Metro Trains' eight-year contract.

It includes funding for more services, including the 211 new and extended services each week, that were recently announced, which commenced on 6 June. It provides funding to staff previously unstaffed stations and for additional platform staff. It provides funding as part of the \$100 million upgrade of air conditioning in Comeng trains and it provides additional funding for graffiti removal. That is what the difference is.

Mr WELLS — Are you saying there is no increase in regards to the Metro contract? That was the basis of my question. The initial Metro contract — —

The CHAIR — He has clarified that.

Mr WELLS — No, he hasn't. There has been no increase in the Metro contract?

The CHAIR — I am asking the Premier to answer this particular bit.

Mr BRUMBY — I answered the question in detail.

Mr WELLS — You have not answered the question of whether Metro are getting any more dollars. We still have not had one answer.

The CHAIR — Ms Graley has the floor.

Ms GRALEY — Premier, I would like to ask a question about education, our government's no. 1 priority, I am pleased to say. I would like to refer you to pages 20 and 21 in budget paper 3. I refer to the government's investments in education. Could you update the committee on the school building program and other supports for early childhood in the budget?

Mr BRUMBY — In terms of the details of schools? Is that what you are after?

Ms GRALEY — Yes, I would be interested in hearing that.

Mr BRUMBY — As I indicated earlier on the slide on education, under the Victorian schools plan we promised 500 schools, and in this budget we actually fund 553 schools. We have more than exceeded the promise that we made at the last election.

We have also completed, I might say, our \$28 million commitment to fund new computers this term, with \$7 million in this budget for more than 7000 additional computers.

In terms of giving children the best start in life, which is so important, as you know, with all the information and all the evidence linking that to further achievements in primary and secondary school, there is \$82.6 million for the new early childhood initiatives, which include an additional 3590 kinder places. By the way, just putting that in perspective, last year there were about the same number, this year about the same number. If you go back in the history of the state, it has never been more than about 1000 a year. So these are huge increases in the number of kindergarten places.

There is \$108.6 million to boost disability support and services in early childhood and at school, including increased funding for early childhood intervention services and a new Victorian deaf education institute. There is support for students who are most in need — this is the extra money, obviously, that is provided across our government school system and also, I must say, \$287 million in continued support for non-government schools, with the emphasis on supporting those most vulnerable in our community.

All in all, when you put that together, it is a huge investment in the capital, in the infrastructure and in the schools, which will improve and enrich. I must say in my own electorate of Broadmeadows, where one of the school regeneration programs is under way, you can go out there and visibly see the difference in the children's response, in the learning environment and in the enthusiasm they have got as the old LTC buildings have been replaced with beautiful new facilities. It has really lifted teaching morale as well. As you know, in this budget, there was quite a bit on the regeneration in Melbourne and also, of course, in places like Ouyen in country Victoria. So a big boost there, plus early childhood education, plus supporting students most in need.

The CHAIR — Thank you, Premier. I particularly welcome the deaf institute money.

Mr BRUMBY — Yes, indeed. Well located.

The CHAIR — Mr Rich-Phillips?

Mr RICH-PHILLIPS — Premier, also an issue of Metro Trains, why are the performance penalties that apply to Metro capped rather than uncapped as they were with Connex? Given your comments when Metro was launched, that we would have a better transport system for our state from day 1 and given that that clearly has not happened, will you now admit that the Metro contract has not been of benefit to Victorian commuters?

The CHAIR — Insofar as it relates to the budget, Premier?

Mr BRUMBY — I certainly remember having to find \$400 million a year to bail out the operators under the previous contracts signed by the former government.

Mr WELLS — Looks like you are doing the same again.

Mr RICH-PHILLIPS — You signed the Connex deal that expired last year. It was not the previous government's deal.

Mr BRUMBY — In relation to the capped arrangements and the contract arrangements, they were well publicised at the time last year. They were decisions made by the steering committee and the negotiating committee on the basis of advice from the Department of Transport and other sources. So they were well publicised at the time.

Mr RICH-PHILLIPS — But what was the reason?

Mr BRUMBY — In relation to the performance, I have said publicly that in the first few months of operation of the train system I have been disappointed in the performance, in terms of the punctuality of the performance of Metro. Although their performance in terms of services is adequate, in terms of punctuality it has not been meeting the benchmarks, and I want to see them do better. They have a requirement to do better, I expect them to do better in the future, and I cannot be clearer about that.

Mr RICH-PHILLIPS — Do you accept responsibility for their poor performance?

Mr BRUMBY — At the end of the day we have signed contracts with them and we — —

Mr RICH-PHILLIPS — With capped penalties.

Mr BRUMBY — We have signed contracts with them that we expect them to deliver. It is the same as any organisation. If you are a business or you are building a home or you are a government, if you sign a contract, you expect that the terms of the contract will be implemented. I have made it clear that their performance is disappointing to date, but I expect to see some improvement in that performance. I repeat, as I said at the time of signing with Metro, that Metro are in this for the long haul. I met with their board in Hong Kong last year when I was there. They have a commitment to making sure that this works and works well; they are in it for the long haul. I have every confidence in the company, but their start has been disappointing.

Mr WELLS — So who takes responsibility? No-one.

Mr RICH-PHILLIPS — Clearly not the Premier.

Mr WELLS — No-one takes responsibility.

The CHAIR — Without assistance, please.

Mr DALLA-RIVA — The myki response.

Mr NOONAN — Premier, I want to ask you a question about jobs, which is one of the state budget themes and say that Victoria seemingly had a stunning result over the last 12 months on jobs. I note with interest the economic forecasts on page 19 of budget paper 2 on jobs and note that the economic forecasts have improved since last year when I think at the time it was estimated that the unemployment rate may hit 7.75 per cent. The forecast rate in this budget is 5.5 per cent at its peak in 2010–11. I just wonder whether you can outline the strategies in this budget that will help achieve this forecast.

Mr BRUMBY — As you know, after last year's budget I remember that when I appeared before the Public Accounts and Estimates Committee there was a fair bit of scrutiny on the jobs forecast number and some pretty dire predictions at the time from Mr Wells and others. You will recall that we committed to generating at least 35 000 new jobs from the infrastructure projects that we put in place. Again, this year — I think we have a slide on this too if we could find that — in terms of our capital works program for the year, we are investing close to \$10 billion and we estimate that will produce on a very, very conservative basis, as you would know from the modelling, 30 000 jobs. That is a conservative estimate, and I think last year's experience shows our estimate was conservative as well and comfortably surpassed. All of this is important to sustaining confidence in our community.

I think there are many people who treat too lightly the global financial crisis, who did last year and continue to do so. I think anybody who is in any doubt about the continuing impact of this throughout the world needed do no more than watch the television last week to see what is happening in much of Europe, particularly Greece

and potentially now Portugal, Spain and Ireland as budget difficulties affect those countries and severe budget cuts become necessary. It makes you realise that this is not completely over and just how strong the economic performance of Australia and Victoria has been through that global financial crisis. I think we should be clear too that were it not for the fiscal stimulus that was provided last year by the federal government, supported of course strongly by our state, our levels of unemployment and our degree of exposure to the global financial crisis would have been much higher than they are today. As a consequence of that, we have come through with an unemployment rate which is lower and a budget which I think really gets all the parameters right in terms of generating new jobs going forward.

I mentioned the 100 000 new jobs in the last 12 months, more than half of all the new jobs generated across Australia. In March 2010 Victorian employment increased by almost 11 000 persons, which is the largest increase in any state. Since we came to office, employment in Victoria has risen by something like 557 000 people, or 25 per cent, and we have seen strong growth too in regional Victoria. I think the point of this budget is that if you look at the investment in skills and capital works, the reductions in business costs, this is a job-generating budget. It is going to generate jobs in Melbourne and it will generate jobs right across country Victoria.

Mr NOONAN — What about the green jobs plan that was announced?

Mr BRUMBY — As we announced the week before the budget, Jobs for the Future, as we called it, provides \$175 million for generating thousands of new jobs. I think this is such an exciting area for our state. I have often said of the climate change debate that as a leader in this area we need to turn this debate into one about a climate of new opportunities and be on the front foot in all the changes in behaviour and the new technologies, innovations and investments that we use to tackle climate change and to give us a better environment. I launched that program with Minister Jennings and Minister Pike at one of the new buildings that Grocon is building. It is using a new cement in this building which has 40 per cent less embedded carbon. This is just the first run, but they have the patent on this. If you think of applying that technology across China, which in the next 20 years will be adding more built infrastructure than Europe has built in the last 200 years, and you can take 40 per cent of the carbon out of all that construction, you are going to get some dramatic results in terms of lowering carbon emissions.

The things we did in that package, whether it was the solar cities — so there are 10 of them, 10 hubs across the state — or the ceramic fuel cells, which will be the biggest rollout anywhere in the world as a trial, these are great success story, too. They are a CSIRO offshoot, located in the south-eastern suburbs of Melbourne. As you know, a ceramic fuel cell is about the size of a bar fridge. The gas comes in one end; electricity goes out the other. The efficiency rate is more than 70 per cent in conversion compared with the normal efficiency rate for energy generation of the low to mid-20s. So again, profound implications if this can be tested and succeeds on a commercial scale. In terms of the jobs benefits for our state — whether it is the cement, whether it is ceramic fuel cells, whether it is the solar hubs — all of these things I think are so exciting. All of the details of that were, as I said, released in the week prior to the budget.

Mr DALLA-RIVA — Premier, I refer you to budget paper 3, page 232. This relates to the issue of the metropolitan public transport services and in particular the quality performance measure and customer satisfaction index relating to train services. As you know, the train services outcome is below what was targeted, the target and the expected outcome. My understanding from a report in the *Age* of 11 March this year is that Metro said that the lack of performance was all due to system infrastructure that has been allowed to run down so badly:

Metro's acting chief executive, Raymond O'Flaherty, said a key reason for the poor performance was a shortage of trains, partly due to continuing braking problems with the fleet of Siemens trains inherited from the previous operator, Connex.

Other reasons cited for the surge in late trains included failed overhead powerlines and cancellations causing knock-on effects to other services.

So I ask: do you accept that you have let the system down? Is it not a fact that Lynne Kosky came to you as the Treasurer and then as the Premier on several occasions with requests for more funding for train infrastructure and that you said no, and that is the cause of the problems today? Or do you now accept what Paul Mees says, 'It's the system, stupid' and that this is all because you have let the system run down so badly that we now have these problems?

The CHAIR — Premier, insofar as it relates to the estimates.

Mr BRUMBY — Just for the record, there was a number of questions in that, but as I understood a number of the questions there, Mr Dalla-Riva, one of the first decisions in fact I took as Premier was to increase the order for rolling stock to get more trains. Indeed, I was in Ballarat on Friday at United Group Rail, where they have the first of the X'trapolis shells. You know we have two streams of X'trapolis coming in at the moment, one of the ones that are being essentially finished in Italy and brought over and the others are being brought over now as a shell and built up at United workshop in Ballarat. The first of those I saw. They will be rolling out at more than one a month from the end of the year. They were the result of the increased order which I made within months of becoming Premier.

In terms of aggregate funding for transport, we have provided significant increases in funding for transport, but you should have a look at, as you obviously have not, the increase in patronage numbers. Unlike the 1990s, when people were leaving our state in droves, they have been actually been wanting to come to Victoria this decade and we have had strong population growth and record numbers of people using the public transport system.

Mr WELLS — Is that the reason we have a poorer public transport system?

Mr DALLA-RIVA — It is 11 years.

The CHAIR — Without assistance.

Mr WELLS — You have had 11 years to get it right.

Mr DALLA-RIVA — You know that the public transport system — —

The CHAIR — Without assistance, please. The Premier to answer.

Mr DALLA-RIVA — This has not occurred in the last week.

Mr RICH-PHILLIPS — It is the community's fault!

Mr WELLS — It is the community's fault. The increase in population is why we have got poor public transport — that is the reason.

The CHAIR — We are having hearings here. Questions are being asked; answers are being given. Without assistance, please. Thank you, Mr Dalla-Riva.

Mr DALLA-RIVA — It is the taxpayers; they are the reason. They are using the trains; they should not be using the trains!

Mr BRUMBY — If you think that, I am happy for you go on the record.

Mr DALLA-RIVA — That is what you are saying.

Mr BRUMBY — No, that is not what I have said.

Mr WELLS — You were just blaming the increased population.

Mr BRUMBY — I am happy for you — —

Mr WELLS — You have blamed increased population, increased patronage.

Mr BRUMBY — I am happy for you to be on the record saying that, Mr Dalla-Riva. That is very much consistent with Liberal Party attitude. In terms of the investments that we have made, we have put an additional \$500 million into maintenance, and that is making a difference. In terms of the target that you refer to there, the satisfaction index in 2008–09 was 58.2. The expected outcome in 2009–10 is higher. It is 60.6.

Mr DALLA-RIVA — Forty per cent failure, though.

Mr BRUMBY — You asked the question, and you asserted that satisfaction was declining. Last year it was 58.2.

Mr DALLA-RIVA — So 4 out of 10 people are not satisfied with the service.

Mr BRUMBY — The expected outcome this year is 60.6.

Mr DALLA-RIVA — You are happy that 4 out of 10 Victorians are not happy.

Mr BRUMBY — The target for 2009–10 is 62, and the 2010–11 target as set in this budget is 65.

Mr DALLA-RIVA — On a train carrying 1000 people, there would be 400 — —

The CHAIR — Without assistance!

Mr WELLS — But they are only expected targets.

The CHAIR — I hope members of the committee will show some more restraint and patience.

Ms HUPPERT — Thank you, Chair. Premier, I have a question about *A Fairer Victoria*. I refer you to page 28 in budget paper 3 under the heading ‘A fairer society — reducing disadvantage and respecting diversity’. Could you please outline to the committee what measures have been taken in the budget to give effect to the commitment to reduce disadvantage and increase opportunities for all Victorians?

Mr BRUMBY — Thank you for the question, Jennifer. On Thursday morning I launched with the Minister for Community Development, Minister D’Ambrosio, *A Fairer Victoria*, a very important document to our government. As I have often said, I do not think you can be the best state in Australia unless you are also the fairest. We want to build a state that is the most productive, the most livable, the most sustainable, but we also want to build a state that is the fairest. What *A Fairer Victoria* has done is bring together all the things that we do in government, to try to break down the silos between government departments, to focus on certain critical issues and to see if we can really lift performance and outcomes in those areas.

I think over the years many of the things we have done in *A Fairer Victoria* have really made a difference, and there were some great case studies in the document *A Fairer Victoria*. One of them, by the way, that I referred to in launching this year’s *A Fairer Victoria* was the story on Charcoal Lane, which was a previous initiative out of *A Fairer Victoria*. Charcoal Lane is all about trying to lift the employment levels of indigenous Victorians, and some of the results that have come out of there in the first 12 months have been really promising. They have been so positive, and I hope they can continue into the future because young, indigenous Victorians are going on to full-time employment or to further, higher levels of training and the results out of there are excellent. But there were many other case studies in there as well, confirming that the investments we have made in the past in *A Fairer Victoria* are really producing results.

Going forward, in this year’s *A Fairer Victoria*, which is our sixth, there is \$1.35 billion worth of funding. Cath Smith, the CEO of VCOSS, said at the launch of AFV that what we have seen in *A Fairer Victoria* is state leadership in investment. We have also seen state leadership in policy. I made the point at the launch that one of the areas which governments have needed to do more in for quite some period of time is mental health. You will recall, as part of our national reform agenda that we took to Canberra some years ago, we said there needed to be a much bigger focus around Australia on mental health and on human capital development more generally. It is pleasing to me that over the past five years we have been able to increase funding for mental health services in our state by more than 40 per cent, so it has been a strong rate of growth. Again, this is an area where there is still much more to do, but it shows the benefits that can come out of *A Fairer Victoria*.

Ditto in homelessness and social housing. We have some great projects under way in tackling homelessness. We will be spending in social housing this year, in partnership with the federal government, close to \$1 billion. Last year was close to \$1 billion — or the current financial year, 2009–10. We will be adding more new social housing stock than at any time since pre the Olympics in 1955–56 when Melbourne built the Olympic Village in Heidelberg and all of those things, so this is a huge addition to housing stock. It is a great initiative in terms of supporting those in need in our community, particularly elderly Victorians and those with families, but it is also taking the pressure off private rental housing and in the process generating strong jobs growth across the state. I think it shows the benefit of the focus that we have had as a government, and in this year’s *A Fairer Victoria*, of

course, as you know, there is a big investment again, as I have said, in the preschool and kindergarten system to make sure that every child in our state really gets the best possible start in life.

The CHAIR — Thank you, Premier. If you are okay, we will break for 5 minutes and come back. Ms Pennicuik will have the call.

Ms PENNICUIK — On page 176 of budget paper 3 in the second section it says:

Significant challenges facing the department ... include:

ensuring Victoria is able to respond to the changing global economy and to the effects of climate change ...

The secretary's PowerPoint presentation mentioned in the highlights that the climate change green paper and consultation was a highlight. It took us an hour and 20 minutes to get to talk about climate change.

Mr NOONAN — What about the green jobs program?

Mr BRUMBY — No, I did mention that. I mentioned it a couple of times actually. I am happy to have a further question.

Ms PENNICUIK — There is nothing in the departmental budget outlines about climate change. If you look at DSE, there is \$46.8 million set aside, but it is not very well detailed what it is for. Significantly less than 1 per cent of the budget seems to be allocated to climate change. Is that all that we can look forward to in the forward estimates in terms of budgetary allocations to climate change abatement measures, given there is a paucity of any detail in the budget papers about that?

Mr BRUMBY — I am sorry I do not have a copy of the Jobs for the Future package. I do not know if anyone has one here today. That provides significant detail. Because there is so much information which is released on the budget day there are often some things we choose to bring forward and announce before the budget. We did bring forward the Jobs for the Future green jobs package, which I am sure you have seen. I must say it was very, very well received by the environment and technology groups, I think without qualification.

There is a section here of the budget overview on sustainability and the environment that goes through many of the measures that we are taking, particularly in this year's budget. Again, I am sure you have seen that. It is on page 22 of the summary document. The elements on environment and climate change are in many different departments, but this brings them together under a single area. There is the \$20 million to protect the grasslands reserves — I think you are familiar with this — particularly in the western suburbs of Melbourne. Again, I think this was such a positive thing to do. It puts them all together into a single reserve system which is better for the environment, better for ecosystems, better for the plant and animal species that we are looking to protect, and better too, might I say, in terms of planning and urban development because it provides more certainty. There is the extra funding for the Summerland estate. There is money for weed control.

There is the extra money for regional parks. On the parks, as you are aware, I announced at the international parks congress here a few weeks ago that from 1 July entry to our national parks will be free. There is no budget loss for Parks Victoria for that. I think that is really important in terms of making sure that every Victorian family can have the opportunity to visit our beautiful national parks. As you know, whether it is Wilsons Promontory or Werribee, for some families that dollar can make a difference and they choose not to visit those areas. I think that will make a difference as well. There are some other initiatives there.

In addition I will just make the point that in the climate change area some things, as you know, are funding related, but many things that you do in the climate change area are based around regulation. If you look at the things that we have done as a government, for example, I think we have been — and I think many of the environment groups would describe us as — a leader in this area. We were the first state, for example, to introduce the mandatory energy efficiency target for electricity retailers. We were also the first state to put in place a renewables target which of course has subsequently been picked up by the federal government. We were the first state to put in place the 5-star rating for new homes, which, by the way, has now been run out across Australia and expanded. You can put all of those things together. There is the efficiency target scheme plus in business the mandatory energy and water efficiency program for our 100 biggest corporate users. We are the only state that has done all of these things, and they are producing a difference. I know they are producing a difference because I see the results and I talk to many of these groups about it.

On top of that, as I said, we have the Jobs for the Future package. Later this year we will be releasing a climate change white paper and a climate change bill. That will be in the next few months. I think it is fair to say that the task of putting that white paper together has probably been made more complex, and in a sense more challenging, by the decision of the federal government to defer the introduction of the carbon pollution reduction scheme. But in terms of our intentions going forward I think I can be unequivocal in saying that I want our state to be the leader in these areas — in tackling climate change and in producing a state with the best environment in Australia.

Those initiatives will take place later this year. I also have a dedicated branch, of course, as you know, in DPC, a climate change branch, and that is reported in the annual report. The final point I would make on climate change is that a big part of climate change and its response is what individuals and local communities do. When I made the statement to the Parliament last year on this issue you will recall that I announced a new initiative called Climate Communities, worth \$23 million — \$13 million of reprioritisations and \$10 million of new money. We are rolling that out across the state at the moment. I announced the first grants under that program in Flowerdale just a couple of weeks ago, and I think this will really empower local communities to work with government to make a difference. I think we have got a good story to tell, some good initiatives in the budget, and there will be more to come in a few months time.

Ms PENNICUIK — Premier, I hear what you are saying, and I have read page 22, but there are very small allocations of money to this very important area, which is possibly the most important thing we are facing — —

Mr BRUMBY — Sorry, page 22?

Ms PENNICUIK — It is on the overview.

The CHAIR — It is in the ones you pointed out, Premier, at page 22 and 23 in the overview — —

Ms PENNICUIK — My point is, notwithstanding what you have said and the initiatives you have described, the amount of money allocated to climate change in the budget is very low. Can we expect in the next three years of the forward estimates that that is going to increase substantially, because greenhouse gas emissions are increasing?

Mr BRUMBY — I think I have made very clear my intent here. I hope I have made it clear on the record that we want our state to be the leader in this area. On the budget papers, as today is about the budget estimates, I would just repeat the point that the thing about climate change is it does not all come under a single portfolio area — —

Ms PENNICUIK — That is why I am asking you, Premier.

Mr BRUMBY — One of the initiatives, for example, in the Jobs for the Future package last week is technically a Department of Finance initiative, which is \$70 million for all the old buildings — like the repat, a number of old hospitals, I think 50 schools and some of the government buildings we have got here — to be substantially retrofitted, to try to get them up from basically a 1 star energy rating to 3 and 4-star ratings. That is actually a Department of Finance initiative, so you will not find that in our department; it will be somewhere in there. There are other initiatives, obviously, in the Department of Sustainability and Environment, which show additional funding in terms of healthy and productive land, healthy, productive and accessible marine coasts and ecosystems. So they are in a range of places. But I think what I am saying to you today is that I think we have been a leader in this area. I think our Jobs for the Future package continues leadership, and I think you will see strong leadership again in our climate change white paper and climate bill.

Ms PENNICUIK — Premier — —

Mr WELLS — Just to clarify — —

The CHAIR — I think Mr Wells wants a quick clarification. I thought Ms Pennicuiik had finished her question. She has already had two goes.

Ms PENNICUIK — Premier, when can the community expect to see significant reductions in the energy sector in particular in closing down — —

The CHAIR — I think that is a separate question; you can ask that later.

Mr WELLS — Just to clarify, Premier, you said there would be free entry into national parks. Is that for every year over the forward estimates, or is it just this year, being an election year?

Mr BRUMBY — Why don't you read the budget papers?

Mr WELLS — Could you give us an answer please? Is it a commitment over the forward estimates?

Mr BRUMBY — Yes, it is.

Mr WELLS — Okay, so every year it will be free entry into national parks?

Mr BRUMBY — Yes, as announced.

Mr WELLS — Thank you; that is all.

Mr BRUMBY — It is in the budget papers.

Mr WELLS — It took one answer; it is not that difficult.

Mr SCOTT — Premier, could I ask a question regarding bushfire preparedness — —

Ms GRALEY — Remember when you tried to sell Wilsons Prom?

The CHAIR — All right, thank you, Ms Graley.

Mr WELLS — That is a stupid thing to say, Jude.

Ms GRALEY — It is true.

Mr WELLS — No, that is a stupid thing to say.

Ms GRALEY — It is absolutely true; you tried to privatise Wilsons Prom.

The CHAIR — Can Mr Scott ask his question without any assistance.

Mr SCOTT — My question is regarding bushfire preparedness, and I refer you, Premier, to budget paper 3, page 9. There is a reference there to the expected release of the royal commission's final report in July, but how is the government making sure that critical bushfire preparedness work continues ahead of the royal commission's final report?

Mr BRUMBY — This is obviously a very important point that you have made through your question — that is, on one hand the government does need to wait obviously until the report of the royal commission, but on the other hand there are too many important things that we need to be doing across the state now to make sure that our state remains as safe as possible for the next fire season. I said that the preparation we put in place for last fire season elevated our degree of preparedness to the highest it has ever been, but we need to keep doing more in this area.

So in the budget there was a further \$136.6 million to back emergency services and boost the fire preparation effort. There is \$35.4 million over four years for personnel training at incident control centres across the state. There is \$28.5 million over four years to upgrade and improve bushfire warnings and upgrade intelligence gathering, analysis and alerting capability by fire and emergency agencies, and that included funding for the bushfire information line. There is further funding of \$3.1 million to provide additional surge capacity. There is \$41.8 million over two years for the CFA to help communities and households better prepare themselves for the bushfire season, and there are a whole range of things there — community fire guards, a self-assessment tool, neighbourhood safer places. There is \$9.2 million over four years to employ additional CFA personnel; \$41 million to increase the bushfire resistance of school buildings in high-risk areas; \$500 000 to support local government to develop neighbourhood safer places; and there is \$6.5 million to maintain a professional ambulance service in Kinglake and upgrade services at the Whittlesea branch.

All up, the 2009 state budget committed \$986 million towards firefighting services and the reconstruction effort. It is a huge investment, obviously, by the state. It is about making sure that we rebuild and recover in those areas that have been burnt but also ensuring that we are as well prepared as humanly and technologically possible in the future.

Dr SYKES — Premier, I would like some clarification of terminology. When you talk about ‘new jobs’, does that mean a new job or does that mean replacing an existing job?

Mr BRUMBY — It means an additional new job. I saw some data here somewhere — I do not know if it is in my folder today — on total jobs across Victoria over the last 10 years. That is additional people in employment. I think it is 550 000 over the last 10 years. I think I might have had a slide on that before. They are net new additional jobs. That is the size of the workforce in jobs.

Dr SYKES — When the Minister for Regional and Rural Development announced at Myrtleford 60 new jobs at Carter Holt Harvey as a result of a state government contribution to the upgrade of the works, it would be reasonable for people to conclude that was 60 more jobs there over and above the number who were employed at the time?

Mr BRUMBY — I did not see the comments, so I do not think I can second-guess what you are paraphrasing.

The CHAIR — We had some evidence earlier today about this.

Dr SYKES — It is a new job, so if there were 200 employed there at the time, and the minister announced 60 new jobs, by your definition of a new job that means there should be 260 jobs at that business. In fact the number is dropping from 200 to 180, so it is not net new jobs. It is retraining people from an old job to a new job, but acknowledging there are going to be job losses in the transition. Is that not spin over substance, Premier?

Mr BRUMBY — To be fair, I did not see the announcement, and I have not seen the words that were spoken. I do not think you can expect me to comment on that — —

Dr SYKES — If what I say is correct — —

Mr BRUMBY — Hang on!

Dr SYKES — Would I be correct in saying it is spin over substance?

The CHAIR — The Premier to answer.

Mr BRUMBY — What I can say is that particularly as we have gone through the global financial crisis — and I do not know whether or not it was the case with this company; it is a while since I have been up there, and I am very much looking forward to my next visit to the north-east. But it is a while since I have been in Myrtleford — —

Dr SYKES — If you give me a ring, I will take you up there.

Mr BRUMBY — Thank you for that. It may well be the case with many of these businesses that they were on a path to losing jobs had it not been for the intervention of the government. I do not know whether or not it is the case in relation to that company, but I do know that particularly for many of our value-adding and manufacturing businesses, as they went through the global financial crisis with the dollar higher and with all of those issues, they may well have been on a path to closing or to losing a significant number of jobs, and the investment by the government enabled them to keep those jobs that would otherwise be lost. But I did not see the comments, and I am not going to comment on hearsay.

Dr SYKES — That is called saving jobs, and the minister and I agreed that jobs were saved, for which we are all very grateful, but it is misleading to say — and the minister said in the Parliament as recently as last week, again reiterating the line — save jobs and create 60 new jobs. That is spin over substance, Premier.

Mr BRUMBY — Again, you have made your point. I have not seen the comments — —

The CHAIR — I think you have both made your respective points.

Mr BRUMBY — The beginning of your question was about labour force growth and, as I have said, over the 10 years, I think, there were about 550 000 jobs, and over the last year 100 000 extra jobs. I think the ABS would say that the growth in the labour force has been something like 3.8 per cent, so that is net new growth in the labour force.

Ms GRALEY — I would like to talk about health reform. I refer to pages 74 and 75 of budget paper 2, which suggest the benefits of health reform to Victoria are \$935 million over the forward estimates period: \$3.8 billion in minimum guaranteed benefit between 2014–15 and 2019–20, and a further direct \$386 million injected into Victoria's health system into services the commonwealth overlooks like GP payments. Can you outline what these benefits mean for Victorian patients?

Mr BRUMBY — I think everybody knows the story here. After the release of the federal government's health reform plan we had certain issues with it, both in terms of the policy direction and certainly too in the context that there was no new money for Victoria and no guarantees of funding post-2013–14.

As you know, I released an alternative plan which was called Putting Patients First. In that I suggested a number of new reforms to our health system and argued very strongly that the most important thing from the Victorian perspective was to see more money on the table right now from the federal government so we could treat more patients. Fundamentally the system in Victoria is a very good one, and what we need more than anything else is stronger funding support from the federal government. We went in to argue for that. I think the rest is history. We came out of those COAG negotiations with more than \$900 million of additional funding for our health system in Victoria. If you take some of the non-government agencies receiving funding, it is well over \$1 billion of additional funding over the forward estimates period, and we received a guarantee of the \$3.8 billion post-2013–14.

In addition, we won the argument on many of the reforms, so the state will continue to be the manager of the system. Funding to health networks will be paid through a joint commonwealth-state pool, as we argued. We saw further improvements in the preventive health area, as we argued, to give a clearer continuum from preventive health through to hospitals, and in addition we got 332 extra acute or sub-acute hospital beds. The consequence is that we are going to see 150 000 Victorian patients who currently wait too long in emergency departments each year who will be treated within the recommended time frames. There will be quicker elective surgery — something like 34 000 patients over the next four years — and the 332 extra sub-acute beds will mean we can provide rehab and longer-term support again for something like an extra 5000 patients.

If you add that to the extra \$45 million we announced before the budget for additional elective surgery — I think another 9000 elective surgeries — from our own-purpose funding, all of this will give us a much stronger health system running into the future.

As you are probably aware, we did a summary budget paper on this called *Putting Patients First*. It shows the benefit, I think, of what we achieved from COAG. I must say we do thank the Prime Minister and the federal government for listening to the views that we put. It is probably the biggest health debate we have had since Medicare, so of course people had strongly held views, but the Prime Minister in what is a very difficult budget environment has made available all those additional fundings, and it is the people of Victoria and Australia more generally who will be the beneficiaries of that, so we thank him for that funding.

The CHAIR — Thank you very much for that, Premier.

Mr WELLS — Chair, I just wonder whether I could seek clarification on a previous question before I ask my question. Premier, I asked you before to clarify the point about free entry into national parks.

Mr BRUMBY — Yes.

Mr WELLS — I refer to budget paper 3, page 347. You said it was for the four years over forward estimates and not just an election year?

Mr BRUMBY — Yes.

Mr WELLS — Why is it that funding has only been allocated for 2010–11?

Mr BRUMBY — Because that was at the request of the department and Parks Victoria, and that is to supplement them. When I made the announcement I said they would not be out of pocket. The revenue that they raise from those areas is about \$1.5 million. In fact, if my memory is correct, I think there is an extra \$2 million that we have given them this year, so there is the \$1.5 million plus a little bit extra. We did not put the numbers in going forward — there is a contingency for that — because Parks Victoria is actually working with the department at the moment on a long-term revenue sustainability agreement; I guess would be the best way to describe it, so we did not want to put the numbers in until that was concluded. But the commitment is ongoing, as I said to you before. There are funds which are put in the contingency and it would be normal practice not to include that in the out years, since we have not yet identified the amount, but they definitely will not be out of pocket.

Mr WELLS — It just seems odd that most of the other accounts in that particular table have the out years, and that one only has for one year.

The CHAIR — I think that is more than enough.

Mr WELLS — Anyway, let us move on.

The CHAIR — Very quickly then, please.

Mr WELLS — Yes, there is more to be done, especially when it comes to funding national parks. I would just like to talk to you about the X'trapolis trains. You made a commitment last year that trains would arrive, be fully tested and made fully operational by the first of the month.

Mr BRUMBY — Yes.

Mr WELLS — This is obviously not happening, and we have had a number of reasons: they are stuck on boats, non-operational. Given that we have gone past 1 May, can you tell me where the May train is? Is it on the tracks and fully operational, as you promised, or when will it be?

The CHAIR — We are talking about budget estimates here, and estimates rather than current programs. Premier?

Mr WELLS — Would this costing not be affected by the forward estimates?

The CHAIR — As I said, I did ask the Premier to answer insofar as it relates — —

Mr BRUMBY — I think they are all paid for, but I am happy to answer the question.

Mr WELLS — We are after the May train.

Mr BRUMBY — Yes. There are three new X'trapolis trains that are in service and taking passengers. As you know, these are the first of what will be 38 six-carriage trains that the government has ordered. The fourth, the fifth and the sixth trains are in Melbourne and are being tested and prepared for service, and the seventh train has left Europe and will arrive here in late May. These new trains will continue to be progressively put in service as they arrive and pass through testing. Obviously, as the committee would appreciate, it is important that proper testing of new rolling stock is undertaken and that any issues are resolved. As this has now occurred, future new trains should be able to be tested and put into service more rapidly.

Obviously these new trains will improve network resilience and timetable flexibility. In addition, as I alluded to earlier, the second half of the order of the 38 trains — that is, trains 20 to 38 — will be assembled, fitted out and tested in Ballarat. For these trains this will mean at least 50 per cent of whole-life content and create new jobs there — at least 65 jobs actually, additional new jobs there. As I said, in Friday I was in Ballarat and saw the first — it is actually two carriages which have arrived there. The fourth train, I am advised, is expected to enter service in mid-May, and the fifth will be end-May, perhaps early June. By that stage we will be back on schedule.

Mr WELLS — So the May train is where? The May train — the 1 May 1 train — where is that?

Mr BRUMBY — I have just said. So we expect the next — —

The CHAIR — He has said.

Mr WELLS — You do not know which one is the May train; is it that is the fifth one?

Mr BRUMBY — I can read you the whole answer again, if you would like.

Mr WELLS — No, just where is the May train? Where is it?

Mr BRUMBY — They are in Melbourne, like I said if you were listening to the answer.

Mr WELLS — Okay, so when will it be on the tracks, taking passengers — the May train?

Mr BRUMBY — I have just said the next two — —

Mr WELLS — No. You were talking about fourth and fifth; we are looking for the May train. We want to get an understanding of where the May train is?

Mr BRUMBY — I think the confusion is in your mind, not in anybody else's.

Mr WELLS — No, just explain to me. Just tell me where the May train is. It is a simple question.

Mr BRUMBY — I have already answered that.

Mr WELLS — Where is the 1 May train? Where is it?

Mr BRUMBY — I have already answered that.

Mr WELLS — When will it be operational?

Mr BRUMBY — The trains are in Melbourne.

Mr WELLS — It is in Melbourne?

Mr BRUMBY — There are three on the tracks, and the next two — —

Mr WELLS — Yes, so what is that — January, February, March, or is it December, January, February?

The CHAIR — I think the Premier was answering — —

Mr WELLS — So we have the December, January and February, so the March, April and May are where?

The CHAIR — They are in Melbourne.

Mr WELLS — Yes, they are in Melbourne. Great!

Mr BRUMBY — I answered that, and I would invite you to check the transcript.

Mr WELLS — So you have no idea where the May train is?

Mr BRUMBY — I have answered it three times.

Mr WELLS — You have no idea where the May train is. It is a straightforward question. Four, five, six and no. seven — no idea.

Mr BRUMBY — I have answered that three times.

The CHAIR — Thank you very much. The running commentary is not essential.

Mr NOONAN — Premier, this is a budget which you say should grow the whole state. Chapter 1 of budget paper 3 looks at the service and budget strategies, which is looking at a whole range of government initiatives, but perhaps you could detail to the committee some of the key regional and rural initiatives within this budget?

Mr BRUMBY — I am happy to do that. I think the biggest of all those obviously was the new hospital for Bendigo, and at \$473 million it is the biggest regional hospital development in the history of the state. As I said before, if you put it in perspective, \$473 million on one hospital is more than the former government spent in seven years, so it is a very big hospital. In nominal terms it represents a bigger budget than obviously Box Hill or the Austin or the Royal Women's hospitals, so it gives you an idea of the scale of this investment and the scale of this hospital for Bendigo. Importantly, that will triple the number of chemotherapy treatments; it will double the number of renal dialysis chairs; it will increase by more than 50 per cent the number of new acute beds, so it is providing capacity for that community really for decades and for generations to come. I would say that is probably the single biggest.

After that, of course, obviously you have in the health area, as I mentioned before, the integrated cancer centre at Ballarat with the federal government, \$55 million; you have Coleraine hospital, \$26 million; Leongatha, I think, was \$25 million. There is \$64 million for school modernisation projects in country Victoria, so things like Bendigo Senior Secondary College and Coimadai Primary School. There is \$107 million for nine school regeneration projects in country Victoria. They include things like the Ouyen regeneration, as I have mentioned. There is \$10.5 million for some of the small rural schools in places like Garfield, Halls Gap, and Tawonga Primary School.

As to transport, obviously we have been talking about that a fair bit today. There is \$4.3 billion for regional rail link. This is the biggest transport project in the state's history, so it is bigger in nominal and real terms than was the CityLink tunnel, and, as you know, works are already under way on platforms 15 and 16. There will be further works during the course of this year and then out for major tender and construction next year, with huge activity taking place — more than \$1 billion a year over the build period going forward. That will mean that the regional trains from Geelong, Bendigo and Ballarat can all come straight into the city. In turn that will free up room for 10 000 additional metro passengers per hour travelling in the system. That is a huge project.

There is a lot on rural roads. Geelong ring road — and I guess we have all used that — has been a brilliant project, so we are doing stage 4C, which is, I think, \$76.9 million, which runs through the Surf Coast.

On top of all of that, if you add the investment which is occurring in the outer budget sector, you have the desal plant at Wonthaggi, where they are literally spending well over \$1 billion a year building that, with all of the jobs and opportunities that are going with that. With the food bowl project, again we are seeing huge investment occurring in the food bowl. We have already seen some of the great success stories out of there and what is happening with modernisation, with on-farm works being put in place, with the huge improvements in efficiency that are occurring, and the water savings available for the environment for irrigators and for Melbourne.

If you put all those things together — Bendigo, the desal, regional rail and the food bowl — there has never been a period in the state's history, nothing remotely like in the state's history, where you have seen that sort of investment occurring in regional Victoria, and all of it is about securing the future.

In terms of regional rail, it is about securing those networks coming into the city. In terms of desal, it is about securing the future. In terms of the food bowl, it is about giving us the most efficient irrigation system anywhere in the world. In terms of the Bendigo Base Hospital, it is about securing the future of Bendigo and the region. That is why these are landmark investments and that is why this is truly a budget for the whole state and the whole of Victoria.

Mr RICH-PHILLIPS — Premier, I would like to ask you about the government's commitment on police which was announced on 28 April, some three weeks after the coalition had announced that it would increase police numbers by 1700. What I would like to ask is how many police had you intended to announce prior to the coalition commitment, and can you confirm that it was as few as half the number you finally announced?

Mr BRUMBY — There is the graph. I think you live in a fanciful world, Mr Rich-Phillips. It is not the real world; it is the Baillieu world.

Mr WELLS — You do not like it.

Mr DALLA-RIVA — As opposed to the Brumby world.

Mr BRUMBY — So here is the graph.

Mr RICH-PHILLIPS — Was the 1900 in the original budget?

Mr BRUMBY — Do you want to turn around and look? Nineteen hundred, no, it was not 1900. Would you like to have a look at the graph? Is it too hard to turn your head and look at the truth? Confront the truth, my friend.

The CHAIR — Without assistance, please.

Mr DALLA-RIVA — How much was it originally?

Mr BRUMBY — You have got a great track record of cutting police numbers. That is what you did — cut police numbers. As you can see there, there has only been one government that has continuously and successively built up police numbers, and in fact I must say, and I thought I had a quote on this somewhere —

Mr WELLS — Have you got the crime stats on violent crime?

The CHAIR — Without assistance, thank you.

Mr BRUMBY — There has only been one government that has done that, and that is ours. I will just find this quote because I thought it was germane to this discussion.

Dr SYKES — Just say anything; you will often get away with that.

The CHAIR — Thank you, Dr Sykes.

Mr BRUMBY — They were the comments by the Leader of The Nationals when he said on record in the Parliament about our government that we ‘have delivered on what they have said they would’. I know you would be happy to confirm that, would you not?

Mr RICH-PHILLIPS — I have no idea what you are talking about.

Mr BRUMBY — This was the Leader of The Nationals — —

Mr WELLS — What about answering the question?

Mr DALLA-RIVA — Just answer the question.

Mr BRUMBY — It was Mr Ryan in the Parliament during debate confirming in relation to police numbers that we delivered on what they said they would.

Mr RICH-PHILLIPS — The issue is: did you start out with 1900 — —

Mr WELLS — You do not like this one — —

The CHAIR — Without assistance.

Dr SYKES — What is the rest of the statement to be made, Premier?

Mr RICH-PHILLIPS — Did you start out with 1900 police officers?

Mr BRUMBY — You can see this very, very clearly indeed, that where we promised police numbers we have delivered them: 800 in our first term, 600 in our second term, 350 in our third term — —

Mr RICH-PHILLIPS — Was the 1900 in the original budget preparation or were you panicked into it after the coalition announcement?

Mr BRUMBY — Plus the extra 120 that we announced last year in the middle of the global financial crisis. Because we have come through the global financial crisis in such robust and strong financial condition — —

Mr WELLS — And then we found law and order!

Mr RICH-PHILLIPS — Because of the announcement on 6 April you had no choice but to try and match it.

Mr WELLS — Then we found law and order as an issue!

The CHAIR — Without assistance.

Mr BRUMBY — Because we have come through in such strong financial condition we have been able to do even more.

Mr WELLS — Oh, that is what it was!

The CHAIR — Okay. Ms Huppert?

Mr RICH-PHILLIPS — Mr Chairman, that does not answer the question.

Ms HUPPERT — Thank you very much, Chair.

Mr RICH-PHILLIPS — I asked the Premier where the 1900 came into the budget process.

Ms HUPPERT — I also have a question in regard to law and order.

Mr RICH-PHILLIPS — He has not answered it, and I want an answer.

The CHAIR — The Premier has answered the question. Next question.

Ms HUPPERT — I refer the Premier to the page 26 of budget paper 3.

Mr RICH-PHILLIPS — Mr Chairman, a point of order. That was not an answer.

Mr BRUMBY — Sorry, I cannot hear the question.

Mr RICH-PHILLIPS — The issue related to when the 1900 came into the budget process, and the Premier has not addressed that.

The CHAIR — Mr Rich-Phillips, you are an experienced member of this committee. We are dealing with the budget papers and the budget estimates. Asking hypotheticals is really something which is not appropriate.

Mr RICH-PHILLIPS — It is not hypothetical; it is a fact: when did the 1900 come into — —

The CHAIR — I do not wish to go into that. The Premier has answered it in the way in which he has answered it.

Mr NOONAN — What page of the budget papers was the opposition's commitment on?

Ms GRALEY — That is right.

Ms HUPPERT — We have lots of hypotheticals from them.

Mr RICH-PHILLIPS — Which is not answering it. He has not answered it. If he had answered it, we would know the answer.

The CHAIR — Answered it in regard to the budget estimates, and so I pass the baton to Ms Huppert.

Mr RICH-PHILLIPS — Did he come up with the 1900 after the coalition announcement?

Mr WELLS — The global financial crisis resolved it.

Ms HUPPERT — Again, as I said, on page 26 of budget paper 3 there are statements about the importance of the courts and corrections system, and in particular that Victoria's courts and tribunals are key part of the

justice system. In reference to the corrections area, it talks about the need to invest to respond to Victoria's growing prison population. Can you tell me what investments support these areas and how they link together?

Mr BRUMBY — What page was it again?

Ms HUPPERT — It is on page 26.

Mr WELLS — This had better be without notice!

Ms HUPPERT — It is under the heading 'Access to justice'.

Mr WELLS — It is question 6 on the running sheet.

The CHAIR — Mr Wells, you are not helping.

Ms HUPPERT — About investment in Victoria's courts and tribunals and also investment in the corrections system.

Mr RICH-PHILLIPS — It is tram no. 4!

Mr BRUMBY — The question is a very good one because, as I said earlier, it is important as a government that you make sure that all the policy areas are working together in the one direction. The investments that you make in additional police, as we have made consistently in government, need to be matched by other investments we are making to tackle the causes of crime but also other investments that we are making in the justice system to ensure that it is truly responsive and works well.

In this budget there is \$129.4 million to speed up courts and to improve access to justice services, which is an important part of our plan to help make communities safer. That includes funding for extra resources, including two additional trial judges in the County Court, an extra Supreme Court judge, one Court of Appeal judge and two extra magistrates, including one for the Children's Court. That investment will be complemented by \$45.6 million over four years to increase capacity in the men's prison system — that will be by 85 beds — and there is \$80.6 million over four years in the women's prison system, adding 18 new beds at Tarrengower women's prison and 141 new beds at the Dame Phyllis Frost Centre.

It is probably worth noting that Victoria's imprisonment rate has actually increased in recent years, from 92 prisoners per 100 000 population in 2004–05 to 103.6 prisoners in 2008–09. In the absence of any other policy changes, that would translate into a long-term increase in Victoria's prison population. I think it is fair to say that there are more prison operations — you have seen there the additional police — and tougher and longer sentences. I know that there is a lot of debate about these things in the community, but there have been a number of longer sentences that have been put in place. Increased prosecution of sexual assault has been another factor. And there has been a tougher approach to the perpetrators of domestic violence. You will remember the changes that we announced I think three or four years ago. All these things have come together to drive that increase in the imprisonment rate.

It is important, the way in which we tackle this. As I said before, we need to be tough on crime. I think the changes that we have made in laws, in sentencing, the banning notices, the move-on powers, the on-the-spot fines, the increased police resources — all those things are important, but so too are the prevention efforts and increased investment in our court system but also ensuring that we provide for this in our prison system as well.

Mr DALLA-RIVA — Premier, I refer you to page 161 of budget paper 3. This is in the Department of Planning and Community Development and it is about planning communities for growth and change. I ask: as part of the planning performance measures, can you tell me exactly what the role of your media director, George Svigos, played in the development and discussion of the media plan for the Windsor Hotel, and can you confirm that media plans is a whole-of-government operation and that the departments, communication units and ministerial staff are all involved in putting it together?

Mr BRUMBY — Sorry, what does it have to do with the budget outcome? Sorry, I missed that.

Mr DALLA-RIVA — Is the media strategy part of the planning process within the budget?

The CHAIR — The first part of the question does not relate to the estimates. Insofar as the second part does — —

Ms HUPPERT — I think this is talking about planning for communities rather than the process for the budget, which surely comes up as part of the Department of Treasury and Finance, I would have thought.

Mr DALLA-RIVA — Well, it is.

Mr BRUMBY — I am not sure what part relates actually, so could you explain to me what part relates to the budget process?

Mr DALLA-RIVA — When there is a planning process there is a consultation process that should take place. Does that consultation process involve your media director being involved in the development and discussion of a media plan as part of those planning processes, and in particular with the Windsor Hotel was that part of that process?

The CHAIR — Insofar as this relates to the estimates, Premier.

Mr DALLA-RIVA — The Windsor is a significant development in the forward estimates — —

Ms HUPPERT — Yes, but it does not actually relate — —

The CHAIR — But it does not relate to the estimates.

Mr DALLA-RIVA — What is the process that was engaged as part of that?

Mr BRUMBY — The process, as you know, is that on 18 March the Minister for Planning, who in this case is the responsible authority, approved the proposed redevelopment. That followed a decision by Heritage Victoria to grant a heritage permit for the proposed redevelopment on 13 March 2010. As you know, in determining the application consideration was given to the independent Windsor Hotel advisory committee report, the provisions of the Melbourne planning scheme, the comments of the City of Melbourne, the National Trust and all other objections and submissions. The advisory committee recommended approval of the application, noting that the redevelopment 'will make a positive architectural contribution to Melbourne'. An independent audit report, as you know, and separate probity report concluded respectively that the processing of the application fully complied with the statutory requirements and was acceptable from a probity perspective.

Mr DALLA-RIVA — So Mr Svigos did not ask Ms Duke for a media plan in relation to that?

THE CHAIR — I think that question is not appropriate for the estimates hearing. If the Premier wishes to — —

Mr RICH-PHILLIPS — It is funded through the budget.

The CHAIR — If the Premier wishes to comment on the role of media plans in respect of planning approvals — —

Mr WELLS — It is the cost of running the department. It is part of the cost of running departments.

The CHAIR — It is not in the estimates.

Mr RICH-PHILLIPS — The Premier's office is.

The CHAIR — Mr Scott?

Mr SCOTT — My question relates to cancer services. I refer the Premier to page 313 of budget paper 3, which outlines the asset funding for stage 2a of the Olivia Newton-John Cancer and Wellness Centre, and page 319, which outlines the output funding for the centre, and I ask: can you explain how this funding fits together and what other investments there are to fight cancer?

Mr BRUMBY — Particularly as our community ages, cancer becomes a greater and greater contributor to early mortality and loss of life in our state. In fact cancer is now the leading cause of death in Victoria, affecting

one in three Victorians aged up to 75 years of age. As you are probably aware, the Minister for Health and I announced our cancer action plan in late 2008. That is a four-year plan, which aims to increase survival rates by a further 10 per cent to 74 per cent by 2015. As announced in that plan, the government is investing \$150 million over four years under the plan, including \$24 million to reduce major risk factors and maximise effective screening, \$78 million to increase research capacity and improve the translation of research into improved cancer care, \$28 million for initiatives to improve cancer services and \$18 million to strengthen the cancer workforce. There are a number of elements to that cancer plan. Part of it of course is our Victorian tobacco control strategy, which aims to reduce smoking rates in the community by a further 20 per cent by 2013. WorkHealth is identifying illness in the workplace, but hopefully picking up signs of illness at a much earlier stage than would otherwise be the case. We have got things like Go for Your Life, which are out there promoting health and fitness and exercise, and of course we have got our hospital admission risk program — the HARP program — which aims to support those who are chronically ill and who have a much higher incidence of cancer than the rest of the community. All of those things are part of that.

In addition of course in the budget we have made very large announcements. As I have said, there is Ballarat — a federal-state \$55 million integrated cancer centre there. The Olivia Newton-John centre, as you know, was probably the major one there, so this was stage 2. Stage 1 was our government, the federal government and \$25 million of fundraising — 25, 25, 25 — but the real key to getting this up and running was to fund stage 2. We funded the whole lot of stage 2, \$68.9 million. That means that this will be a stunning centre. Olivia has been a wonderful advocate and patron for it. There are thousands of supporters out there who are donating. The philosophy of this is not just to get the best research and the best treatment but to provide the best care and after-care as well. She is very focused on making sure that that after-care is very much about the whole support of the person. It is a wellness centre, in a sense. To get that up and running, if you then overlay that with our new comprehensive cancer centre that will replace the Peter Mac, this will give us, I think unquestionably, some of the best research, detection, treatment and after-care strategies, structures and policies just about anywhere in the world. If you overlay that again with what we are doing in a preventive sense with our tobacco control plan and the other things, I think we can really make a difference in this space, and that is what the budget is designed to do.

Ms PENNICUIK — Premier, the last time that the line item ‘number of staff positions’ was extrapolated was in the 2008 budget estimates, where it stated that the Liberal Party received additional budget of \$1.5 million, allowing for 11 new staff positions, and The Nationals received \$800 000 for just over five new staff positions — that is, additional positions to their electorate offices.

The CHAIR — Sorry, before we go any further, this relates to the parliamentary departments?

Ms PENNICUIK — No. It comes, as I understand it, out of the Department of Premier and Cabinet.

The CHAIR — Okay.

Ms PENNICUIK — That is what I am trying to ascertain because I cannot find where it is actually listed in the budget papers this year, so I am asking the Premier for assistance.

Mr BRUMBY — This is for the ministerial staff, is it?

Ms PENNICUIK — No. Staff allocated to the Liberal Party and The Nationals over and above their elected office staff. Does that still happen? If so, is that still funded out of DPC to the Liberal Party and The Nationals, and where is it in the budget papers?

Mr BRUMBY — It is funded, and I do not know if it is in the budget papers.

Ms PENNICUIK — It used to be, so why is it not there now?

The CHAIR — Can you — —

Mr BRUMBY — No, I am interested in this. What was the number in — —

Ms PENNICUIK — According to the last one, 2007–08, it was \$1.5 million for the Liberal Party and — —

Mr BRUMBY — That was the aggregate budget amounts. I do not have those. I have got staff numbers — full-time equivalent staff numbers — on a background piece of paper.

The CHAIR — We can get some further details on notice, if you like.

Mr BRUMBY — It shows FTEs at 30 June 2009 for the opposition were 9.3. The expected FTEs at 30 June 2010, 11.5. Variance, plus 2.2. I do not know whether they are within budget or over budget. I honestly do not have that information.

Mr RICH-PHILLIPS — You would have the comparable figures for staffing of ministerial offices. Do you have those figures there?

Mr BRUMBY — We can take that on notice.

The CHAIR — We need to move on to multicultural affairs and veterans affairs quickly.

Ms PENNICUIK — Just quickly, Premier. You would realise of course in other jurisdictions around the country, and particularly, say, for example, in New Zealand, this type of arrangement is a pooled arrangement, where there is some proportional allocation of that staffing according to the needs of parties and independents and people with fewer members in the Parliament. I wonder whether in the next Parliament the Premier would consider a more equitable system of the allocation of extra staff?

Mr DALLA-RIVA — We will consider it, thank you. We will consider it.

The CHAIR — I am sure the Premier would like to consider that.

Mr DALLA-RIVA — Mr Baillieu will consider it.

The CHAIR — Thank you for that statement. I thank Mr Reed, Mr Philip and Mr Speagle for their attendance.

Witnesses withdrew.