

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2023–24 Financial and Performance Outcomes

Melbourne – Thursday 21 November 2024

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Aiv Puglielli

Meng Heang Tak

WITNESSES

Tim Ada, Secretary,

Heather Ridley, Deputy Secretary, Corporate Services,

Peter Betson, Deputy Secretary, Sport and Experience Economy,

Danni Jarrett, Deputy Secretary, Industry, Trade and Investment,

Lill Healy, Deputy Secretary, Skills and Employment,

Dr Xavier Csar, Chief Executive Officer, Regional Development Victoria,

Julian Lyngcoln, Deputy Secretary, Economic Policy, Projects and Coordination, and

Claire Febey, Chief Executive Officer, Creative Victoria, Department of Jobs, Skills, Industry and Regions; and

Lauren Morrey, Acting Chief Executive Officer, Breakthrough Victoria.

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

On behalf of the Parliament, the committee is conducting this Inquiry into the 2023–24 Financial and Performance Outcomes. Its aim is to gauge what the government achieved in 2023–24 compared to what the government planned to achieve.

All evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside this hearing may not be protected by this privilege.

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

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

I welcome the Secretary for the Department of Jobs, Skills, Industry and Regions Mr Tim Ada as well as other officers who have joined you here today. Secretary, I invite you to make an opening statement or presentation of no more than 10 minutes, after which time committee members will ask you some questions. Your time starts now.

Tim ADA: Thanks very much, Chair. Good afternoon, committee members. I would just like to acknowledge the traditional owners of the land that we are gathering on this afternoon, the Wurundjeri people, and pay respects to elders past and present, and acknowledge any Aboriginal or Torres Strait Islander people here today or watching online.

Visual presentation.

Tim ADA: My short presentation today sets out the department's ministers, purpose, operating context and some of the department's 2023–24 achievements. In October 2023 the Premier announced several machinery-of-government changes as a result of ministerial portfolio changes. As a result, effective 1 February this year, the medical research portfolio transferred from the Department of Health to DJSIR and the suburban development portfolio, now known as the suburbs portfolio, transferred from DJSIR to the Department of Transport and Planning. Following the portfolio changes, the department supports nine ministers and 11 portfolios, as represented on this slide. This is reflected in the department's 2023–24 annual report, which was tabled in Parliament on 31 October. The department has around 50 entities aligned to our portfolios. There are a good number of entities. We invest significant time and effort in supporting our ministers with the effective governance and oversight of these entities.

This slide summarises the department's core purpose. We continue to be focused on growing Victoria's prosperity, building the productive capacity of our economy and increasing participation in the labour market, creative industries, sport and recreation. The department's purpose is set out in our 2023–27 strategic plan. The department had 1772 staff as at 30 June 2024. We operate from 27 sites in regional Victoria and metro Melbourne and administer the Victorian government trade and investment network with a presence in 23 overseas offices.

The department's activities were influenced by numerous challenges during the 2023–24 financial year. We have continued to support Victorian businesses in the dynamic and, for some businesses, difficult economic environment. We have improved access to training to increase the ability of the training system to respond to skills shortages in a period of low unemployment. We have upgraded events infrastructure to maintain Victoria's position as the creative, sporting and major events capital, and we have delivered programs and services for Victorians while navigating a tight fiscal environment and organisational change, including workforce reductions in the department.

The department met or exceeded 79 per cent of our 144 non-cost output performance measures, as published in the 2023–24 budget papers. The department did not meet targets for 29 measures, which was due to a range of factors, including industrial action in the US impacting media production levels and delaying some major creative projects; the strong employment rate, which allowed many workers to prioritise securing employment over training, which contributed to lower enrolments and commencements in some VET courses; and global factors impacting some international travel to Victoria, including geopolitical conflict, inflation and higher costs of travel.

I will now turn to some of the department's achievements in 2023–24 as aligned to our eight strategic priorities set out in our strategic plan. Firstly, DJSIR supported the creation of more opportunities for people through skills and jobs, facilitated the creation of more than 5300 jobs and capital expenditure of over \$800 million in the Victorian economy across the financial year. This included securing a 10-year partnership with German drug discovery multinational BioNTech; employing more than 2000 apprentices and trainees through Big Build projects since 2021; nominating 3300 skilled workers as part of Victoria's state-nominated migration program, including in sectors facing persistent shortages; and developing Victoria's digital capability, including supporting more than 2200 workers to develop digital skills and move into roles in the digital economy. The digital jobs program has supported 5150 workers since round 1, with 59 per cent of participants women, 63 per cent speaking more than one language and 40 per cent over the age of 40.

We have engaged more than 1500 firms to support investment, innovation linkages and insights in strategic areas for Victoria such as energy transition, supply chain and digital technology. We have increased access to training in priority sectors through free TAFE and government-subsidised training. The five-year national skills agreement was signed with the Australian government in October 2023, which will support a national VET system that provides high-quality, more responsive and accessible education. And during 2023–24 the state's skills and job centres provided advice to more than 25,000 Victorians on joining the workforce, transitioning roles, starting training, reskilling or up-skilling.

In terms of building the productive capacity of Victoria's economy to help businesses and industries thrive, achievements include opening the Cremorne Digital Hub to drive the growth of Victoria's digital innovation system, improving the resilience of Victoria's supply chains through the Made in Victoria steel supply chain directory and timber supply chain resilience package and supporting small businesses, providing free advice and capability-building services to more than 6400 participants with the Small Business Bus making more than 170 visits across Victoria during the financial year.

This has been further supported by actions to strengthen Victoria's global connections, including supporting more than 2800 Victorian businesses to engage in international markets and generate over \$1 billion in export sales for Victoria. This included delivering 21 trade missions that supported over 460 companies, including two inbound missions. In 2023–24 the department had 425 international engagements with the diplomatic corps, foreign delegations and bilateral chambers of commerce.

In working to increase participation and support vibrant communities and regions, the department continued to progress the development of regional event and sporting venues, including the Nyaal Banyul Geelong Convention and Event Centre and completing the redevelopment of the Geelong Arts Centre and Kardinia Park

Stadium. The Nyaal Banyul precinct includes the construction of a purpose-built convention and exhibition space, incorporating a 1000-seat venue, two large exhibition spaces, meeting rooms, conference facilities and flexible event spaces. Construction of the centre is projected to support around 1450 jobs, including opportunities for local apprentices and trainees. The department's Jobs Victoria services supported more than 1500 people experiencing long-term unemployment into work and a further 2500 people into earn-and-learn jobs.

In 2023–24 the department commenced implementation of the government's response to the select committee inquiry into Victoria's recreational native bird hunting arrangements. New Wildlife Regulations 2024 came into effect in September this year following a public consultation process led by the department during the middle part of 2024. The new regulations set out requirements for game licence holders, including fees, default bag limits and season lengths for game, hunting methods and offences relating to game hunting in Victoria.

In enhancing participation in creative industries, sport and recreation, the department distributed more than 31,500 Get Active Kids vouchers in 2023–24, supporting Victorian families with the cost of children's sport. Since the program began in 2021 almost 150,000 vouchers have been issued. More than half the recipients state that their children would not have been able to participate without a voucher, and a quarter had not previously participated in children's sport.

In 2023–24 it was a record-breaking year for attendances at the Australian Open and Formula One Grand Prix, and the State Library of Victoria welcomed more than 2.65 million visitors through its doors, the highest number ever recorded in the library's 170-year history. Museums Victoria's *Titanic* exhibition attracted more than 300,000 attendances, including 100,000 international, interstate and regional visitors and 42,000 children. The NGV's *Triennial* attracted more than 1 million visitors over the summer, making it one of the most popular exhibitions in the NGV's history.

DJSIR has continued to support Aboriginal economic development, including by increasing access to training, introducing a full tuition fee waiver for Skills First training for Aboriginal Victorians, which has contributed to a 10 per cent increase in Aboriginal commencements in July 2024 compared to the same time the year before; supporting Aboriginal businesses to attend trade missions and key domestic events, with 37 First Nations businesses participating in trade missions facilitated by the department in 2023–24; and providing numerous forms of support for traditional owners and Aboriginal businesses.

Lastly, the department has continued to contribute to Victoria's transition to a net zero economy, including by progressing implementation of the CarbonNet project; publishing *Training for the Clean Economy*, the TAFE network clean economy prospectus 2024, which showcases current TAFE delivery and opportunities for new industry partnerships; and delivering the new energy priority workforce project in partnership with Solar Victoria and Maxima to create new entry-level opportunities for priority cohorts in Gippsland. Thank you, Chair.

The CHAIR: Thank you very much, Secretary. The first round of questions is going to go to the Deputy Chair.

Nick McGOWAN: Thank you, Secretary, very much. I have got some questions with regard to Breakthrough Victoria, so perhaps you can answer or you may wish to have one of your executives answer – I am not fussed either way. Page 20 of the department's questionnaire states that Breakthrough Victoria received \$75 million in additional funding for 2023–24 from a Treasurer's advance and that \$41.85 million of this funding was utilised in the financial year 2023–24. There is, however, a footnote on page 38 that says:

In 2023–24 Breakthrough Victoria received \$175.015 million in capital funding from DJSIR, of which \$41.85 million was a Treasurer's Advance.

Can you clarify how much Breakthrough Victoria received from the Treasurer's advance? Was it \$75 million or \$175 million?

Tim ADA: Thanks, Mr McGowan. Breakthrough Victoria received \$175 million in capital funding last year; \$41.8 million of that was provided by way of a Treasurer's advance.

Nick McGOWAN: Right. And can you tell me how much of that additional funding has actually been spent in the 2023–24 financial year?

Tim ADA: I have got Ms Lauren Morrey, who is the Acting CEO of Breakthrough Victoria. While Lauren is coming up I might just ask Ms Jarrett if she wants to add to that.

Danni JARRETT: Thanks, Deputy Secretary. I think Ms Morrey is actually best placed to answer this question in full.

Lauren MORREY: Yes, thank you. It is a pleasure to be here today with the committee. Lauren Morrey; I am the Acting CEO of Breakthrough Victoria. Breakthrough Victoria did receive \$175 million last financial year for investment capital purposes, of which, as outlined in the annual report, \$191 million was committed.

Nick McGOWAN: How much has been spent thus far?

Lauren MORREY: In terms of capital committed we are tracking at \$350 million. If you look at the net assets balance, we are at \$286 million, which is investments that have been paid.

Nick McGOWAN: And the \$200 million you had previously been allocated in the 2023–24 financial year, why did you need an additional \$175 million including the \$40 million figure? What was that spent on is what I am asking, I suppose.

Lauren MORREY: Yes, okay. Bear with me.

Tim ADA: I think while Ms Morrey is going to her notes, Mr McGowan, I think the figure that Ms Morrey quoted of \$350 million is the total allocated to the company since its establishment in 2020.

Lauren MORREY: That is correct.

Tim ADA: Not to speak on behalf of the board, but the board of the company was eager to have sufficient investment in its bank account to be able to conduct its business with confidence, which talks to why the government has advanced further money during 2023–24. Did you want to add to that, Lauren?

Lauren MORREY: Yes. From its establishment until 30 June 2024 we have received \$580 million in total from government. \$450 million of that is capital for investment purposes, so this is related to our investment activities, and that includes the committed capital that has just been spoken to and the time that it takes to deploy that capital and to actually pay and close those transactions. \$135 million was received in output funding, which is the funding that is allocated for the operational purposes of Breakthrough Victoria. Our expenditure since inception to date, which closed at the end of 30 June, was \$283 million in paid investments. This is actually cash being deployed or invested right across the investment activities of the company and includes the original grant expense for Jumar biotech that took place in 2021. There is a difference between committed capital and investment paid, because committed capital is when we make a commitment to invest and participate in issuing a term sheet or documents to that effect, creating a binding impact, and then there are some negotiations around actually structuring transactions alongside other co-investors until at which point the settlement occurs and the money does get transferred into those investment companies.

Nick McGOWAN: Is it correct that for the year 2023–24 you actually posted a \$3 million loss?

Lauren MORREY: Yes, that is correct. As our annual report outlined, Breakthrough Victoria have reported a \$3 million loss. There are a few drivers for the loss this year. The first is that the carrying value of investments that are the denominated in USD are subject to foreign exchange fluctuations – the revaluation of some of the assets that sit on the balance sheet in investments, both upwards and downwards – and the equity treatment that has been applied on the accounting principles for investments that are held and recorded as equity investments. As noted last financial year, we did not receive any funds from the government for operational expenses. The loss is lower than forecast, and we were able to drive operational efficiencies from funds received in prior years.

Nick McGOWAN: What were those operational efficiencies?

Lauren MORREY: The operational efficiencies look like really scaling our internal operations around investment tools – the IT tooling that we use, the leveraging, more external key opinion leaders augmenting the internal capability of the business and the establishment of a legal panel, which allowed us to work with the

lawyers that are required to close all the transactions and conduct all the robust diligence activities that we do at Breakthrough Victoria and ensure that we are getting value for money across all those different pieces.

Nick McGOWAN: Any job losses – reduction in FTE?

Lauren MORREY: Yes. Breakthrough Victoria finished the financial year at 41.5 FTE. There was an internal reorganisation of the structure, which simplified the business, announced in March by a prior CEO. This took place and it was implemented from 1 July. It is just a natural reflection of the company and where we have been. We have been scaling and building out the business, and you can see that reflected through the operational efficiencies we have been able to drive, particularly when it comes to our investment-related expenses. There has been a reduction from 6 per cent to 3.1 per cent.

Nick McGOWAN: And what was it before it was 61 FTE?

Lauren MORREY: Bear with me. It is outlined in the questionnaire, on page –

Nick McGOWAN: Perhaps while you are looking for that, I will just ask: Seer Medical has withdrawn its products, I understand, from marketplaces in Australia and the US. Do you know how much Breakthrough Victoria invested or spent – whichever you prefer to use – on Seer Medical?

Lauren MORREY: Yes, very happy to come back to that.

Nick McGOWAN: Sure.

Lauren MORREY: As outlined in the questionnaire, as of 30 June 2023, Breakthrough Victoria had 54.6 FTE. We finished last financial year with a reduction at 41.5, as I outlined.

Nick McGOWAN: Any anticipation of any further downward direction on that?

Lauren MORREY: Breakthrough Victoria, as a scaling asset manager, is constantly reviewing the right resource profile to deliver to our mandate and reassessing those different pieces. Currently as Acting CEO, it would be reasonable to assume that new leadership might come with a new sort of view of what the best way is and the workforce profile required to deliver to that.

Nick McGOWAN: Why are you acting – and forgive my ignorance, and perhaps the Secretary can answer this, but how long have you been acting for?

Lauren MORREY: One week. Grant Dooley –

Members interjecting.

Danny O'BRIEN: Have you fixed it all yet?

Lauren MORREY: I have actually been with Breakthrough Victoria since April 2022 –

Nick McGOWAN: I apologise for the government and their laughing. I am not quite sure why they are laughing, but that is a credit to you perhaps that you have –

Lauren MORREY: I am very happy to answer it. I have been with Breakthrough Victoria as an executive since April 2022, so I was part of the founding team. Grant Dooley, who was the incumbent CEO and was appointed in November 2021, has recently resigned and exited the business. That was notified about four months ago, and November was his last period. So he finished up with us last week. Whilst we are in the interim process and interviews are well underway – and Davidsons have been recruited to support that process – I am just keeping the ship stable.

Nick McGOWAN: Mr Ada, obviously this is a very important position, because it is handling hundreds of millions of dollars of taxpayers money. Throw us a lifeline here – there is some plan? Was it an anticipated departure by the previous CEO?

Tim ADA: Mr Dooley had served almost three years as CEO through the establishment phase of Breakthrough Victoria. He finished up just recently. As Ms Morrey said, he gave his notice around the middle

of the year. It was not necessarily foreseen, but not unexpected perhaps, Mr McGowan, after that period of service. As Ms Morrey said, the recruitment process is well underway. You might expect that should that process proceed as planned over the next couple of weeks, an appointment will be made in the next month or so.

Nick McGOWAN: You are expecting that before the end of the year?

Tim ADA: That would be my working assumption.

Nick McGOWAN: Okay. Apologies – in respect to Seer Medical? Thank you.

Lauren MORREY: Yes, I am very happy to go back to Seer. Seer Medical have a world-class groundbreaking technology that really impacts and changes the lives of those who have epilepsy. The Seer Medical original investment that was conducted in the financial year 2022–23 still holds and retains its current value because it has not yet converted into equity because it was conducted via a convertible note.

Nick McGOWAN: Was there any intention ever by Breakthrough Victoria to actually take over Seer Medical?

Lauren MORREY: With respect to that comment, those matters are actually before the court, so it would be inappropriate for me to provide any further commentary.

Nick McGOWAN: They are before the court why?

Lauren MORREY: Breakthrough Victoria has been named as a respondent in two legal actions. One related to the co-founder and prior CEO of Seer Medical, which was lodged through Fair Work and the Federal Circuit Court.

Nick McGOWAN: So have Breakthrough Victoria sought legal representation to defend themselves in this matter?

Lauren MORREY: Breakthrough Victoria in partnership with our insurers are addressing and responding to the matters via the courts.

Nick McGOWAN: Do we know the magnitude of the claim against Breakthrough Victoria?

Lauren MORREY: At this time I am unable to pass any sort of subjective nature on those different pieces, because both matters are currently in front of the courts.

Nick McGOWAN: I suppose the part I am most interested in is whether there is any projecting going forward of the potential liability or the exposure the people of Victoria might have through this legal action.

Lauren MORREY: I certainly appreciate the question, but as I have sort of mentioned before, it is before the court, so it is inappropriate for me to provide any comment.

Nick McGOWAN: Okay, thank you. Secretary, the Inquiry into the 2024–25 Budget Estimates report recommendation 30 states DJSIR will:

... work with Breakthrough Victoria to publish performance measures related to Breakthrough Victoria's mandate in the next budget.

Will the recommended performance measures be reported in the next budget?

Tim ADA: Mr McGowan, we are currently at the early stage of determining any change to performance measures for the 2025–26 budget. So that would depend on some further analysis and discussions, including with the government, around what any change to output performance measures relating to Breakthrough Victoria might be. But that is under active consideration at the moment.

Nick McGOWAN: For Breakthrough Victoria's expected performance for the next financial year, are they anticipating a profit or a loss again?

Lauren MORREY: I will have to take that question on notice.

Nick McGOWAN: Okay, that would be great. Secretary, changing gears somewhat to TAFE here, I note that on page 23 of the questionnaire the Goulburn Ovens Institute received a \$15 million Treasurer's advance to continue their operations. Can you elaborate on what that was used for? Or maybe executives?

Tim ADA: I might ask Ms Healy if she would like to add to this. An advance was provided and indeed letters of support have been provided in prior years. A letter of support was provided for GOTAFE, which was published in their annual report tabled earlier this year. They are a regional-based TAFE and they have been obviously experiencing a number of financial challenges that they are working through, and an advance was made to enable that TAFE to continue operating and serving the people of northern Victoria. Did you want to add anything more to that?

Lill HEALY: Perhaps the only thing I would add to that, Secretary, is the nature of the GOTAFE campus footprint, from Echuca down to Wallan – small communities and significant costs for operation. So the need for that sort of additional support, such as has been provided to GOTAFE, in addition to the broader economic conditions post COVID reflects the cost of the institute. The government just continues to provide support to organisations to deliver that high-quality training that is very important in the region.

Nick McGOWAN: I sort of get your answer, Ms Healy, but I sort of do not really, to be honest, because these things are not new. The landscape in Victoria has not suddenly changed, neither has the topography or geography for that matter, so I am not quite sure what we are paying \$15 million more for. Can you give any further clarity as to what that \$15 million was actually used to do?

Tim ADA: The letter of support that was provided by the government and indeed provided by the department in previous years was to provide confidence to the board given their directors' duties that the business can continue to operate as a going concern. For the reasons that I have said and Ms Healy has said, around the geographic span of operations for GOTAFE, together with some other factors that they have been navigating, that advance was provided by the government. It is worth noting that through our office of TAFE coordination and delivery we are working very closely with the management of GOTAFE to navigate their way through to a more sustainable position.

Nick McGOWAN: Forgive my ignorance, but if you give me \$15 million, I will be very confident too – I will be brimming with confidence. I am not quite sure what that means. Does that mean you give them \$15 million, they put it in their account and they use that to float themselves or do they actually use that for the purposes of operations day to day?

Tim ADA: They use that to sustain their operations in delivering services to the community.

Nick McGOWAN: Right. And how many other TAFEs have sought similar advances or similar packages?

Tim ADA: Ms Healy, I am not aware of any others. There was a second letter of support provided to one other TAFE, so two letters of support provided to two TAFEs in them finalising their annual reports. TAFEs report on a calendar year basis; their annual reports were tabled earlier in the year.

Nick McGOWAN: Which was the other one, sorry? Excuse my ignorance.

Tim ADA: Melbourne Polytechnic.

Nick McGOWAN: And how much did they receive in their letter of confidence or support?

Tim ADA: A letter of support is really a letter that is issued to provide confidence to the board that they can finalise their accounts and that they are in a position to operate as a going concern. I am just looking at Ms Healy here, but my understanding is an advance was only provided to GOTAFE in 2023–24.

Lill HEALY: That is correct, and I think probably, Mr McGowan, the other thing unique around GOTAFE in that time of course was the floods and the specific, pretty significant costs across those communities in recovery, so there are just a number of things that are particular to that area.

Nick McGOWAN: And the letter of support, does that provide a financial aspect in terms of Melbourne Polytechnic? Does that underwrite them to a certain extent?

Tim ADA: As a government-owned institute, it provides them confidence that they can finalise their annual report and plan for the year ahead as a going concern.

Nick McGOWAN: How much were they behind the eight ball, do we know?

Tim ADA: Their annual report was published; that is their financial statement. They were audited by the Auditor-General. Those financial statements were presented in their annual report, which is public, Mr McGowan. That was tabled, I want to say, around April or May this year.

Nick McGOWAN: There was an additional Treasurer's advance for \$6.61 million, and that was to support TAFEs to continue delivering services to meet skill demands. That is on page 25 of the questionnaire. It says it covered transition costs. Can you give any further detail to what that actually means?

Lill HEALY: Mr McGowan, the transition costs across a number of TAFEs as they reorganise their businesses are a response from government to support those workforce transitions. Again, they are one-off costs.

Nick McGOWAN: I am not quite sure I know – what does that mean 'they got'? What did we get? What did the taxpayer get?

Lill HEALY: I will take the detail on notice.

Nick McGOWAN: Thank you; that would be appreciated. Secretary, do you think the government has achieved value for money from its \$1 billion investment in the Moderna partnership for the mRNA vaccine?

Tim ADA: It is probably not a matter for me to share my opinion, Mr McGowan, but what I can say is the Moderna investment is tracking as scheduled. The manufacturing facility has been completed. I understand they are undertaking some trial vaccine batch runs currently while they are awaiting TGA approval, which is as scheduled.

Nick McGOWAN: Do you know how many mRNA vaccine doses it has produced this year, for example?

Tim ADA: As I said, it is awaiting TGA approval – any drug manufacturer is not in a position to produce products for human consumption until they receive that – but the facility has been recently completed and I understand they are running trial batches as we speak.

Nick McGOWAN: I only ask because you probably recall, as I do, that back in 2023 Minister Carroll said he was confident the partnership would support the production of 100 million vaccine doses each year from 2024. It looks like we are going to fall short of that target.

Tim ADA: I think we spoke about this this time last year.

Nick McGOWAN: We did.

Bev McARTHUR: It is a shame we have got to speak about it again.

Tim ADA: I understand the question. We have interpreted that that the construction of the manufacturing facility, which is a significant undertaking, is completed as scheduled. Subject to TGA approval, the facility will be in a position and have capability to produce 100 million doses from 2025.

Nick McGOWAN: Still targeted at 100 million?

Tim ADA: It will have the capability and capacity to produce 100 million doses of vaccine.

Nick McGOWAN: Secretary, page 130 of the questionnaire, at recommendation 32, records this committee's recommendation that the department publish the economic benefits and the outcomes delivered as a result of the Moderna partnership. Is it the intention of the department to do that?

Danni JARRETT: Subject to Moderna commencing manufacturing of its vaccines at the facility, the government would undertake a standard evaluation of its investment in this project given it has provided

funding support towards it, so the timing of that is really a question in terms of once it gets the TGA approval to commence commercial-scale manufacturing.

Nick McGOWAN: In terms of that TGA approval, have they sought fast-track approval from the TGA, do we know?

Danni JARRETT: I am not aware that you can seek fast-track approval, but the submission for TGA approval is in train.

Nick McGOWAN: Can you just double-check that for us, because I do know that certainly during the COVID period almost every jurisdiction on earth had a dual-track system, the conventional and the fast track. I would be keen to know whether they are going through the conventional or somewhat abridged version.

Tim ADA: We can take that on notice, Mr McGowan.

Nick McGOWAN: Thank you. That would be great. Secretary, in the third column, next to recommendation 32, it states:

... mRNA Victoria and Moderna have been actively publishing information on key project updates and ... key milestones ... But the biggest milestone has been failed to be achieved – obviously the 100 million, but we have discussed that. Can you advise what economic benefit has been measured for the project – more the economic benefit rather than just the pure output of doses?

Tim ADA: I do not probably have much to add to Ms Jarrett, Mr McGowan. When government considers investments in terms of providing financial support to attract investors, there is a comprehensive economic assessment around the projected benefits against the forecast costs.

The CHAIR: Thank you, Mr Ada. We will come back to Mr McGowan. We will go straight to Mr Galea.

Michael GALEA: Thank you, Chair. Good afternoon, Secretary and officials. Thank you for joining us. Secretary, you have had a few of these now. I would actually also like to talk about a similar topic. We spoke yesterday about all the expansive rail manufacturing that is going on in Victoria – all the new trains and trams. Mr McGowan is quite right to highlight that we are leading the nation as well in mRNA vaccine production, and it has been very exciting to hear some things. I would like to go into more detail if I have the time later, but I would like to talk to you just a little bit more broadly first about the Made in Victoria investment in research and development infrastructure. There is an output for that item in the 2023–24 budget papers. Can you please talk to me about what has been achieved with that funding in the financial year?

Tim ADA: Ms Jarrett is just going to her notes, Mr Galea, but I might ask Ms Jarrett to lead our response to that question.

Danni JARRETT: Absolutely. Thank you, Mr Galea, for the question. The government provided \$15 million in funding support towards the Industry R&D Infrastructure Fund. The purpose of that fund was to encourage greater R&D activity and innovation activity for Victorian manufacturers and to increase and improve their productivity and economic growth and competitiveness when seeking and bidding for projects for customers as well as to partner with other suppliers and customers in the Victorian economy. To date the fund has supported eight projects to be commenced. Those projects are co-invested with the manufacturers themselves and they are at various stages of commencement, but they are in early stages of development.

Michael GALEA: Thank you, Ms Jarrett. I understand that the Made in Victoria stream also has a focus on supporting the manufacturing sector. Manufacturing of course is one of the most important industries to Victoria's economy, especially in the south-east of Melbourne. Whether from you, Secretary or Ms Jarrett, could you talk to me about that output and what has been achieved under those initiatives?

Danni JARRETT: I am just finding it in my folder.

Michael GALEA: Take your time.

Danni JARRETT: The Made in Victoria statement identifies five priority areas to support advanced manufacturing. They cover areas of zero- and low-emission technologies, health technologies, food

manufacturing, advanced aerospace and space, and digital and advanced technologies. Those sectors really correlate to areas of strength for the state in terms of its manufacturing capability as well as its R&D expertise across its education providers and the like. We work with manufacturers to also attract foreign direct investment as well as to invest in local companies to be able to expand their facilities and export their products and services overseas.

Michael GALEA: Thank you.

Tim ADA: If I could add to that, Mr Galea, I think the *Local Jobs First Act* that the department administers and the Minister for Jobs and Industry is responsible for provides for, as you know, the setting of local content on many, many Victorian government infrastructure projects. The intention of that policy is to first set what a credible amount of local content is and then to optimise the opportunity for Victorian companies. Many manufacturers and supply chain businesses bid in and win work on projects right across the state, which is another important way that the department – in this case in implementing an Act of Parliament – is supporting the manufacturing sector more generally.

Michael GALEA: Thank you. In talking about jobs, I understand again through the same budget papers we have got the fair jobs code and the Ethical Clothing Australia accreditation process. Could you talk to me a little bit more about what has been done in that space?

Tim ADA: While Ms Jarrett goes to her notes on the fair jobs code, the government had a 2022 election commitment to reduce the thresholds for businesses requiring fair jobs code certificates. That has been implemented. The department has a small team of people that administer the code, and there are thousands of businesses that have now been pre-accredited. The requirement is for businesses who want to win work on government projects or access financial support from the state to be pre-accredited through the fair jobs code, but I will go to Ms Jarrett.

Danni JARRETT: Thank you, Secretary. As of 30 June this year we had received 4733 applications for the code, with 4512 of these businesses being issued with pre-assessment certificates. The code ensures, as the Secretary said, that expenditure, particularly in Victoria's publicly funded projects and grants, continues to meet the high standards of procurement integrity that is expected and required by legislation, in particular in relation to employment, industrial relations and occupational health and safety laws.

Your question was also in relation to ethical clothing. In relation to ethical clothing, funding of \$4 million was allocated to implement the election commitment from 2022 to support the operations of Ethical Clothing Australia. Ethical Clothing Australia works with companies to supply protective equipment and uniforms to government agencies in Victoria, and there have been 38 companies that have received support through that program, with 53 different types of items being produced.

Michael GALEA: That is very good to know, thank you. You cannot talk about industry and supporting industry without jobs, of course. In the context of having what is historically low unemployment levels, as we discussed with DTF earlier in week, I know that there is also work that the department has been doing in terms of attracting the targeted skilled migration that sectors need. Can you talk to me a little bit about that program and what has been actually achieved in the past 12 months?

Tim ADA: Again I will ask Ms Jarrett to respond to that.

Danni JARRETT: Absolutely. In 2023–24, the state's state nomination program, which is a nomination program for skilled migrants, we nominated a total of 3300 skilled migrants to live and work in Victoria through the state nomination migration program. Through this program we prioritise skilled migrants in occupations that are of high demand and value to the state, which include health, education, social services, advanced manufacturing and tourism and hospitality, in regional areas in particular for that last cohort. Of those 3300 skilled migrants that were nominated through the program, 870 were nominated to live and work in regional Victoria, 650 were nominated to fill critical skills shortages in the health, social services and teaching sectors, and over 350 were nominated to fill gaps in advanced manufacturing, engineering, infrastructure, IT and renewable energy.

Michael GALEA: Thank you, Ms Jarrett. Secretary, a bit of a change of pace. One of the other areas in which your department has oversight is our creative industries, and we know Victoria is the cultural capital of

Australia and one of the cultural capitals indeed of the world. When it comes to major performing arts events, I note that page 87 of your department performance statement lists some criteria and targets. Just in the last few weeks we have had Thom Yorke, we have had Coldplay, Tate McRae, I think Troye Sivan is tonight, and of course I could not let a PAEC week go by without mentioning that Taylor Swift was here earlier in the year as well. In terms of those targets and the work that has been done around that, what does that actually look like on a small level as well as a bigger level?

Tim ADA: Thank you, Mr Galea. Claire Febey, the CEO of Creative Victoria, is here. Do you want to respond to that? Did you hear the question?

Claire FEBEY: I am just interested to know if you are asking about performing arts events or major events.

Michael GALEA: Performing arts events specifically.

Claire FEBEY: Perhaps I could talk a little bit about some of the activity that has been happening in creative industries portfolio agencies. I am really pleased to share a range of terrific outcomes. I might talk across visual arts and performing arts, if I may, because there is quite a lot to cover.

Creative industries portfolio agencies include cultural institutions such as the National Gallery of Victoria, the State Library of Victoria, Museums Victoria, Arts Centre Melbourne, ACMI, the Melbourne Recital Centre, the Geelong Arts Centre and the Melbourne Arts Precinct Corporation. There are quite a lot of highlights to share from the annual reports that were tabled this year from each of those agencies. Overall, very strong attendance – more than 11 million visitors to our public-facing institutions during 2023–24.

I will talk about a few of the different outcomes. The State Library of Victoria, for example, made history in the 2023–24 period with the highest ever annual visitation: they welcomed in one year 2.65 million visitors. I will turn to the NGV. Triennial 2023 – that took four levels of NGV International and featured 100 extraordinary projects by more than 120 artists, designers and collectives, and the Triennial just during that summer season welcomed more than 1 million visitors. Turning now to the museum, the museum had a blockbuster showing with *Titanic: The Artefact Exhibition*, which attracted over 300,000 visitors through its doors, and in particular we really wanted to celebrate 42,000 children that attended that exhibition, and quite a number of interstate visitors as well.

The performing arts, which you asked about: Arts Centre Melbourne's fourth summer season at the Sidney Myer Music Bowl – some of the gigs that you were talking about – brought massive crowds. Also turning to ACMI, the Melbourne-made Winter Masterpieces offering *Goddess: Power, Glamour, Rebellion* captured the imaginations of Melburnians and Victorians and visitors alike and then headed off on an international tour.

Pleasingly, thinking across all of our creative agencies, it was not just a successful year for visitation for live performance for gigs but also a terrific year in terms of education programs. There was attendance of 558,177 students from across Victoria participating in creative learning programs at our state's creative agencies.

Turning, if I may, to screen, projects supported by VicScreen generated \$331 million for the state in direct economic expenditure and created 6970 local employment opportunities. Are you happy if I continue?

Michael GALEA: Please, yes.

Claire FEBEY: Still on screen, throughout 2023–24 there were 37 film, television and online projects supported through the Victorian Production Fund, which commenced production in 2023–24, and they are expected to generate \$174 million in direct Victorian expenditure. As well, at Docklands Studios Melbourne, another one of our creative portfolio agencies, they hosted major productions, which included the US game show *The Quiz with Balls*; the action movie *The Ice Road 2: Road to the Sky*, which starred Liam Neeson; and also local Australian Children's Television Foundation's *Windcatcher* and Matchbox's *The Survivors*, which was adapted from bestselling author Jane Harper's novel.

I will come back to performing arts, if I may. We finished the newly developed Geelong Arts Centre. The \$140 million Little Malop Street redevelopment was completed in the 2023–24 year and the new building opened to the public in August 2023, the largest regional performing arts centre in the country. This shares with

that community and surrounds new state-of-the-art performance spaces. They are vastly improved in terms of broad visitor experience but also offer highly accessible facilities, new food and beverage offerings and really extraordinary drawcard First Nations artworks. The Geelong Arts Centre has won a couple of awards since it has opened, which is really terrific to celebrate.

If I may, I will just round out on the Melbourne arts precinct transformation, which is underway. One of the highlights in the period was the 18,000-square-metre new public space – so completing the schematic design but sharing the new name for that public garden. Laak Boorndap was a name that was bestowed by a traditional owner Wurundjeri Woi Wurrung elder Aunty Gail Smith. We look forward to walking in that garden sometime in the future. They are some of the highlights across Victoria's creative agencies for the period.

Michael GALEA: Terrific. Thank you. Definitely in terms of the Geelong performing art centre, on another committee I was on which was looking at regional investments we heard such incredible, glowing feedback about that site as well, so that is really good to hear that is already being well utilised. I just want to talk about the 10,000 Victorian gigs program as well. Would that be you as well, Ms Febey?

Claire FEBEY: Yes. I would be very pleased to talk about that. So 10,000 gigs: in September the Victorian government announced \$3.9 million of support for music across the state, and that included the first round of 10,000 Gigs: The Victorian Gig Fund. The fund is supporting 144 venues across the state to stage paid gigs by local artists, so more than 2500 gigs will be delivered across the state in the coming months. As part of this we will see 36 per cent of those gigs happening in regional Victoria. Examples of the kinds of venues where this music will be taking place are some iconic Melbourne venues, including the Tote and the JazzLab; some of our best known regional venues – for example, Barwon Heads Hotel and the Theatre Royal in Castlemaine; and also some great suburban venues like District 14 in Narre Warren. If Victorians would like to stay up to date on gigs that are happening in their region, they can check the Victorian gig guide, which is available on the Music Victoria website. Just some quick stats in terms of by place how the gigs are occurring – perhaps I will say the percentage funded by region: the percentage of the gigs that will happen in metropolitan Melbourne is 45.8 per cent, in outer metropolitan is 17.4 per cent and, as I said a moment ago, 36.8 per cent will happen in regional Victoria. I could talk about some of the feedback that we have had from grant recipients, if you would like.

Michael GALEA: That would be great.

Claire FEBEY: One of our grant recipients in Yarraville, for example, said that with this support they were going to run a series of Thursday afternoon live music events to give a broader range of the community access to live music. They are going to target people who may not necessarily be able to go to live music events late at night or on weekends when they are usually on. So they will be looking at drawing in retirees, people working from home, parents, people with families et cetera. They talked about the change in culture around music, and you cannot rely on alcohol sales to cover artist fees anymore, and they do not want to do that anyway. Having this support will help to cover the costs and ensure that they can continue to provide accessible live music to their patrons. Also, one of our grant recipients in Wangaratta talked about how it will help them to put on some free shows to ensure that public who might be facing cost-of-living pressures are still able to access live music at this time. They are some of the things that we are hearing from grant recipients on the ground.

Michael GALEA: Wonderful. Thank you. It was great to have a shout-out for District 14 in Narre Warren as well. I have not actually been there since it was the old Empire nightclub years and years and years ago, but I know that the Member for Narre Warren North has had a lot to do with them and it has been good to see that business being supported as well. So thank you very much, Ms Febey.

Secretary, I did want to briefly talk about medical research as well. It is one of our largest and most exciting growing sectors. Indeed we know that Melbourne is one of the top three cities in the world, along with Boston and London/Oxford, for medical research. We have already had some discussion about the role the Victoria is playing at the forefront of that delivery of mRNA vaccines. There is another initiative in this budget that I know will be close to the hearts of many Victorians, and that is funding to support efforts to fight childhood cancer. Can you please talk to me about that initiative and what it has achieved so far?

Tim ADA: Thanks, Mr Galea. I will get Ms Jarrett to talk to that.

Danni JARRETT: Sure. Thanks again, Mr Galea, for the question. This year the Victorian Paediatric Cancer Consortium was established, which is supported by an initial \$2.2 million in funding. The entity was

established with the appointment of a CEO and a board chaired by Professor Brendan Murphy. The work of the consortium is to deliver a number of programs and research that, as you say, improve the outcomes for children diagnosed with cancer. It does build on the fact that Victoria is known, as you say, as a location not just for medical research but a pre-eminent location for paediatric cancer research and can also be expected to seek to attract further investment into Victoria around medical research activity. With the \$2.2 million of funding that has been allocated to the consortium, it will support their work, including biobanking of valuable biological specimens at the Monash Children's and Royal Children's hospitals, which will support clinical trials and the development of innovative therapies, including the next-generation precision medicine program at the Hudson Institute, which is using cutting-edge artificial intelligence to discover new treatments for paediatric cancer. I think just building on that in terms of why it is important for the state to be supporting children's cancer research, each year in Australia there is an average of 1100 children who are diagnosed with cancer and approximately 150 to 200 of those children actually die from cancer. So the survival rates for paediatric cancer have improved in recent years, but the research that this consortium will support will certainly help to improve those survival rates.

Tim ADA: If I could add, Mr Galea, just in reference to your comments about Victoria's place in the world with regard to medical research, you are right in saying that there are more than 12 independent medical research institutes. Obviously, a number of universities are major players with regard to medical research, and then we have got a good number of global teaching hospitals that are active in this space, particularly around the Parkville and Clayton precincts. They are globally significant, and it is something obviously that we as a department and I know successive governments have wanted to support for a long time now. That is an important part of our broader innovation ecosystem.

Michael GALEA: Absolutely. Thank you.

Bev McARTHUR: You would not want to cut funding to any of those units, would you?

The CHAIR: Excuse me, Mrs McArthur. We are going to Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Good afternoon, Secretary and team. Secretary, the questionnaire on pages 25 and 26 refers to a Treasurer's advance to the Albert Park pit building redevelopment but not specifically; it is tied in with some other money. It is \$8 million. How much did the Treasurer's advance actually constitute and what was it used for?

Tim ADA: I might get Mr Betson to respond to that question, if that is okay.

Peter BETSON: Thank you, Mr O'Brien. In terms of the \$8.09 million referenced on page 25 of the questionnaire, \$1.212 million was for the pit building.

Danny O'BRIEN: It was for the pit building? What was it for? What actually did it go to?

Peter BETSON: The money was to engage Development Victoria on the planning stages and finalisation of the business case for the redevelopment of the pit building.

Danny O'BRIEN: Okay. Is that including community consultation, or has that not yet begun?

Peter BETSON: Community consultation has begun, yes, Mr O'Brien. The service that Development Victoria provides also includes supporting the consultation process.

Danny O'BRIEN: Okay. What is the total cost of the pit building upgrades?

Peter BETSON: The total cost of the pit building has not yet been disclosed due to the fact that we are going through a procurement process for the managing contractor at the moment, and that managing contractor we expect to be appointed in the new year.

Danny O'BRIEN: Okay. More grand prix questions to you, Mr Betson.

Peter BETSON: Yes.

Danny O'BRIEN: The grand prix financial review commissioned by the government was delivered two months ago, I believe. It is referenced throughout the questionnaire. What is the total cost of conducting the review?

Peter BETSON: I do have that answer, Mr O'Brien. The questionnaire component that I am aware of, Mr O'Brien – \$100,000 was the component that was spent that was added in the questionnaire. The total cost is \$295,000, Mr O'Brien.

Danny O'BRIEN: For the review of the grand prix?

Peter BETSON: For the financial review.

Danny O'BRIEN: Financial review, yes. Is that to be released to Parliament, that review?

Peter BETSON: That review will contain a significant amount of commercial and confidential information. It is to be presented to government later this year. So in all likelihood there will be sensitive commercial and financial information in there.

Danny O'BRIEN: Okay. Did the review uncover any unfavourable information regarding commercial operations, practices or viability of the grand prix?

Peter BETSON: No, not that I am aware of, Mr O'Brien. The review focused on how the grand prix can look at its revenue and cost and be more efficient or look at revenue generating opportunities, such as through ticketing, and look at capacity for the grand prix, any new sponsorship arrangements or new income streams et cetera that might be available to the corporation.

Danny O'BRIEN: Okay. Has it identified any that you can share with us?

Peter BETSON: We would rather be making the finalisation of that report and providing advice to government.

Danny O'BRIEN: Okay. On the question of revenue, how much estimated annual revenue did the government hand back to Formula One's governing body when it gave back the rights to the Paddock Club ticketing?

Peter BETSON: Arrangements in relation to the Formula One Grand Prix contract with F1 are commercial-in-confidence, Mr O'Brien.

Danny O'BRIEN: I understand that but the question is: how much money did we give up, as taxpayers?

Peter BETSON: The results in relation to the revenue and expenditure and outcomes in relation to the grand prix corporation and the Formula One are published every year in the annual report, and therefore you will be able to ascertain that through that report, Mr O'Brien.

Danny O'BRIEN: All right, we will try. Thanks, Mr Betson.

Secretary, questionnaire page 22 and page 41, there is a Treasurer's advance of the amount of \$17 million to support the rollout of the Victorian Masterbrand framework through Visit Victoria. Considering the very big budget cuts to destination marketing this year, does the department anticipate the need for future Treasurer's advances to fund Visit Victoria and destination marketing?

Tim ADA: You are right in saying, Mr O'Brien, this year's budget has allocated a lower amount for destination marketing activities that are delivered by Visit Victoria. I do not want to speak on behalf of government obviously at the front end of a budget process, but you might imagine the government might consider what additional funding may be required against all their other priorities.

Danny O'BRIEN: Okay. Have there been any Treasurer's advance requests since the start of the financial year?

Tim ADA: I do not believe so. Mr Betson?

Peter BETSON: Visit Victoria is working with them in relation to their standard operating funding agreements – funding through the regional package as well as Visit Victoria.

Danny O'BRIEN: Sorry, working with whom?

Peter BETSON: Visit Victoria.

Danny O'BRIEN: Has been working with whom?

Peter BETSON: The department.

Danny O'BRIEN: Oh, right. Okay.

Tim ADA: But I do not think we are aware that any TA –

Peter BETSON: I am not aware of any TA requests expected, Mr O'Brien.

Danny O'BRIEN: Okay. How many jobs have been lost as a result of the budget cuts to destination marketing?

Tim ADA: I do not believe any jobs have been lost per se at Visit Victoria. Like many organisations, Mr O'Brien, they actively manage some of the vacancies that they have in the business, but I am not aware that any jobs have been lost or made redundant at Visit Victoria.

Danny O'BRIEN: Could I perhaps get a current FTE and FTE at the end of financial year?

Peter BETSON: Yes, we can –

Tim ADA: Do you have that, Mr Betson? Or we could take that on notice.

Peter BETSON: It could be at the end of this very big folder, Mr O'Brien. I do not want to waste your time.

Danny O'BRIEN: If you would maybe like to have a look at it. If you find it while we are talking, that would be great. Have any international offices been closed as a result of the budget cuts, Secretary or Mr Betson?

Tim ADA: I do not believe so.

Danny O'BRIEN: All right. Okay. Thank you. If you can find that figure, that will be great.

Secretary, the 2023–24 budget had a target of \$9 billion of international visitor expenditure but we missed the target by about \$1.6 billion. It was considerably less than that. Has the department requested any further support from the minister or the government to address this shortfall, and if so, what have you asked for?

Tim ADA: Maybe if I can make just a couple of comments in response to your question and then ask Mr Betson.

Peter BETSON: Sorry, Mr O'Brien. Are you able to repeat –

Danny O'BRIEN: The budget target for last financial year was \$9 billion for international visitor expenditure, but the actual was under by about \$1.6 billion. I am seeking if the department has sought any further assistance on this.

Peter BETSON: Mr O'Brien, I will touch on that one. In terms of in particular the visitor economy, we are still seeing the recovery of international markets. In terms of international overnight spend into Victoria in the year ending June 2024, there is an increase of 71 per cent year on year. So it is a returning of visitors and visitor spend –

Danny O'BRIEN: Yes, but I guess the question I am asking –

Peter BETSON: We expect that trend to continue, so has there been any special request for additional funding to support that? In respect to your TA question, no.

Danny O'BRIEN: No. Okay. Secretary, the regional sports infrastructure package – the questionnaire indicates on page 21 that there was another Treasurer's advance of \$36 million virtually to complete 16 projects under the regional sports infrastructure package. Can we have, provided to us on notice perhaps, a breakdown of each of those projects, the cost of each one and whether there were any under-budget or over-budget variances in them?

Tim ADA: Mr O'Brien, if I can just go back a step and then go to your answer, the allocation for those projects was made through an announcement in July last year by the then government and the money that was there, having been made after the annual budget was handed down, was provided by way of TA, so –

Danny O'BRIEN: For the whole package?

Tim ADA: That is right, and therefore this represents a TA reinstatement related to those projects. Mr O'Brien, the government has not identified the project-by-project costs at risk of prejudicing procurement processes that are underway for each of those projects. Mr Betson and I spoke at the select committee hearing into the Commonwealth Games in August and suggested that that is the case and that you would expect the cost of those individual projects to be made available once the procurement process was away. I think a total investment in those projects is in the order \$550 million as a total, but the individual project allocations have not been made for that reason.

Danny O'BRIEN: Okay. So how do we know 16 projects and \$35 million for the TA?

Tim ADA: That would represent a TA reinstatement related to the phasing for projects over the course of probably three financial years, Mr O'Brien.

Danny O'BRIEN: Righto. Okay. I will move on to RDV, if I could. I do not know whether the Secretary –

Tim ADA: We have Dr Csar.

Danny O'BRIEN: Dr Csar – a CEO who is also a tsar is brilliant when it comes to public service, but anyway. I will ask the tsar of RDV some questions. Dr Csar, what was the FTE at RDV as of 30 June 2023 and 1 July 2024?

Xavier CSAR: Thank you, Mr O'Brien, for that question. At 30 June 2023 it was 205; 12 months after that it was 202.

Danny O'BRIEN: 202? Okay. How many people were actually made redundant in the 2023–24 financial year? I know that seems obvious after what you have just given me, but there may not be a direct correlation between the starting number and the ending number.

Xavier CSAR: Sure. Of course, Mr O'Brien. Through the course of that year a restructure was undertaken, known as a clause 11 under the enterprise agreement, and there was a redesign or refocus of the organisation. That results in changes in roles, so a number of roles were changed and under the award that entitles individuals to elect to either apply or to take a package and separate. I think some 35 roles were impacted in that manner, but at the end of the period that I described, the headcount was at 202 as we were structured at that time.

Danny O'BRIEN: Can I just confirm then: 38 people actually took a redundancy?

Xavier CSAR: Correct.

Danny O'BRIEN: They left and they did not come back?

Xavier CSAR: They would have complied with the policy that relates to their terms of employment at the time.

Danny O'BRIEN: That does not necessarily answer the question, but I know what you are saying. How many people were redeployed to other departments, if any, on an FTE basis?

Xavier CSAR: Yes, right. At 1 July 2024 there were 202, as I indicated. There were some subsequent changes through machinery-of-government and other reorganisations. The Secretary referenced them in his

presentation, or one of them anyway, which was the office of suburban development. That was 39 individuals; I would have to confirm the role numbers, but individuals.

Danny O'BRIEN: So they literally went from RDV to office of suburban development?

Xavier CSAR: Well, they were at the office of suburban development, and they were transferred to the Department of Transport and Planning –

Danny O'BRIEN: Okay. Sorry.

Xavier CSAR: where their function continues. At I think it was 7 October of this year, emergency management and outdoor recreation – those two functions – left the group that I currently lead. Those functions continue, but outdoor recreation moved across to the visitor economy, if you like, with my colleague. And emergency management moved into corporate services.

Danny O'BRIEN: Still within DJSIR.

Xavier CSAR: Correct.

Tim ADA: Mr O'Brien, just by way of context, I know you know Ms Beth Jones. She was both the CEO of RDV and the deputy secretary of a broader suite of functions in the department, and now Dr Csar is sort of a standalone CEO of RDV, with emergency management moving into our corporate function and outdoor recreation aligning with our broader tourism and recreation group in the department.

Danny O'BRIEN: Yes. Okay. I will ask that question, Dr Csar: how many people who took redundancies reapplied when they were able to and are now working in the department? I am happy for you to take it on notice if you do not have it.

Xavier CSAR: I will have to take that on notice.

Danny O'BRIEN: If you do not mind.

Tim ADA: Can I just say, Mr O'Brien, to be helpful, 150 staff in the department took a package. There were a number of different packages. Those packages were determined in central government. It would be hard for us to track those that left the organisation but had an entitlement to be able to return to the service in some form. It would hard for us to provide a very specific response.

Danny O'BRIEN: You surely would be able to track them if they came back to your department.

Tim ADA: I suppose I am just qualifying what we might be able to do for you, Mr O'Brien.

Danny O'BRIEN: Yes. The 150 – was that as part of the COVID debt repayment plan savings from last year?

Tim ADA: It was part of the savings and the workforce reductions that all departments had to make in 2023–24.

Danny O'BRIEN: And Dr Csar, what is the current FTE? Is it still 202?

Xavier CSAR: We are currently sitting at, I think, 143 individuals, noting that we have seven roles open in the Latrobe Valley and under recruitment currently.

Danny O'BRIEN: For?

Xavier CSAR: For those Latrobe Valley Authority functions that will continue.

Danny O'BRIEN: Okay. So they are actually jobs in the LVA?

Xavier CSAR: No, they are jobs in Regional Development Victoria.

Danny O'BRIEN: Absorbing the LVA's roles?

Xavier CSAR: Correct.

Danny O'BRIEN: Okay. Sorry, 143 individuals – what is that FTE?

Xavier CSAR: I would have to come back to you on notice for that. I have got a head count; I do not have the FTE.

Danny O'BRIEN: I guess my query is: literally five months ago we were at 202 and we are now down to 143 – is that because of those –

Xavier CSAR: Yes, that is correct, driven by those two movements.

Danny O'BRIEN: Okay. Thank you. Continuing on, I might as well stay there with you, Dr Csar. Why hasn't new funding been allocated to the Regional Infrastructure Fund since 2022? Maybe it is a question for the Secretary.

Tim ADA: Thanks, Mr O'Brien. It is ultimately a question for the government, who obviously make the decisions about resource allocation. The thing that I would say is that RDV, and Dr Csar can talk to this, is continuing to deliver many hundreds of projects that have been funded through that fund in recent years – I want to say more than 500 or 600 projects indeed – so as to why the government has not allocated funding in recent years is, I think, a question for the government.

Danny O'BRIEN: Yes. Is there anything left in it, or is it gone completely?

Xavier CSAR: Thank you, Secretary, and thank you, Mr O'Brien. As the Secretary indicated, there continue to be some 220 projects. The funds for that sit in the –

Danny O'BRIEN: Yes. But the question I want to get to is: is there any money left, if I wanted to apply now?

Xavier CSAR: The money for those projects at the time at which they are drawn is in that fund, is in an account known by that name, so there is money in that fund. I would always want to just add –

Danny O'BRIEN: Can I be clear about this, though: if I or a business or a council want to apply for funds under the Regional Infrastructure Fund now, is there any money available – for new grants?

Xavier CSAR: The answer to that is no, but I would make the important point that the RJIF, as you have described, is just one of a number of funds that RDV administers –

Danny O'BRIEN: I was going to get to that. So at the moment is Tiny Towns the only funding available for regional Victorians to apply for?

Xavier CSAR: No.

Danny O'BRIEN: Through RDV, I am talking.

Xavier CSAR: Thanks, Mr O'Brien. No, it is not the only fund. The Regional Worker Accommodation Fund is subject to application; in fact we are running round 2 as we speak. The Portland Diversification Fund is still operating. I think when I tally –

Danny O'BRIEN: Which fund, sorry – Portland?

Xavier CSAR: The Portland Diversification Fund. So when I tally up really what we are managing and what remains available, you know, we are managing about \$670 million in grants currently across all those fronts.

Danny O'BRIEN: That is including grants that have previously been made that are still being managed?

Xavier CSAR: Those as well. Often these projects have long tails, and proponents need to meet their milestones, so we continue to manage those.

Danny O'BRIEN: Of course. Will there be a third round of the Tiny Towns Fund, or is that subject to government decision?

Tim ADA: I think it is also subject to the outcomes of round 2, for which applications have just closed, and we are working through that assessment.

Danny O'BRIEN: Right. So that will depend on how much money is taken up. Okay. Can you provide on notice perhaps, Dr Csar, a breakdown by local government area of Tiny Towns funding? I think there is probably a list, but I am not sure how detailed it is. Would you be able to provide that to us on notice?

Xavier CSAR: I can take that question on notice. There are several hundred projects.

Danny O'BRIEN: Yes. Okay. Secretary, the department has listed in the questionnaire, on page 45, measures taken to prepare the department for treaty negotiations – it says basically 'Meeting the state's legal requirements to enter treaty negotiations'. What was the cost of that, and how many full-time equivalent positions were dedicated to those preparations?

Tim ADA: I might ask Mr Lyngcoln to just join. The thing I would say just while Julian is sitting down is that a decision was made by the government, administered by the Department of Premier and Cabinet, to provide a small amount of resources to each department. We are no different. That resource was provided earlier this year, and that is supporting two FTEs in our department.

Danny O'BRIEN: And what is the total cost?

Julian LYNGCOLN: The total cost in terms of funding that has been allocated to the department over five years is \$1.682 million. I think for the current financial year it is in the order of \$290,000 to fund those two dedicated roles supporting the process. Those resources also played a role in supporting the department's participation in the Yoorrook Justice Commission; the Secretary made an appearance at that commission. We also responded to a number of notices to produce and requests for information, and then we relied on business-as-usual input from across the department to respond to those as well.

Danny O'BRIEN: So that was \$1.682 million over five years?

Julian LYNGCOLN: Over five years, from 2023–24.

Danny O'BRIEN: The questionnaire also refers to the establishment of an executive committee board to support treaty. Who made up this committee? Is that the executive of the department?

Tim ADA: Yes. I chair our executive board, made up of colleagues represented here and some that are not here, and we have a number of subcommittees, like any governance architecture in an organisation. We thought it was important that we establish a subcommittee, which we did earlier this year, which is around supporting the department's self-determination efforts. It is an internal subcommittee.

Danny O'BRIEN: It refers also to treaty education with key staff across the department. Who provided this training?

Julian LYNGCOLN: There was a treaty masterclass that a couple of our staff who have been involved in the project participated in, which was centrally arranged by the Department of Premier and Cabinet. We have had a number of other people across the department undertake cultural awareness training, particularly where they have roles where they would be engaging with traditional owners and other First Peoples.

Danny O'BRIEN: So that treaty masterclass was not specifically provided by DJSIR, it was DPC?

Julian LYNGCOLN: It was centrally coordinated by DPC.

Danny O'BRIEN: Okay. We might come back to that. Thank you.

The CHAIR: Thank you, Mr O'Brien. We are going to Ms Kathage.

Lauren KATHAGE: Thank you, Chair, Secretary and officials. I want to ask about fishing. I can see in the 2023–24 budget, on page 247, there is information about targets related to recreational fishing and boating and

specifically around some of the infrastructure for that, boat ramps, jetties, car parks. Can I ask how you went with meeting the target or how many have been completed?

Tim ADA: I might ask Mr Betson to respond to that.

Peter BETSON: I can take that. Thank you. The Victorian government is investing, through its Go Fishing Victoria plan, in a number of initiatives, including boat ramp upgrades and jetties. \$22.1 million has been provided to improve 15 recreational boating facilities – jetties, piers and car parks – across the state. I am happy to go through and just talk to those that are underway and completed for you. Avalon has been delivered, an upgrade and extension of the Avalon boat ramp jetty. Cowes stage 2, an upgrade and expansion of the Cowes boat ramp jetty, has been delivered. French Island, an upgrade to the Tankerton boat ramp, including the associated jetty – that one is underway. Inverloch, that is underway at the moment – the Inverloch boat ramp to provide enhanced wave mitigation and additional car parking. Laanecoorie, relocation of the Brownbill recreation reserve boat ramp – that is underway. Lake Boga, that one has been delivered. Lang Lang, an upgrade to the launching facility – that is underway. Mildura, the Red Cliffs boating facility to improve usability – that one is underway. Torquay, that is still progressing as well. Howqua Inlet, that is underway –

Lauren KATHAGE: Which inlet was that?

Peter BETSON: Howqua Inlet.

Lauren KATHAGE: Really?

Peter BETSON: Construction of a new boat ramp and parking at Lake Eildon, so that one is underway. Limeburners – that one is underway, as are Mornington, St Leonards, Tooradin and Werribee – all those are underway as well.

Lauren KATHAGE: Thank you. Sorry, I was just checking where the Howqua Inlet one is, just for my own personal summer plans.

Peter BETSON: Yes, in Lake Eildon.

Lauren KATHAGE: Thank you for that. You talked about the Go Fishing Victoria fund, but what you listed there, was that relating to the Better Boating initiative?

Peter BETSON: That is right, yes.

Lauren KATHAGE: I guess it is different across the state for different situations to get into the water. Some is obviously the ocean as opposed to rivers, but generally how are these sorts of projects making it easier for people to take part in boating?

Peter BETSON: Typically with upgrades to jetties and boat ramps, particularly for recreational fishers, right across the state it means that they can get access. There are also the fees and the charges that government has made a decision on in relation to recreational boating and fishing. Those facilities just make it easier in terms of congestion – the ability to get access to and enjoy the recreation that over a million recreational fishers enjoy. Those boat ramps and jetties make it easier for people to access the water and enjoy recreational fishing, which is very much enjoyed both on inland waterways and in bays and inlets as well.

Lauren KATHAGE: Yes, I think the car parks are important to get the boat into the right spot with space to turn around.

Peter BETSON: Correct. Yes, obviously car parks are particularly important, particularly with boats and enabling people to be able to go there with certainty, so that they know that they will be able to get into the water and enjoy themselves when they want to and when they need to and when they can. That certainty enables people to plan and enjoy the recreational fishing that we know is very popular right across the state.

Lauren KATHAGE: I think the Goulburn is the river that I cannot see covered by that list, so that is one I might have to follow-up with the minister, so thank you for that. We had the fishing rods for children program – I do not know if that was in that same budget, but speaking of children, Secretary, also the Get Active Kids vouchers are very popular in my area. My community is sports-mad. That program has been going for a little

while now. Are you able to speak to some of the impact that that has had or how many kids are taking up the Get Active Kids voucher programs? I know the feedback from my sporting clubs is that it is quite easy to participate in, so that is good.

Tim ADA: I might ask Mr Betson to go to the detail but thank you for your question. I actually said in my presentation that 150,000 vouchers have been provided since the program commenced in 2021 – over 31,000 just in the last financial year. Mr Betson can maybe go to matters of detail, but half of the participants have said if it was not for that program, their child would not be playing sport. That is really significant, isn't it? Peter, did you want to talk in any more detail?

Peter BETSON: Yes, I can talk to the program. As Mr Ada mentioned, in excess of half of the recipients have indicated they would not have been able to participate in sport, and that has a benefit not only for their own individual self-esteem and the family and community in terms of them being connected, and in really enjoying sport, but also financially in terms of helping local clubs and communities maximise membership use. It can be used for equipment as well, not only memberships, which really helps people and kids enjoy sport. The other important figure is I think it is in excess of 20 per cent or 22 per cent of respondents have said it is the first time that they have participated and being a member of a sporting clubs, which is really a great figure when you think about it in terms of kids that would not have otherwise had the opportunity to participate in a local sporting club. Those two key metrics are ones that we hold dearly in terms of going back in and advocating for the program, because it is a very successful program.

In terms of the vouchers, in round 7 in terms of the total amount approved it was in excess of 31,000. Round 8 is ongoing at the moment, and we will be in excess of 150,000, almost towards 170,000+, in terms of vouchers once round 8 completes. We also have a number of sports that benefit and different LGAs. In terms of round 7, applicants for the top 10 sports for reimbursement and vouchers: swimming had 10,532 vouchers; basketball, 6070; gymnastics, 2348; soccer, 1735; dance, 1393; AFL, 1121; cricket, 1045; netball, 1006; athletics, 967; and tennis, 869.

Lauren KATHAGE: That is almost the opposite of what I would have expected. It is almost an upside-down list – I would have expected AFL, cricket and netball to be at the top and dance and gymnastics to be at the bottom. Do we know about boy and girl participation and about growing sports, that sort of thing?

Peter BETSON: Yes, we do. In terms of breakdown – girls or women, boys or men – it was 42 per cent girls, 57 per cent boys and non-binary was 0.06 per cent. So you can see it is a very popular program in terms of the split. That was for round 6, and there was a similar breakdown between girls and boys for round 7. Another interesting other figure in terms of the inclusiveness of the program, in terms of English being your first language, 12 per cent in round 6 said no and 15 per cent in round 7 also said no. So it does target those who really need the support and assistance, but also CALD communities, low socio-economic areas and people, as I have said, who would otherwise not be able to participate. So it is a really important program.

Lauren KATHAGE: Are they staying in sport?

Peter BETSON: Yes. When you go through one round of the program you are able to access future rounds. What we are seeing is that the take-up of the program and the demand for the program has grown, and therefore we can see that as being people who are repeat customers of the program, let me say, in terms of staying in sport for longer, which is really critically important. So they have a good experience and they want to come back. We know at those particular age groups – sort of 14 or 15 – you do tend to get a drop-off in sport, so this is another mechanism to help people stay in a sport for longer as well.

Lauren KATHAGE: How do you figure out the timing of the voucher releases, in terms of some sports like basketball you can play all year round and some sports are only one season?

Peter BETSON: Basketball being year-round that is something that the parents can have access and it suits, but typically it is when registration fees are paid where you have the winter and summer seasons. We try to make sure we do target those membership and registration periods so that we can maximise the uptake and ensure the money and the funding is available when the parents need it.

Lauren KATHAGE: Yes, and there are the two ways of accessing the support.

Peter BETSON: Yes, there is a reimbursement model where you pay and then receive a refund. Obviously there are cash flow implications. Some families may not have that cash flow available, so there is a true voucher model where you can apply for a voucher and it goes through the club and the money can be redeemed that way, to maximise the flexibility for the individual and for the family.

Lauren KATHAGE: I think, maybe it will not be long until we can say a member of the Matildas came up through the Get Active Kids voucher program, which would be really, really amazing.

Peter BETSON: Let us hope so.

Lauren KATHAGE: I would like to ask about small business now, Secretary, if I can. Small Business Victoria holds different events and has different business programs. Just some feedback, Secretary, I have hosted a few small business forums in my electorate with support from Small Business Victoria, attending and providing expertise and advice to small business owners. Your staff came out of an evening, when it suited our entrepreneurial community, and they were incredibly well received. They provided very practical, very helpful information, so I am a bit biased towards Small Business Victoria as a result. I have been thinking about what small business I could start. They are very encouraging. But can you talk about some of the programs more broadly across Small Business Victoria that are available?

Tim ADA: Yes, of course. I will ask Ms Jarrett to respond to that. The thing I would say though is the vast majority of businesses in Victoria are small businesses, so it is a very relevant question. Ms Jarrett.

Danni JARRETT: Sure, and thank you for the question and fantastic feedback. The team will be really appreciative of that feedback. They are genuinely committed to supporting small businesses in Victoria. As you say, we do have quite a few different programs and different methods for delivering those programs. There are a number of different interventions. One is the much more one-to-one engagement that we provide insofar as having our Small Business Bus and having sessions that we provide – information sessions – to small businesses around their obligations and opportunities for accessing services and advice. As part of that we provide the Business Victoria website, which provides advice to Victorian businesses on how to start and then run their business, including templates to guide business operators around their legal obligations for operating in different sectors and the different regulations that apply to them. Likewise, we provide a Business Victoria newsletter that provides timely information on available business services and supports, including toolkits and expert advice on core business topics, networking and capability-building events and grant and other assistance programs around responding to natural disasters, how to prepare for cybersecurity and being prepared for the vicissitudes of actually operating a business. Alongside that, with those toolkits we provide group and individual advisory and capability uplift services both, as I said, virtually and in person where we are providing advice to businesses on how to start, operate and navigate the regulatory requirements.

In the period from 1 July 2020 to 30 June this year, as I mentioned, we had the Small Business Bus, which did 1106 visits across regional and metropolitan Melbourne and met with 4920 businesses. It also held over 325 face-to-face workshops to 2327 participants. We also held 223 webinars to over 3000 participants during that time.

Lauren KATHAGE: That is amazing – also I guess just the diverse face of small business owners in Victoria. I think at my most recent forum for small business owners there was a year 12 graduand who was there. He had already decided he wanted to start a small mobile coffee business, and he was there to get going already. There are some people that are bitten by the bug truly that are raring to get going. One of the things that strikes me about the Business Victoria website, with the templates that you mentioned and the other things, is that there is so much on that website. Do you have information about how many people are accessing the resources there?

Danni JARRETT: I am sure we do because we do keep metrics of that. We have over 142,000 subscribers to our newsletter, which is the largest subscription rate of small businesses to online newsletters nationally. For the year 2023–24 we had 5.4 million visits to that website, with over 7 million views of the Business Victoria website.

Lauren KATHAGE: In my community a lot of the small business owners or people who want to start a small business were born overseas. What are you doing to make sure that your resources and supports are accessible for everybody?

Danni JARRETT: It is a really good question. It is very reflective of the community in which we live in Victoria. In the 2023–24 budget \$17 million was allocated over four years to support multicultural traders and precincts. We are working with partners to deliver on that commitment by providing grant support to multicultural business chambers groups. Those trader groups will assist in a range of different services around enabling local businesses to collaborate, network and essentially learn from each other in terms of the way in which they operate their business but also to access mentoring services and to provide support to culturally diverse small businesses to build their capability and grow, whether it is around being located in precincts where there is a strong multicultural presence so that they can really lean into and leverage that community feel or supporting their business activities as well as to grow their business in those precincts. The types of events that that support will provide will be networking events, including language development for many of those businesses, and training and short courses, workshops and webinars.

Lauren KATHAGE: I guess there are a few different levers that the government has in terms of supporting small businesses. We have been talking about capacity building and networking and that sort of thing. In terms of payroll tax and increasing the payroll tax threshold, do you have any reflections on what impact that has had on small businesses?

Danni JARRETT: That is a good question. I think we probably need to take that on notice. Is it in terms of the impact that it has had for businesses to be able to comply and meet their obligations?

Lauren KATHAGE: In terms of businesses growing or being able to grow through increasing the tax-free threshold.

Tim ADA: I think we can take the specifics on notice, but I think it is fair to say that that has been welcomed by many small businesses, particularly those that fall below the new threshold, in terms of giving them more cash flow as they start and grow as a small business. I think that would be a reasonable thing to say, Ms Kathage, but why don't we just see if DTF has got any analysis that might be able to that in a more substantive manner.

Lauren KATHAGE: The regional versus metro view of small businesses – you talked about how many small businesses we have. Do we know if in regional areas small businesses are more prominent, or is it fairly even across the board?

Tim ADA: What I would say, Ms Kathage, while Ms Jarrett is just going to her notes, is that 97 per cent of businesses in Victoria are small businesses, and about 25 per cent of the economic activity is in regional Victoria. You would assume that it is a broadly similar proportion of the business community in regional Victoria as it is in metro Melbourne.

Lauren KATHAGE: Just thinking in terms of access to large employers, there is probably less access in regional areas to large employers. I imagine that people would be more reliant on their successful local small businesses in regional areas to keep people employed. I wonder about the connections regionally between small businesses and the TAFEs that you were talking about before, Ms Healy, in Wallan and further north. Are there deliberate efforts to connect to small business and TAFEs?

Lill HEALY: Thanks for the question. Every TAFE is fundamentally connected with its business community, small and large. It is vocational education and training, so it is all about people into jobs. Wherever you go around the state, whether it is GOTAFE or Gippsland TAFE, there will be deep business connections, and those businesses are important parts of the community.

Lauren KATHAGE: Thank you.

The CHAIR: Thank you, Ms Kathage. The committee is going to take a short break before returning at 3.15 pm to continue its consideration of the Department of Jobs, Skills, Industry and Regions. I declare this hearing adjourned.

The committee will now resume its consideration of the Department of Jobs, Skills, Industry and Regions. We will go straight to Mrs McArthur.

Bev McARTHUR: Thank you, Chair. Secretary, you referred to the Twelve Apostles precinct redevelopment project. You said you have progressed delivery. Can you tell us what progress you have made? I mean, have you compulsorily acquired that private land for commercial purposes?

Tim ADA: The government has acquired the land, Mrs McArthur, adjacent to the existing visitor centre at the Twelve Apostles through a standard, conventional land acquisition process. The state now owns and occupies that parcel of land, and some early works have commenced.

Bev McARTHUR: Will it be leased or sold to any third party?

Tim ADA: I think the government has said GORCAPA, which obviously is the land manager along the Great Ocean Road, will be the owner-operator of the facility once it is built.

Bev McARTHUR: So you will have no say in what happens to it? You are providing the money for the redevelopment through the city deal?

Tim ADA: Well, obviously the regional development portfolio is administering the project. Development Victoria is the development partner on the project. Obviously it is a city deal project. The Commonwealth government is a significant investor in the project, together with the state. I am just answering your question, Mrs McArthur – that GORCAPA is the proposed operator of that facility once it is built and that the current schedule for its completion is in 2026.

Bev McARTHUR: Thank you. I will go to Mr Betson, who is the – he has got a fabulous title – Deputy Secretary, Sport and Experience Economy, correct?

Peter BETSON: Yes.

Bev McARTHUR: So you are there to help small businesses in the experience economy?

Peter BETSON: A large number of tourism businesses in particular are small businesses, Mrs McArthur.

Bev McARTHUR: Were you consulted on the closure of the climbing at Mount Arapiles?

Peter BETSON: That decision is a decision through the department of environment and is a matter for them. We provide a lot of investment and services into the region from a tourism perspective, including through the Regional Tourism Investment Fund, and there are a number of projects in the Grampians region that we support.

Bev McARTHUR: Today we have seen the announcement of the closure of a very significant business that has been operating for decades. They have provided 140,000 copies of a guide to the climbing experience at Mount Arapiles. This is a business in Natimuk which is going to be severely affected by the closure of the climbing and the use of the walkways in that area. They said it is due to the recent release of the new management plan for Mount Arapiles et cetera that they will cease trading on Friday 21 December because there is no market left for them – because you have closed the climbing and the walking tracks and they provided the guidebook. So what assistance will you be looking to provide for the businesses that will now no longer have a purpose in Natimuk and Horsham because of the closure of this extraordinarily world-famous, important tourism facility?

Peter BETSON: If it is okay, I will refer the matter to the Minister for Environment and DEECA. What I can talk to are the programs that the department is currently administering. We have a number of projects underway in the Grampians region, including Edenhope, Mount Zero, Pomonal Estate et cetera, which support visitation and attraction.

Bev McARTHUR: What about in Natimuk?

Peter BETSON: The Grampians area in particular has experienced significant visitation increases since 2019, and we will continue to support that, including through the regional tourism and events funds, which have \$68 million for the Regional Tourism Investment Fund and the Enabling Tourism Fund as well as major events – \$38 million for regional events funding – as well as support for tourism businesses through Visit Victoria. The international business accelerator program as well will be providing support, Mrs McArthur.

Bev McARTHUR: Good. You will be supplying support to the closed businesses in Natimuk and Horsham. I am glad you got that on the record. How many Victorian businesses have closed in the last financial year?

Tim ADA: Generally speaking, Mrs McArthur, or specific to –

Bev McARTHUR: How many, and how many of them were small businesses in your bailiwick?

Tim ADA: Mrs McArthur, there is some recent foreclosure information, I think, announced by the ABS or a similar organisation just in recent times. My understanding is – and I might call Mr Lyngcoln up to talk to this – there are more than 700,000 businesses in Victoria. My understanding is that several hundred businesses in Victoria have closed over the course of that –

Bev McARTHUR: Several hundred?

Tim ADA: I do not have that right in front of me.

Bev McARTHUR: I have got 105,589 exits.

Tim ADA: How many, sorry?

Bev McARTHUR: 105,589 business exits in the 2023–24 year, according to the 8165.0 counts of Australian businesses.

Tim ADA: I might see if Mr Lyngcoln has got anything further to add.

Julian LYNGCOLN: Thank you. I do not have a year figure. In terms of insolvencies in Victoria, from the most recent figures that have come out, for the September quarter there were 1038, and that was up from 610 a year ago.

Bev McARTHUR: No, that is insolvencies. I mean businesses that have closed. They did not necessarily go broke. They just found, like this business in Natimuk, no more clients.

Julian LYNGCOLN: In terms of business closures, I do not have statistics as such for those. What I can say is we have seen a net increase in business numbers. While we have had exits in Victoria, we have also seen the creation of businesses. Overall, there was a net addition of 18,600 businesses in Victoria, and that is obviously a net number that comes from closures, insolvencies and the creation of new businesses.

Bev McARTHUR: Okay. How many phone calls come to the Victorian Small Business Commission?

Tim ADA: I will just see if Ms Jarrett has got a response that, Mrs McArthur. Just bear with us just a moment. I am not sure we have got that specific data point, but I am happy to take that on notice.

Bev McARTHUR: Thank you so much. Of the calls or emails to that office, how many are about the cost of doing business or land tax? Maybe you will need to take that on notice as well.

Danni JARRETT: For the Small Business Commission?

Bev McARTHUR: Yes.

Danni JARRETT: Most of the disputes largely relate to rental disputes that often small businesses will have.

Bev McARTHUR: Disputes? I am talking about phone calls coming into your office.

Tim ADA: So we have – just a question of clarification – the Victorian Small Business Commission, which has some quite specific responsibilities around mediation. More generally, we have a Business Victoria hotline. I am happy to take the question on notice around the number of calls and whether we can provide any information around the nature of those calls.

Bev McARTHUR: I am not sure who would deal with this, Secretary –

Tim ADA: That is okay.

Bev McARTHUR: It is about Skills First.

Tim ADA: Okay. Do you want to ask the question?

Bev McARTHUR: According to page 234 of DJSIR's latest annual report, the department spent \$726 million on the Skills First program. How much of that total was directed to the Victorian division of the CFMEU?

Tim ADA: I might just ask Ms Healy to answer that question, if she can.

Lill HEALY: Thanks, Mrs McArthur, for the question. The Skills First funding contracts for all registered training organisations are commercial in confidence. The individual allocations, amounts of contracts et cetera, are not made public. That is because the operation of the training market, whilst it is a managed market, has a level of competition in it, and they are deemed commercial in confidence.

Bev McARTHUR: Well, can you provide a list of all the payments made under the Skills First program in 2023–24 to the committee?

Lill HEALY: The aggregate payment for Skills First, I think, is in the annual report. I cannot quote the page, apologies.

Bev McARTHUR: You can provide the list of payments?

Lill HEALY: It is in the annual report. Individual payments to individual organisations are commercial in confidence.

Tim ADA: Mrs McArthur, obviously the aggregate number of payments is made, and it is worth noting that we have training contracts with about 240 training providers. They are listed, and for the reasons Ms Healy said, we do not, and by convention have not, identified the amount paid, given some of those competitive considerations.

Bev McARTHUR: Well, is your department still funding the CFMEU via the Skills First program?

Lill HEALY: The registered training organisation is a deliverer of Skills First training and has been a deliverer of government-funded training since the early 2000s, I understand.

Bev McARTHUR: So are you still funding the CFMEU?

Lill HEALY: The registered training organisation does deliver Skills First funding, that is right, Mrs McArthur.

Danny O'BRIEN: Is that just called the CFMEU RTO?

Lill HEALY: Yes, that is one of the RTOs that delivers Skills First training, yes.

Bev McARTHUR: And you are going to continue to use that provider?

Lill HEALY: The registered training organisation is contracted for delivery in 2024. 2025 allocations are yet to be announced.

Bev McARTHUR: Well, can you confirm there are no CFMEU officials with any outlaw motorcycle gang or organised crime links delivering Skills First training?

Lill HEALY: Mrs McArthur, the Australian Skills Quality Authority is the regulator. They run the fit-and-proper persons test. To be a registered training organisation remaining, you have to meet those tests. It is their responsibility to regulate that. Skills First and the department only contract with registered training organisations that are approved through ASQA or our local regulator, the VQRA.

Bev McARTHUR: So can you guarantee the Victorian public there are no CFMEU officials with an outlaw motorcycle gang or organised crime link delivering the training? Can you guarantee that? You provide the money, don't you, for the funding?

Lill HEALY: We rely on the advice of the regulator, and that registered training organisation is registered to deliver training.

Bev McARTHUR: But you are using taxpayer funds to fund the training.

Lill HEALY: Skills First funds are taxpayers funds from the Victorian budget, yes.

Bev McARTHUR: Exactly. We will go to Aboriginal economic development with the Secretary. The DJSIR spent \$7.6 million on Aboriginal economic development as referenced on pages 6 and 7 of the questionnaire. How many positions were created?

Tim ADA: Mrs McArthur, I might ask Mr Lyngcoln to respond to that.

Julian LYNGCOLN: Thank you, Secretary. Thank you, Mrs McArthur. Within my group in the department we have got an Aboriginal economic development unit, and that has got in the order of 17 FTE associated with it. It delivers a range of programs and supports to Aboriginal businesses. It is administering the Aboriginal Economic Development Fund that is part of the regional package at the moment. It has got funding from the *Yuma Yirramboi* strategy, and that delivers a range of supports to business, in some cases grant programs to help them grow their businesses to participate in trade activity and to participate in trade missions in some cases. We have supported Kinaway as the chamber of commerce to take a number of businesses overseas. It also, as I said, administers that regional package, and we are in the process at the moment of assessing grant applications from that, and we are also guided by a Koori caucus, which is a group of Aboriginal business experts in the delivery of those programs, which also comes from that funding.

Bev McARTHUR: So how long are these positions filled for?

Julian LYNGCOLN: They are ongoing positions in most cases. I think we might have one or two positions from some fixed-term funding that is expiring soon, but apart from that, they are ongoing positions.

Bev McARTHUR: Okay. Thank you. Can I go to, I think it is –

Danny O'BRIEN: It is actually very hard for us to see names. If you could turn your name cards to us a little bit, that would be great. Thank you.

Bev McARTHUR: Ms Morrey, can you go back to the Breakthrough Victoria legal fees – can you tell us how much has been spent to date?

Lauren MORREY: With respect to, just broadly, the investment-related legal expenses?

Bev McARTHUR: Legal fees and, yes, the case that we referred to earlier.

Danny O'BRIEN: The Seer case.

Lauren MORREY: For the Seer Medical case – I will have to take that one on notice.

Bev McARTHUR: Okay. Thank you very much. All right. Secretary, budget paper 3 page 70 states that there was \$4 million allocated to support Victoria's defence industry. However, your questionnaire makes no reference to this funding. Has the funding been spent?

Tim ADA: I might ask Ms Jarrett to respond to that, Mrs McArthur.

Danni JARRETT: The \$4 million that was allocated in the budget was for over two years to support Victoria's defence and space industry and supply chain to secure major defence contracts through advocacy, advice and capability development. It also enables the delivery of the Avalon air show that will be held in March next year, as well as the delivery of Land Forces, which was held in September this year, which attracts thousands of visitors and revenue to the state.

Bev McARTHUR: I know about Avalon. Can you tell us whether any of the funding has been spent to secure opportunities for AUKUS-related projects, including AUKUS pillar 2?

Danni JARRETT: At the moment most of the focus is primarily focused on AUKUS pillar 1. It is the sequencing of the AUKUS program that is being delivered by the Commonwealth Department of Defence. That money is really being spent to support companies in Victoria in the defence sector to build their capability, which may mean that they can bid for work that will be available through AUKUS, but at the moment defence is not currently bidding for or seeking companies to bid for specific projects yet under AUKUS.

Bev McARTHUR: Okay. Thank you. Secretary, I will now go to the continued operation of local chambers of commerce. I am not sure who is responsible. In regional Victoria one large chamber has gone under, another was unable to get off the ground and others are struggling financially, as outlined on page 16 of the annual report. One of the key objectives of VSBC is to develop positive relationships with chambers of commerce. Do you think the chambers view the relationship positively?

Tim ADA: If your question is about where the department engages with local chambers of commerce, the answer is yes in many cases, both in metropolitan Melbourne and regional Victoria. I was personally just up in north-east Victoria a few weeks ago talking to the local chamber up there. Through the small business portfolio there has been support for chambers of commerce in different parts of Victoria for some time. I will see if Ms Jarrett has got any more specifics to add, but I am not sure whether you had a more specific question either, Mrs McArthur.

Bev McARTHUR: Well, there is minimal reporting in the annual report, and did the VSBC provide any funding to support chambers of commerce in the regions or greater Melbourne?

Tim ADA: So the VSBC will not have, for the reasons I said earlier, given their more narrow mediation-focused mandate, but Small Business Victoria, which is a business unit of the department, has recently concluded a grants round providing support for a number of chambers. I will just see if Ms Jarrett has got any more detail on that.

Danni JARRETT: Thank you, Secretary. Most of the support that has been provided to chamber associations is primarily based in metropolitan Melbourne. That was primarily in response to applications that we received for that funding support.

Bev McARTHUR: Can we get a list of those that have applied for funding?

Danni JARRETT: A list of those that have applied?

Bev McARTHUR: Yes.

Danni JARRETT: We can provide you with that.

Tim ADA: We can provide the list of those that have applied, but those that have successfully received support, let us see what we can provide.

Bev McARTHUR: Okay, we will have those too. We will have all the data, Secretary, that you can find on this. Is the government or is your department moving to centralise services to business rather than support for regional chambers? Is that the trend? No?

Tim ADA: No, I do not think so, Mrs McArthur. We have a really strong place-based model to our service delivery. We have a number of business offices in metropolitan Melbourne, and we have a number of points of presence in regional Victoria. Dr Csar spoke earlier about the government's more explicit focus on economic development and business support in regional Victoria, so, no, I would not suggest that is the case.

Bev McARTHUR: Ernst & Young was meant to be paid \$1.3 million for an evaluation of the Jobs Victoria package. Only \$306,000 was spent in 2023–24; no future expenditure is expected. How does the department explain the discrepancy between the allocation and the \$306,000 spend?

Tim ADA: It may well be because one of those numbers relates to expenditure in 2023–24, but I might ask Ms Healy. Did you want to –

Bev McARTHUR: And also could we have a copy of the final evaluation?

Lill HEALY: Could you just repeat the question to me?

Bev McARTHUR: They also paid Ipsos \$100,000, so maybe you could go to that too on notice.

The CHAIR: Apologies.

Lill HEALY: Are these the internal –

Tim ADA: Jobs Victoria evaluation.

Lill HEALY: Yes. So the evaluation – I will take it on notice.

Bev McARTHUR: Thank you so much.

Danny O'BRIEN: Chair, sorry, I believe Mr Betson had an answer following one of my earlier questions.

Peter BETSON: The information I have got in front of me is in relation to Visit Victoria staffing, so year ending June 2024 – 134.8 FTE.

Danny O'BRIEN: 134 –

Peter BETSON: 134.8 FTE.

Danny O'BRIEN: Yes. Sorry, have you got now?

Peter BETSON: I do not have now. I have got June 2023, if that helps.

Danny O'BRIEN: That would be great.

Peter BETSON: 164.3.

Danny O'BRIEN: Beautiful. Thank you very much.

Peter BETSON: No problem.

The CHAIR: We are going to go straight to Mr Tak.

Meng Heang TAK: Thank you, Chair, Secretary and officials. If I can take you to page 63 of the DJSIR annual report, we can see that there has been an increase in apprenticeship course enrolments. Secretary, if you can please take us through how initiatives like apprenticeship support officers and the formation of Apprenticeships Victoria have contributed to improved apprenticeship outcomes.

Tim ADA: Thank you, Mr Tak. I might ask Ms Healy to lead the response to that question around Apprenticeships Victoria and its services.

Lill HEALY: Thanks, Secretary. Thanks, Mr Tak. Apprenticeships Victoria has been established to specifically address the wellbeing, the safety and the completion of apprenticeships across Victoria and particularly to boost completions in areas where we have seen very low uptake, particularly for women, for Indigenous apprenticeships et cetera. The apprenticeship support officers as part of Apprenticeships Victoria's program are a group of people across the state who are dedicated to getting beside apprentices who are less likely to complete their apprenticeships. They are employed through TAFEs, and every TAFE has a number of those across the state, and they provide that hands-on support when an apprentice is looking like they have got some trouble in the workplace or some other difficulties. That enables the apprentice to have more chance of actually sticking it through and completing their apprenticeship.

The apprenticeship support officer program has been continued through the budget, and we put that beside the work also of the recent apprenticeships taskforce that government appointed, again to look at the safety, wellbeing and health of apprentices in the workplace. The taskforce reported to government, and the government recently released its response to that report. It has invested in a number of initiatives to boost

completions and to deal with issues in the workplace around safety and wellbeing. The government has invested in things such as a new help desk in Apprenticeships Victoria, and that will be a dedicated focus for incoming support, whereas your apprenticeship support officers are out there proactively in the community. The help desk is being established currently and will be operational shortly, and that will be an information line as well as a referral point for apprentices seeking information or again a referral point for other services.

Apprenticeships Victoria is also implementing specific mental health supports for apprentices. Unfortunately, we see a number of young apprentices struggling with mental health issues, and that in itself is obviously a serious issue. It is also a reason why people then do not go on to complete their apprenticeship. So a dedicated EAP, an employee assistance line, has been established for employers and for apprentices to enable them to get the support they need to deal with those types of mental health issues in the workplace.

Another thing I would mention in terms of the support for apprentices and employers to make that relationship stick is the work that has been going on in partnership, again out of the taskforce, with a number of businesses and unions to look at safety in the workplace. The government has recently announced that it will look at increasing the regulatory environment for employers of apprentices. Too often we see apprentices being unfairly treated in the workplace, and again that is a major contributor to their non-completion. So there is a review underway at the moment of the best regulatory model required to get that long-term safety for apprentices, and that is something that is underway at the moment.

All of that, I think, Mr Tak, builds on the work of Apprenticeships Victoria to support and drive new apprenticeship outcomes through the Big Build program. We have seen over 1500 apprentices broadly through the Big Build program, and pleasingly, the outcomes there saw an uptake of over 20 per cent women, which again is well above the industry standard, just as one example. So there is an increasing broad body of work really focused on supporting apprentices, and we certainly need it, because the skills of the clean economy and construction and housing do require that sort of boost.

Finally, I point to the work through TAFE and the introduction under free TAFE of the new literacy and numeracy support. That has really been taken up in a big way and is particularly targeted – this is a short course – to really help people get confidence in their skills and get the support they need to do their studies. There has been a really strong early uptake of apprentices, and that is delivered in TAFEs right across the state.

Meng Heang TAK: I will come back to the free TAFE program just a little bit later. Ms Healy, can you take us through how these programs that you have mentioned have supported more women apprentices into the system, and are there any disparities between metropolitan areas and regional areas?

Lill HEALY: Thanks again, Mr Tak. Perhaps I will point to the previous apprenticeship innovation program, which has recently been completed. That was dedicated to targeting an improvement in gender parity in apprenticeships. Whilst overall we tend to see, unfortunately, that occupational segregation and more women taking up hairdressing apprenticeships than taking up building and construction apprenticeships, the focus of the program was to work with organisations and work with female apprentices to look at the barriers to taking up apprenticeships in the less traditional trades.

A number of innovative projects were done across the state, and the findings of those have now been built into the work of Apprenticeships Victoria and were delivered to that apprenticeships taskforce. That is how, once we were listening directly to apprentices and their experience and also listening directly to employers, who were also around the table, we were able to recommend what would seem like fairly straightforward changes in workplaces, such as uniforms and such as facilities that are available, and much less the broader cultural change that is required in a workplace to be a fair place, particularly for women, and the flexibility that is often required, where a lot of the female apprentices will tend to have more caring responsibilities perhaps than their male counterparts. So those sorts of initiatives have been brought to bear and fed into the taskforce's work, which we are now acting on, but also fed into the broader industry work on the building equity standard and the culture standard that the building industry is working on nationally. So that is how those findings have come through, and again, they have all contributed to an increase in women taking up particularly those non-traditional trade apprenticeships.

Meng Heang TAK: Thank you. Secretary, if I can also take you to page 14 of the 2023–24 DJSIR annual report. The report references that the government extended eligibility when it came to free TAFE courses. We

know that free TAFE has been an astounding success. Can you please take us through this eligibility change that has helped more women into TAFE?

Lill HEALY: Thanks again for the question. Perhaps overall it is worth reflecting that since 2019, when free TAFE was first introduced, up until June 2024, we have seen 175,900 people take up the opportunity, and those students have benefited from free TAFE and of course the aggregate number of \$503 million in tuition fees avoided for those students. We know for a lot of students of course that a tuition fee is a barrier to study, and over that time we have seen more than 101,000 women participate in free TAFE. Of course among many of those women and many of the other students we have also seen a very strong uptake of learners with a disability and 45,000 students studying in regional Victoria through free TAFE. Free TAFE, partly through of course the fee waiver, has enabled 42,000 previously unemployed people to take up study, and a significant number – 50 000 – of culturally and linguistically diverse students. So free TAFE has really opened that access, and in the last 12 months – July 2023 through to July 2024 – we have seen a 16 per cent increase in free TAFE, which is a strong boost, and this has been a result of both the government's changes to eligibility for subsidised courses, which came in in 2023, which enabled you to study even at a lower level than you might have previously, but also the change to the free TAFE priority pathways program, which enables a person to study a second free TAFE course in a priority pathway such as, for example, early childhood. So the program overall has seen terrific outcomes. I did not mention earlier, but it is worth pointing out that we have seen over 2 per cent of the students as Indigenous students, which again is well above that average.

We talked to students through our skills authority through the survey work, and the students' satisfaction with free TAFE is very high. We get above the 85s for those completers. We also have an 82.8 per cent result of TAFE completers who are employed directly after their training, and again that is a boost to previous data.

Overall, we continue to monitor free TAFE. The government has approved putting new courses on the 2024 free TAFE list, and when we look at what is really popular in free TAFE we can see courses in cybersecurity, the diploma of nursing and the certificate IV in accounting and bookkeeping have been quite popular courses. Importantly, free TAFE has enabled more people wanting to study the training and assessment course, which is the course required to be a free TAFE teacher. That is the base course. That was put on free TAFE back in 2022, and since that time we have had a 54 per cent boost to uptake, which following on has meant that we have seen some benefits immediately with trainers coming through into the VET system, which is very important.

Meng Heang TAK: Thank you for your detailed answers. On another point that I am really interested in, in my electorate of Clarinda there is a community provider that also provides free TAFE, with similar subjects like aged care, early childhood education and all of that, and we can see there is uptake in terms of enrolment by females of multicultural backgrounds. We know from the recent National Centre for Vocational Education Research data that enrolments in TAFE and in the state-subsidised courses, like Ms Healy already said, have been booming from the first quarter of 2024 compared to the first quarter of 2023. Can you please also take us through what is behind the increase and what the government has done to encourage more people to reskill or upskill?

Lill HEALY: Thanks again for the question. There has, as you point out, been an overall increase in VET training in the year to date to July 2024 – up 5 per cent overall compared to the same period in 2023 – and that is in both new commencements and also continuing enrolments. Commencements increased by 3.2 per cent pretty much on the back of the TAFE element, as I mentioned, but also I pointed out earlier in regard to apprenticeships that there was that growth in people studying literacy and numeracy support. Again, the big driver I think in the increased overall enrolments is the eligibility changes, so now people can study a subsidised course at a level that is at or in fact below where they have previously studied, and so it enables that reskilling, which is really important in a dynamic economy. With the free TAFE priority pathways in areas of high demand – again, such as early childhood – you can now study a second free TAFE course in that pathway. That has been a very clear driver of uptake – 5 per cent overall in the system – but in the TAFE area in 2023 through to 2024 we have actually seen a 15 per cent growth in TAFE enrolments in that period, again on the back of those changes to eligibility and the free TAFE priority pathways.

I think the other couple of things to mention, Mr Tak, in regard to particularly attracting people who have not studied for a while or have been out of work for a while or perhaps have other barriers to training, the investments that have been made in the TAFE Services Fund to provide wraparound services to students on

campus who require them are a very important part of both that attracting of students in and then that completing, holding students through their course. That combined with the literacy and numeracy, along with the eligibility changes and the free TAFE priority pathways, has meant some really good increases and completions over the last couple of years.

Meng Heang TAK: Thank you, Ms Healy. Secretary, in your opening presentation you went through the machinery-of-government changes last year as per page 5 of the annual report. Can you also please take us through how incorporating the skills and TAFE portfolio into DJSIR is assisting the department to ensure that TAFE and vocational education and training deliver an economy aligned to job outcomes and jobs for our regions?

Tim ADA: Thanks, Mr Tak. That machinery-of-government change happened on 1 January last year, so we are almost two years into having the skills portfolio together with the industry and employment and broader economic development portfolios. If I take you back to the purpose of the department that I talked about as part of my presentation being sort of growing productivity, growing prosperity and growing participation, particularly in the labour market in this context, the training, skills and TAFE portfolio talks to all three of those in various different ways. Ms Healy has just talked about particularly supporting people who might otherwise have barriers to participating in the labour market. Obviously getting access to training and a qualification very often puts people on the path to employment and achieving their career aspirations, and building human capital obviously is one of the most significant drivers of productivity in the economy. Then you talk about having a rewarding job, then that puts individuals on a path to prosperity more generally. So I think having the skills and TAFE portfolio together with the economic development portfolios, many of which we have spoken about today, does a couple of things. One, it helps the training and TAFE portfolio be as closely aligned as it can be to the needs of industry – not just private enterprise but the public sector. Obviously many people studying in the vocational education and training system are studying careers that will go on and be important providers of public services, be they early childhood or health care or aged care or what have you. So from my perspective as Secretary of the department I think it has been a very good synergy, and we work hard at that every day to make sure of the synergies that we are capturing between the different portfolios in the department, of which there are 11, as I mentioned earlier. The skills and TAFE portfolio is an integral part of that, Mr Tak.

Meng Heang TAK: Thank you. In that case can I also move on to another area of interest, the operational infrastructure support. If we can go back to page 227 of budget paper 3 it outlines the operational infrastructure supports grants under management. Secretary, can you please provide the committee with information on what this investment is?

Tim ADA: I might just get that page number and reference.

Meng Heang TAK: Page 227, budget paper 3.

Heather RIDLEY: Which budget paper, sorry?

Tim ADA: It relates to medical research outputs.

Meng Heang TAK: That is right.

Tim ADA: I might ask Ms Jarrett. I might just say, Chair, Ms Jarrett has actually found a response in reply to one of Ms Kathage's questions, if there is time for that.

The CHAIR: Rather than take it on notice, yes, there will be.

Danni JARRETT: Would you like me to address that first?

The CHAIR: I think so, yes. Let us do it.

Danni JARRETT: Okay. Your question was in relation to how the adjustments to the payroll tax impacted on small businesses. With the payroll tax free threshold being lifted from \$700,000 to \$900,000 it will mean that 4200 fewer businesses will have to pay payroll tax and another 22,000 businesses will pay a reduced amount, saving up to \$9700 per year for each small business.

Lauren KATHAGE: And is it likely that that would incentivise people to take on an employee where they might previously not have?

Danni JARRETT: I think there are a number of benefits that that could present in terms of whether it is increased employment or whether it is increasing the hours that they may allocate to existing workers as well. Depending on the nature of the business it may assist them to also diversify the type of business that they undertake. If it is more of a research or innovation type of business they may in fact look to increase the technological approach that they take to their business. It may include then investing in different equipment and machinery as well, so there is a range.

Lauren KATHAGE: Doing things onshore rather than sending something to be done overseas.

Danni JARRETT: Exactly.

Tim ADA: Did you want to go to Mr Tak's question? He asked about the operational infrastructure support program. I am just conscious of the time.

Danni JARRETT: Yes, thank you. Thank you for the question, Mr Tak.

The CHAIR: Apologies, Ms Jarrett. We are going to go straight to Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good afternoon. When does the memorandum of understanding that the government has with the Israeli defence ministry expire?

Tim ADA: Let me just check if Ms Jarrett has got that.

Danni JARRETT: I understand you are talking about the memorandum of understanding with SIBAT?

Aiv PUGLIELLI: With the International Defense Cooperation Directorate of the Israel Ministry of Defense – that one.

Danni JARRETT: That expires at the end of this year.

Aiv PUGLIELLI: Okay. At what point would considerations be made as to whether that would be extended or renewed?

Danni JARRETT: At this stage there is not – it will be for government to make a decision around its extension or renewal.

Aiv PUGLIELLI: Is it the typical process that the department advises the government on whether to extend or renew an MOU like this?

Danni JARRETT: It will review the outcomes of that MOU and provide that advice, but it will also be a decision of government ultimately.

Aiv PUGLIELLI: Has the department advised the government to extend or renew the MOU?

Danni JARRETT: No, we have not at this stage.

Tim ADA: Not formally. I think, Mr Puglielli, that it is worth noting that there has not been great activity delivered under the MOU to date. I do not think there have been any discrete activities or actions or outcomes delivered under the MOU, as is perhaps explained by the change in circumstances since the MOU was entered into.

Aiv PUGLIELLI: So it is not currently the intention of the department to offer that advice to extend or renew the MOU?

Tim ADA: We have not spoken to the responsible minister about that in recent times, Mr Puglielli, and obviously it is sort of getting on to late November.

Aiv PUGLIELLI: Thank you. On another matter, the Victorian government was the principal sponsor of the recent Land Forces expo that was organised by AMDA, which is classed as a defence industry charity. What was the total cost of the government's principal sponsorship of that expo?

Danni JARRETT: The arrangement that the government has with AMDA is really in effect around bringing a major event to the state. We typically do not disclose how much the government pays for these types of events, as part of wanting to ensure that we protect our ability to be competitive in the way in which we support major events into Victoria.

Aiv PUGLIELLI: So are you saying it is commercial in confidence?

Danni JARRETT: Yes.

Aiv PUGLIELLI: Okay. I am just ensuring I heard that correctly. Does the department anticipate that future iterations of this event will be sponsored by the state government?

Tim ADA: The event that was secured was secured by the state in early 2023 for the 2024 and 2026 events; it is held biennially, every second year. As I recall, there may be options for future events beyond that, but it was secured for two events – both in 2024 and 2026 is the current agreement.

Aiv PUGLIELLI: So there will be a 2026 event sponsored by the state government?

Tim ADA: That is the current agreement that we have with AMDA.

Aiv PUGLIELLI: Okay. So this is not, beyond that, an ongoing agreement? There would be a new agreement entered into for beyond 2026?

Tim ADA: Usually events, conventionally, are acquired for a certain period, particularly footloose events that could be held in other parts of Australia. The Land Forces event has been held most recently in Queensland, as I understand it. I would not want to predict what the government may choose to do beyond the current contractual arrangements.

Aiv PUGLIELLI: Thank you. Does the department intend to advise the government to enter into new agreements similar to this one?

Tim ADA: Given that we have only just had the 2024 event, the economic assessment of that event is pending. I understand that is close to being complete. The department would want to be apprised of all of that information, and obviously there are a whole range of things we would take into account in providing advice to the government.

Aiv PUGLIELLI: What are some of the things you would take into account?

Tim ADA: The principal reason that I think this event was secured in the first place – and obviously circumstances have changed since it was first secured – is that it is the nation's largest land defence exposition. That is both defence materiel but also adjacent sectors. It was the biggest event of its type held in Australia. It attracts a lot of overseas business event visitors and investors, and it was principally for economic reasons, like is the case for most of the businesses that we as a state work to attract. We would take into account, in providing advice to the government, the economic impact of the event, as I have said – we do not yet know what that is for the 2024 event – and there are other factors related to the cost of security, the impact on the community and other things like that.

Aiv PUGLIELLI: Thank you. In the 2023–24 budget there was \$1.5 million provided to support Victoria's defence and space industry and supply chains that secure major defence contracts through advocacy, advisory and capability development, with a further \$2.5 million budgeted for 2024–25. Can you provide to the committee a list of the companies that benefited from this funding for 2023–24 and 2024–25 and their projects and the products that they manufacture?

Tim ADA: Are you in a position to –

Danni JARRETT: I can provide you with an overview, but we would not be in a position to be able to provide you with the details of all of the products that they deliver or develop as a result of –

Aiv PUGLIELLI: Even on notice?

Danni JARRETT: A lot of that information is, as you would appreciate, commercial in confidence with regard to their competitiveness and the nature of the contracts that they have with defence, and by extension, then, the arrangement that we have with them would be bound by similar standards of confidentiality.

Aiv PUGLIELLI: Perhaps can I ask for the elements that are not commercial in confidence? Could you seek to take on notice and provide those to the committee?

Tim ADA: We will see what we can provide, Mr Puglielli. I am not sure if it is related to your question; one of the initiatives – one of the companies that we have partnered with is obviously Hanwha. You may know that company; they have won a large Commonwealth contract. They have built a state-of-the-art facility down near Geelong, and one of the things that we have partnered with Hanwha to do is to build supply chain capabilities. So one of the programs that we have had is supporting small and medium-sized manufacturers that might be suppliers to the Hanwha project. We can provide more information about that program, for example.

Aiv PUGLIELLI: Thank you. Regarding the 129 Redback infantry fighting vehicles that were in your opening presentation, where are they to be used? What is the intention behind those products?

Danni JARRETT: That is part of the Land 400 phase 3 contract that Hanwha was selected to manufacture for defence. They are infantry fighting vehicles that will be used by the Australian Army in a range of its activities. It is part of their defence activities. We are not a party to exactly where those vehicles will be used as such or how they will be deployed.

Aiv PUGLIELLI: Okay. So it is not within the visibility of the department whether they would be domestically or internationally deployed?

Danni JARRETT: That is correct.

Tim ADA: The Australian government is the customer for that project.

Aiv PUGLIELLI: Thank you. Some of this is from a question on notice, so I understand you may not be able to answer this here. Can the department assure the committee that none of the products that have flowed on from this funding have been used to attack or have been used to facilitate attacks on Palestinian civilians in Gaza or the West Bank?

Danni JARRETT: Again, similar to the answer that we just gave, we are not involved in any of the decisions around how those contracts – that is a matter for the Australian government, essentially, through the Department of Defence.

Aiv PUGLIELLI: Thank you. Has the department undertaken a review of all financial and non-financial investments, tenders, contracts and programs with companies and other governments to identify and disclose these entities to our government if they are found to render aid or assistance to the ongoing campaigns of the Israeli Ministry of Defense in the occupied Palestinian territories? Has that review taken place?

Tim ADA: Let me make a couple of observations – and Ms Jarrett might want to add. We have very few, as I understand it, agreements with defence companies currently. For many years the state has partnered with I guess primes and manufacturers. We have relatively few – as I understand it, Ms Jarrett – contracts with defence companies at the moment. A good number of defence companies, both multinational and homegrown companies, are active here in the state of Victoria. I do not believe those contracts that we hold with subsidiaries, for example, of Israeli businesses – the nature of our agreements with these are for research and development purposes. We are not aware of any products that have been produced as a result of that research and development. The nature of the state's support is for the purpose of research and development in collaboration with Victorian universities. I think it is fair to say, Ms Jarrett, that we are not aware of any outcomes of that particular agreement that might have contributed to the broader conflict in the Middle East.

Danni JARRETT: That is right, Secretary. I think, just to add also to the earlier comments around most of the support that we provide to Victorian businesses in the defence sector, essentially it is engineering companies that will do a mix of defence work or contracting into larger defence contracts that the Commonwealth releases or procures, as well as civilian projects. That funding really goes to supporting those companies to build their capability as largely advanced manufacturing companies.

Aiv PUGLIELLI: Can I ask, in that case, are you prepared to undertake a review per the specifications I have outlined and come back to the committee?

Tim ADA: I think we can take that question back and talk with the responsible minister, Mr Puglielli. Obviously the review you propose would not be an insignificant undertaking. We would want to talk to the relevant minister, and I am certainly happy to do that.

Aiv PUGLIELLI: Thank you. Just on the Victorian Land Systems Fund, the supply chain uplift program, are you able to provide the details of grant recipients since November 2021 to the committee?

Danni JARRETT: I think that would probably be part of the question on notice that we will be providing.

Aiv PUGLIELLI: Okay. And I suppose a follow-on from that is the details of the recipients' projects since that time as well.

Danni JARRETT: Yes.

Aiv PUGLIELLI: Thank you. Do you have to hand the total sum of the money that has been granted under that fund since November 2021?

Tim ADA: While Ms Jarrett is looking for that, Mr Puglielli, I think 22 projects have been supported by the fund. Ms Jarrett might just have the number. Please bear with us.

Danni JARRETT: Just over \$1.3 million has been approved for those 22 projects.

Aiv PUGLIELLI: Thank you. And this may need to be on notice, but if possible – if a disaggregation of that money that was provided per grant recipient per project could be broken down and provided to the committee, that would be much appreciated.

Danni JARRETT: We will take that on notice also.

Aiv PUGLIELLI: Thank you. Does the department have any current partnership agreements with Elbit Systems Australia?

Danni JARRETT: We have a grant agreement with Elbit. As the Secretary mentioned before, that grant agreement is essentially for R and D partnerships for them largely to be involved in emergency services and emergency management systems and drones – so, more in their telecommunications sector and largely in relation to domestic use in Victoria and Australia.

Aiv PUGLIELLI: Are there any other partnership agreements with Elbit Systems Australia that have existed with the government in the last five years?

Danni JARRETT: That is the one.

Aiv PUGLIELLI: Just that one. Okay. Thank you. In that agreement, has funding been provided from the department per the agreement?

Danni JARRETT: Again, with the nature of that particular agreement, we typically do not disclose details around the nature of the support that we provide.

Aiv PUGLIELLI: And that is commercial in confidence? Is that why?

Danni JARRETT: That is right. Yes.

Aiv PUGLIELLI: Okay. Thank you. I have got a bit of a leap here to National Gallery of Victoria.

Tim ADA: I might just get Ms Febey up if that is okay, Mr Puglielli.

Aiv PUGLIELLI: Okay. Thank you. Just a question when you are ready: has the NGV ever entered NDAs with staff?

Claire FEBEY: I am not aware of anything.

Aiv PUGLIELLI: Are you able to maybe take on notice to review if that has ever been the case?

Claire FEBEY: Certainly.

Aiv PUGLIELLI: Thank you. These might be follow-ons. Could you provide the total number of current NDAs with staff – just the number, not the contents necessarily, per their NDAs? Also the total number of current NDAs with senior management.

Tim ADA: Sorry, just to avoid any misunderstanding, are you talking about non-disclosure agreements?

Aiv PUGLIELLI: Yes, NDAs. Not the contents of those agreements, just the number.

Tim ADA: Yes, sure.

Aiv PUGLIELLI: And to follow on again, the total number of former NDAs with staff. Thank you.

Claire FEBEY: Thanks.

Aiv PUGLIELLI: On to Always Live funding. Is that still –

Claire FEBEY: Mr Betson.

Aiv PUGLIELLI: We were previously informed by the minister that in 2022 and 2023 7 per cent of Always Live programming was for international acts. In 2024 we were informed it was 14 per cent international acts. Are you able to provide the total amount of government funding for Always Live that has been provided for each of those years I have mentioned, so 2022, 2023 and 2024?

Peter BETSON: It was \$20 million over two years in 2022–23 and 2023–24. It was \$20 million over the two years for Always Live.

Aiv PUGLIELLI: Thank you, and then of that funding are you able to provide the committee what percentage went towards international acts for those years?

Peter BETSON: Let me have a look. I have got information in relation to local artists in 2023, three-quarters of which were Victorian; 37 per cent of venues in regional Victoria. I would have to take that on notice.

Aiv PUGLIELLI: On notice is fine. That is okay. Yes, that is all right. Thank you. On another matter, in 2023–24 the department set a target of Victoria attracting 31 per cent of all international student enrolments in Australia, however, for the first time in five years the proportion was below 30 per cent. The department's explanation for the shortcoming referenced enduring impacts of COVID-19 on market share and growth, including multiple missed intakes of international students resulting from prolonged border closures. Can I just clarify whether border closures means international or domestic border closures?

Danni JARRETT: International.

Aiv PUGLIELLI: International, thank you. Are you able to provide the committee with an estimate of the net overall impact in Australian dollars of this decrease on the Victorian higher education sector and the Victorian economy?

Tim ADA: Of the decline in market share?

Aiv PUGLIELLI: Pardon me, the decrease in student enrolments.

Danni JARRETT: I am looking at the decrease. We might need to take – if you are looking at what is the cost of those international border closures, the impact of that goes on the –

Aiv PUGLIELLI: It is more the cost of the decrease of the enrolments, really.

Danni JARRETT: We can provide that to you on notice.

Tim ADA: Let us see what we can provide.

Aiv PUGLIELLI: Thank you. And in that response you are welcome to provide if there are any other factors that might have driven this decrease. Thank you.

A quick one while I have got time: Lynall Hall Community School – there were two netball courts that were promised, long overdue, as part of the 2022 election campaign, yet there is still no upgrade, no plan, but increased cost, and they are worried that they are only going to get one court upgraded and the other will be left to the school to pay for. Can you confirm for the committee: will both those courts be upgraded?

Tim ADA: Just remind us of the project name.

Aiv PUGLIELLI: It is Lynall Hall Community School, their netball courts.

Tim ADA: Unless it is – it may well be a question for the education department, given it is a school.

Aiv PUGLIELLI: Yes, it is VSBA, but I am aware it is DJSIR money, so that is why I have just queried it here today.

Danny O'BRIEN: A precedent – you could fund the Mirboo North stadium, which is also the education department. Well done, Mr Puglielli.

Peter BETSON: It could be a community sport funded project. I will take that on notice.

Aiv PUGLIELLI: Yes, I believe my note has DJSIR output initiative investment to community sport and active recreation infrastructure. That may be why I have –

Tim ADA: Let us check.

Peter BETSON: That would be one of our outputs, so I am happy to take that on notice and provide you with that information.

Tim ADA: Mr Puglielli, I think Ms Jarrett has found some relevant material in reference to your earlier question.

Aiv PUGLIELLI: Sure.

Danni JARRETT: Not specifically to your question, but I think just to correct a perception perhaps in terms of the impact and the growth of international students. Since 2022 there has been an increase of 77.4 per cent in terms of the international education sector to the state's economic revenue. So that represents \$14.8 billion in export revenue to Victoria in 2023. So your point as you made it was that there was a drop as a result of the international border closures, but we have in fact seen a growth in international students since then.

Aiv PUGLIELLI: Okay, thank you. That is much appreciated. I understand the department in terms of its reporting has reported expenditure on more than 50 completed reviews, studies and evaluations, but only four of those have been published. Is there a reason for this?

Tim ADA: We, I think, Mr Puglielli, identified about 60 reviews that we have undertaken. They are included in the questionnaire, as you say. I think four have been publicly released and another eight are proposed to be released. They are just not quite complete yet. The lion's share of them are lapsing program evaluations. The department has a significant lapsing program component to the way it is funded. They are appended to cabinet submissions, so the convention has been that government has not released the material that is appended to cabinet submissions. And then the lion's share of the studies relate to the internal function of the department; for example, there was a review of corporate services inside the organisation. But to go back to

your question, four have been made public, and the intention is that in the near term as those reviews would be finished another eight would be made public.

Aiv PUGLIELLI: Just to dot i's and cross t's here, could you provide a breakdown on notice maybe to the committee of that full list and the rationale for each as to why it has not been published?

Tim ADA: I will see what we can provide.

Aiv PUGLIELLI: Thank you. Much appreciated. Thanks, Chair.

The CHAIR: Thank you, Mr Puglielli. We are going to Mr Hilakari.

Mathew HILAKARI: Secretary and officials, we really appreciate your attendance this afternoon. I am the lucky last again today, so we are going to bring it home strongly.

Danny O'BRIEN: But certainly not the least, Mr Hilakari. They have been waiting for you.

Mathew HILAKARI: Thank you for your indulgence. Ms Jarrett, I will just start with you. What period was that increase in international students over?

Danni JARRETT: Since 2022 –

Mathew HILAKARI: Since 2022, 77 per cent.

Danni JARRETT: and in the calendar year of 2023.

Mathew HILAKARI: That is extraordinary. And in terms of an export for Victoria, do you know how that rates compared to any of our other export industries? \$14.8 billion seems like a lot of money.

Danni JARRETT: It is a lot of money. International education is in fact our largest services export for Victoria.

Mathew HILAKARI: Do you know what our second is?

Danni JARRETT: Our second export for Victoria is –

Mathew HILAKARI: I know; I am sorry. I am taking you to all the different places at the moment. I keep Mr O'Brien on his toes like this as well.

Danny O'BRIEN: What was the first one? Tertiary education?

Mathew HILAKARI: \$14.8 billion.

Danny O'BRIEN: Second will be dairy exports.

Danni JARRETT: In terms of our second-highest export figure, it is still in services, which is around tourism, so personal travel –

Mathew HILAKARI: There we go, for Mr O'Brien's benefit, do we have dairy listed on the list?

Danny O'BRIEN: But tourists go to a lot of dairy farms.

Danni JARRETT: followed by other business services. That is professional services, typically, that are provided, and then we move into more the goods exports around meat, excluding beef – that is \$2.9 billion.

Mathew HILAKARI: There is huge drop-off –

Danni JARRETT: It is significant.

Mathew HILAKARI: between education being really a primary industry for Victoria –

Danni JARRETT: Absolutely.

Mathew HILAKARI: in the same way that mining is for WA or Queensland or any of those states.

Danni JARRETT: And it really talks to the strength of our education sector in Victoria. Essentially, we are seen very much as an education or university state, with two of the country's leading universities, the University of Melbourne and Monash University. We also have, as you know, a very strong vocational education sector and TAFEs. That is a very compelling story for international students who are looking to study.

Mathew HILAKARI: And we are often rated among the most livable cities, so it is a great place for international students to be. We continue to welcome them.

Danni JARRETT: We are. We were voted this year as being Australia's most attractive international student city and fourth in the world for international students.

Mathew HILAKARI: Fantastic. Thank you for that. That was a little sidetrack from where I am going to go next, which is investment in regional Victoria. I might take us to the annual report from 2023–24. There are a few figures on page 46 which I just want to walk through for the moment. We have 'Jobs in regional Victoria resulting from government investment facilitation services and assistance'. We set out a target of 500, and we achieved just over 1500. That is a terrific result. I was hoping we could talk to what led us there.

Xavier CSAR: Thank you for your question, Mr Hilakari. Regional Development Victoria works with its partner agencies across the Victorian government around facilitation, so it is more than simply the grants we have under management, which are not insignificant. Facilitation can be as broad as working with proponents around planning issues and regulatory approvals with various agencies across the state. A good example of that I think would be a recent example that comes to mind – something as simple as Bairnsdale and the expansion of a Kmart operation, adding another 80-odd roles to 30-odd, which would have taken it to 120, which was a non-financial contribution but involved working with the EPA and the statutory and regulatory part of East Gippsland shire transport and sort of unlocking that potential. That is an example of the sort of work that RDV officers conduct around the state.

Mathew HILAKARI: Fantastic. We invested, I can see, a total output cost of \$166 million into regional Victoria. Do we have some estimates of what the next few years ahead will lead to in terms of dollar investments?

Xavier CSAR: Yes. Well, that investment was in fact ahead of what was the projected output – that was at around \$106 million. It was \$166 million in the end. That was driven by the timing of expenditure milestones around Nyaal Banyul, the Geelong convention and exhibition centre – part of the \$676 million Geelong City Deal, in partnership with Commonwealth and the Greater Geelong City Council. It also related to some of the regional package – the Regional Worker Accommodation Fund, for example. It all came in that period. Going forward, there will be milestones around the completion of Nyaal Banyul in Geelong as part of the city deal. That would explain why it will be around \$296 million next year.

Mathew HILAKARI: That is an extraordinary centre. We had a Victorian multicultural dinner just across the road from that, and just to see that centre in real life – it is extraordinary and huge. I know Mrs McArthur would be driving past that almost every day. Could you just go into a little bit more detail around what we expect on milestones but also the Geelong City Deal itself?

Xavier CSAR: Yes. Thank you for your question, Mr Hilakari. The Geelong City Deal is so much bigger than Geelong – \$676 million, really, from Port Campbell to Geelong. I think the two big tentpoles are Nyaal Banyul, at \$449 million, which beyond being world-class exhibition centre will be the largest hotel, rated at 4-plus stars – I think it is described as 'upscale' in hospitality industry – and of course there is the Twelve Apostles, which is a \$106 million investment in that precinct, which is all really around creating the kind of world-class visitor centre that at the moment 2.8 million visitors attend, and that will double over the next decade.

Mathew HILAKARI: Oh, wow. You say it goes all the way to Port Campbell. What can we see expect to see along all the other places?

Xavier CSAR: Yes, excellent question. Really the whole Great Ocean Road is sort of curated through the city deal for visitor experience and amenity. Port Campbell has had significant investment around streetscaping and the trail to Timboon, the epicurean trail. Down to Princetown there has been some infrastructure that will enable accommodation to be developed. All up, just around that Twelve Apostles precinct development area – sort of from Port Campbell right through to Lorne – that is going to unlock about \$150 million of private investment.

Mathew HILAKARI: Do we have any expectation around what sorts of jobs will be increased through that investment?

Xavier CSAR: Yes. I cast my mind back to a very early study which probably kicked it all off, in 2015, which was a joint piece of work by Corangamite and Moyne shires and DELWP, as it was then, now DEECA, and Parks Victoria, and it estimated that an optimised Twelve Apostles experience plus the surrounding infrastructure around accommodation and access could be worth something like \$230 million-odd per annum to the region and, what, 2300 roles. Now, that is nine years ago, so that would almost certainly be up from there.

Mathew HILAKARI: I might just take us to something we have covered a little so far, which is the Tiny Towns project – 160 projects across our regions. I was hoping you could talk to some of the outcomes that we expect and some of the projects themselves. Members of Parliament love the Tiny Towns Fund. That is why we discuss it all the time and we are very excited – every time we see an announcement around Tiny Towns, we are all over it.

Xavier CSAR: That is pleasing to hear, and thank you for your question, Mr Hilakari. That is a \$20 million program phased over four years. It initiated as a \$10 million program and has had another \$10 million added to it as part of the more recent regional package. I think 212 projects were supported in round 1. By way of example, the Ararat Rural City Council – sorry, let me actually go to something different. As part of that contestable round, a good example would be the Indented Head Yacht Club project. That was \$10,000 towards a proposal of around \$30,000. That is a really important project for that community, which is the refurbishment of the Indented Head Yacht Club clubhouse. It will become a community hub for sailors and swimmers in the general community and it will be able to deal with the demand. Some of those improvements sound quite modest, but they are quite important – around balustrades, safety, amenity and so on. That should be finished in February 2025.

Mathew HILAKARI: Do you have other examples from around Victoria? Whenever you do something in any community, but particularly in Tiny Towns – it is sub-3500 is it? Or sub-5000?

Xavier CSAR: 5500 for round 2.

Mathew HILAKARI: It is a big deal to see a community centre refurbished or rebuilt – something that has been loved for generations and just needs that little bit more love and a little bit of a kick along. What else have we got on the list?

Xavier CSAR: Another example would be the Fryerstown Public Park playground. It needed some improvements to make it contemporary, around the barbecue facilities and the playground equipment. It was not accessible. It was a little aged, a little dated. That is a small project – \$50,000 – but it was well contributed to by the local community, so the whole thing is worth about \$197,000. These are the sorts of projects that are not ordinarily able to be supported by smaller communities and do not necessarily get the attention of levels of government.

Mathew HILAKARI: Well, they put in \$3 for every dollar by the state, so what a great multiplier effect. I will take us to the Regional Worker Accommodation Fund, and I note that we have just opened up another round related to that. But I might take us back to the 2023–24 budget. I think there was \$150 million put towards that fund. I am just hoping you can talk through some of the recipients of that funding.

Xavier CSAR: Yes. Thank you, Mr Hilakari, for that question. Round 1 has been quite successful – some \$75 million was awarded across 20 projects. That will result in some \$250 million in new investment for housing to accommodate over 1000 key workers. It is really important perhaps to give it some context, which is that RDV has been engaging deeply with its regional partnerships, its Regional Development Australia partners and of course local governments and businesses. One of the key issues identified over and over again is key

worker accommodation. This program was designed specifically for that. For example, if I were to think back, in Shepparton the health service needed accommodation for medical staff, a significant uplift in accommodation quality so that they could attract young professionals and their families, which has been a challenge for them in service provision.

Mathew HILAKARI: I think we hear that regularly about particularly medical staff, and we have heard that evidence a few times during this inquiry. Is it just medical staff that are benefiting from these funds, or is it other staff as well?

Xavier CSAR: It spans the public and the private sectors. A long-held ambition had been for some time to create more accommodation for key workers for the alpine region, so there was a private sector partnership resulting in some 618 beds across three projects, highly leveraged. The state contributed 15 per cent of the total value of those projects. Those beds will be available for workers and it will allow alpine tourism businesses and other businesses to attract the staff that they need.

Mathew HILAKARI: Giving a little bit of confidence for people who otherwise would like to see those projects happen. 18,000 new businesses, I think, was the evidence we heard earlier, Mr Lyngcoln, is that right? A net increase of 18,000 new businesses, was that right, which is a fantastic result. Victorian jobseekers through Jobs Victoria – I am just hoping, Secretary, we could get a bit of an outline of some of the programs that we have been supporting and how they are improving employment outcomes, because obviously small business growth means we are looking for more employees, but I am just hoping that we can hear a little bit about Jobs Victoria firstly.

Tim ADA: Sure. And I might get Ms Healy particularly to talk about the Jobs Victoria mentors program.

Lill HEALY: Thanks, Mr Hilakari. The Jobs Victoria mentors program, funded through the 2023–24 state budget – \$35 million over the two years – continues the terrific work that has been seen across the state through Jobs Victoria, but targeted down from a statewide initiative to a focused, place-based initiative in areas of higher and concentrated disadvantage. Funding has been awarded to 11 providers across those five priority locations both in regional and metropolitan Victoria, and we see the continuation of the evidence-based and effective wraparound model that enables a jobseeker, through a mentor support, to get work and sustain that for six months or more, and that is the model that has been recognised through the Commonwealth’s review of its own employment services in fact and has been heralded as something which should be considered for national adoption, noting that it is place based so it needs to be relevant to the region that it sits within. But if you think about Greater Dandenong, Hume, Latrobe, Greater Shepparton, Brimbank, you can appreciate that mentors are supporting – 65 per cent of the people they are working with are culturally diverse.

Mathew HILAKARI: Was that 65 per cent?

Lill HEALY: 65 per cent, yes, culturally diverse. And again you can appreciate in some of those areas that I mentioned that is the profile of the local communities there. Five per cent identify as Aboriginal and Torres Strait Islander. And perhaps not a cohort, but mental health and the connection with the justice system have also been some characteristics. So when you get an outcome through a supported relationship into a job and someone is staying in a job, we know – we have the evidence and we know it intrinsically – that that changes lives, so it continues to be very impactful. We had a target in 2023–24 of 1500 jobseekers to gain employment. In fact we overachieved that target – above 1800. And again, just under a quarter of those sticking in that six-month period and longer. The mentors is a proven model, and we are hoping that the Commonwealth will continue to roll this out as it has finished its review of its own employment services. They got a big hit – they got nearly \$8 billion across the country every four years in employment services – so we are again advocating strongly for these sorts of models to be part of their future rollout and change to employment services, so Victorians can benefit more broadly from that model.

Mathew HILAKARI: Well, I hope they look at the success –

Tim ADA: Sorry, Mr Hilakari. Chair, on Jobs Victoria, Ms McArthur asked a question earlier about the Jobs Victoria evaluation. We have just got a response to that now if you are prepared to take that.

The CHAIR: One less on notice. I love it.

Tim ADA: Ms McArthur, I think you asked a question about the \$1.3 million evaluation of the Jobs Victoria program. That was a 2021 budget initiative. That was quite a significant COVID-era response that the government made – a \$619 million investment. The evaluation was commissioned in 2022–23, take away 1.3. The reference to 300,000 in 2023–24 was the final milestone payment for that evaluation. So that is the answer to your question.

Bev McARTHUR: Thank you, Secretary.

Tim ADA: Thanks, Chair. Sorry, Mr Hilakari.

Mathew HILAKARI: No, that is okay. I am always happy to see Mrs McArthur have her questions followed up on. It is an important matter. I might take us to sporting and events centres and to a reference to this year's budget. I know Mr O'Brien would be really keen to hear about this. He was advocating just a moment ago for some sporting centres. But I am just hoping you can talk to some of the benefits of this program to Victorians in general.

Peter BETSON: Thank you. Will do. In terms of the community sports infrastructure program, we have a number of programs that we are investing in in 2024–25 and 2023–24. We have community sport and active recreation commitments that we are investing in. There were 96 projects that were contracted last year, community sport infrastructure projects – a number of projects right across the state offered in partnership with local government. We do have some programs, such as the country football and netball program, where we provide partnerships with committees of management. That funding goes to a number of projects right across the state, including RecWest's slam dunk at Shorten and Barrett reserves in West Footscray. The master plan includes a new multi-use court for basketball and netball, with seating and lighting; oval and pavilion upgrades; a new bocce court or Scouts activity area; and new multi-use cricket nets.

We have a number of other programs also delivered as part of the government funding –

Mathew HILAKARI: Just with that program itself, do any of these partnerships also extend to schools as well – so maybe on school sites, maybe with local government, with some of this funding?

Peter BETSON: Yes, they do, where we have community use agreements in place with the schools. We do have partnerships with schools that provide access and use. From a community sport portfolio point of view we are also currently working with the Department of Education in relation to access and use. We have an infrastructure component where we can invest, where we can build new infrastructure that can be used during school hours but also out of school hours by the community, but also we are working with schools in relation to access and use, for regular community sport events, of existing infrastructure that is there. Quite a common one with my kids is basketball – one where they are often using community assets out of hours.

Mathew HILAKARI: Spot on. Thank you.

The CHAIR: Thank you, Mr Betson. My son loves basketball as well.

Secretary and officials, thank you very much for taking the time to appear before the committee this afternoon. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request. I would like to thank all secretaries and officers who have given evidence to the committee today, Hansard and the secretariat. The committee will resume its consideration of the 2023–24 financial and performance outcomes on Friday 22 November at 9:30 am.

I declare this hearing adjourned.

Committee adjourned.