

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2017–18

Melbourne — 19 May 2017

Members

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Mr David Morris — Deputy Chair

Mr Steve Dimopoulos

Mr Danny O'Brien

Ms Fiona Patten

Ms Sue Pennicuik

Ms Harriet Shing

Mr Tim Smith

Ms Vicki Ward

Witnesses

Mr Wade Noonan, Minister for Industry and Employment,

Mr Richard Bolt, Secretary,

Mr Justin Hanney, Head of Employment, Investment and Trade, and

Ms Lill Healy, Deputy Secretary, Programs, Small Business and Employment, Department of Economic Development, Jobs, Transport and Resources.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2017–18 Budget Estimates.

All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Industry and Employment, the Honourable Wade Noonan, MP; Mr Richard Bolt, Secretary of the Department of Economic Development, Jobs, Transport and Resources; Mr Justin Hanney, Head of Employment, Investment and Trade; and Ms Lill Healy, Deputy Secretary, Programs, Small Business and Employment.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege.

Witnesses will not be sworn but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses must be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way and cannot photograph, audiorecord or videorecord any part of these proceedings.

Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

I now invite the witness to make a very brief opening statement of no more than 10 minutes. This will be followed by questions from the committee.

Visual presentation.

Mr NOONAN — Thanks, Chair. As you have indicated, I have got with me today Richard Bolt, the secretary of the department; the head of employment, investment and trade, on my left-hand side, Justin Hanney; and acting deputy head Lill Healy. Chair, as you will appreciate, as Minister for Industry and Employment jobs are my key consideration. This means more jobs for more people, creating and maintaining jobs so more people have meaningful work that is safe and secure. We do this by supporting businesses and workers, developing and growing our future industries, attracting investment to our regions, and supporting industries in transition.

The Victorian government came to government promising to get Victorians back to work, and that is exactly what we are doing. ABS data which was out yesterday shows that Victoria is leading the nation in employment growth. This growth is also occurring in regional Victoria, with 40 600 extra jobs since we came to government. More jobs have been created in Victoria than any other state or territory since November 2014. In the past year more jobs have been created in Victoria than in the rest of the country combined.

Let me repeat very clearly the Victorian jobs success story. From November 2014 to April 2017, 236 600 jobs have been created in Victoria. Of those, 122 400 have been full-time jobs. In the past 12 months a total of 115 600 jobs have been created in Victoria compared to 76 400 jobs for the rest of Australia combined. Victoria's employment is forecast to grow by 3.25 per cent in 2016–17 and 2 per cent in 2017–18. Strong employment growth is expected to continue as the service sectors continue to emerge as key contributors to jobs growth.

While time does not allow me to give you a series of graphs, I do suggest to the committee to look again at the graphs on pages 4 and 28 of budget paper 2, where they clearly show a valley of death for jobs growth in Victoria in the first part of the decade which has been massively reversed in the last three years. The number of people employed in regional Victoria increased by 5600 persons between December 2010 and November 2014.

Under our government in less than two and a half years 40 600 more people have been employed in regional Victoria.

The government's record levels of infrastructure investment are also creating thousands of jobs. The government is getting on with the job — investing more than 10 billion in 2017–18 and an average of 9.6 billion per year over the next four years into the projects our cities, towns and communities need, from major transport projects such as the Metro Tunnel, the Tulla widening and the removal of 50 of our most congested and dangerous level crossings to building vital regional infrastructure such as Goulburn Valley Health and the Morwell high-tech precinct. This major infrastructure investment is expected to generate more than 50 000 jobs.

Under our Local Jobs First: Victorian Industry Participation Policy, strategic projects valued at over 50 million require companies to meet minimum local content requirements using local firms, materials, expertise and skills. Since 1 September 2014 local content requirements have applied to 46 strategic projects with a combined total value of \$29 billion and supporting an estimated 23 000 new and retained Victorian jobs. Major projects are required to use local apprentices also, trainees and engineering cadets for at least 10 per cent of their total estimated labour hours, which is creating hundreds of opportunities for young people to get a trade. We have already created more than 740 opportunities in the first 12 months, and obviously many more will come.

To the next slide, on manufacturing, our budget unashamedly goes to support Victorian manufacturing. In August 2016 manufacturing was the third-largest employing industry, accounting for 9 per cent of total employment behind health care and retail trade, and as the graph shows it is growing here in Victoria. Manufacturing also has the highest share of full-time employment — 11.4 per cent — among all the industries in Victoria. The government is providing an additional \$15 million in the 2017–18 budget to two of Victoria's most successful industry support programs.

The Future Industries Manufacturing Program will receive \$5 million on top of the \$13 million announced last year, and the Local Industry Fund for Transition program will be boosted by \$10 million, adding to the \$46.5 million allocated through Victoria's automotive transition plan and supporting businesses through innovation and job-creating projects in the regions most affected by the cessation of car manufacturing, particularly in Geelong, Melbourne's north, south-east and west.

Moving on to investment attraction, the Victorian budget 17–18 provides \$90 million in funding for the continuation of a dedicated Investment Attraction and Assistance Fund, which will see new jobs created. The initiative focuses on investments in key strategic and priority sectors such as manufacturing, aviation, medical technologies, food and fibre, and on supporting jobs in locations with high levels of disadvantage. Some of the companies that have chosen Victoria are in fact featured on the slide.

Funding is also available for manufacturers and businesses to help with the impact of volatility in the energy market, particularly in regard to gas, and I have talked to and visited a number of businesses, hearing their concerns and needs, and this budget and this funding will help to support them.

There is obviously more to economic development than growth alone. Whilst a strong economy is the foundation of a decent, prosperous society, we understand that the economy exists to serve that society generally. On social enterprises, in February I launched Australia's first-ever strategy for social enterprises with a \$5 million cash injection and this budget includes \$5.8 million in new funding, which when added to the \$5 million announced earlier creates an unprecedented \$10.8 million to boost the number of social enterprises and create new jobs.

On young people in the construction industry, given our massive investment in infrastructure the 17–18 budget provides \$500 000 to encourage young people to take up training and gain the skills required in the construction industry. Finally, in regard to supporting workers in transition, as I said earlier, maintaining Victoria's livability means not leaving any Victorian behind, so this new investment of \$4.4 million ensures a continuation of advice and assistance to retrenched workers across Victoria.

In regard to supporting our auto workers, the auto industry is coming to an end in terms of manufacturing at the end of the year, obviously not supported by the federal government's decision of a number of years ago to abandon that support. We have been working hard through our \$56.5 million automotive transition plan, creating new jobs and opportunities for workers, businesses and communities affected by the closure of local

car manufacturing. Opportunities to encourage and connect businesses to hire ex-auto workers are being pursued in many ways, including the creation of nearly 800 new jobs already through the Local Industry Fund for Transition program. Ten million dollars has been committed to LIFT in this budget to help businesses expand and create jobs in those communities hardest hit by the closure of automotive manufacturing.

On Wednesday this week I was pleased to visit Prydes Confectionery, investing millions of dollars in new equipment for their production facility which is located in Broadmeadows, which has been one of the areas hardest hit by the closure of Ford. Thanks to LIFT funding the business will create 50 new jobs and 11 of those are suited to ex-auto workers, and indeed I had the pleasure of meeting a new worker who had joined after 28 years of service at Ford. The Victorian Automotive Transition Taskforce, which I chair, continues to meet monthly to oversee and guide Victoria's response to automotive transition.

To the Latrobe Valley on the next slide, I particularly want to mention the work the government is doing in the Latrobe Valley in Gippsland. We are committed to seeing the Latrobe Valley deal with the challenges that they have been thrown in recent times and of course continuing to make it a great place to live, work, visit and do business. It is worth mentioning that Latrobe Gippsland has recently seen some promising jobs growth — the strongest employment growth in regional Victoria. Employment in the region has increased by 7600 persons compared with three months ago and increased by 16 600 persons compared with the same time last year, and there is a significant, in fact unprecedented, support package listed in that slide there which will continue to assist that community.

Just onto the last slide, and I am aware that I am probably running out of time, the government in terms of future industry continues to invest in key future industries, with eight sectors identified as making a difference in the short to medium term. In the 17–18 budget we are committing \$1.5 million to support our burgeoning construction industry build competitiveness and sustain new job opportunities through attracting new manufacturing facilities in prefabricated construction to Victoria, and promoting the adoption of building information modelling and other digital technologies across the construction supply chain. A number of leading Victorian companies are already realising significant cost savings and improved efficiencies from the adoption of prefabricated and digital technologies, including construction companies and those with large asset portfolios. Development in this sector will generate new and sustained jobs for skilled and semiskilled workers, including retrenched workers from the automotive industry. That is my presentation for industry and employment.

The CHAIR — I might start off with government questions. The budget paper reference, Minister, is budget paper 3, page 143, the output measure for jobs and investment, and I am interested in seeking some advice from you in terms of the Jobs Victoria Employment Network program, a program I am quite interested in because I have got a very large public housing population in my electorate. I have got a very large African-Australian population in my electorate as well. I am just wondering, Minister, whether you can inform the committee of how the Jobs Victoria Employment Network program is progressing at the moment in terms of trying to find employment opportunities for people who have previously been unemployed?

Mr NOONAN — Thanks, Chair, for your question. Indeed it is a very important program. I also want to acknowledge your advocacy in relation to this particular program. I think we all appreciate that having a job is very important. It is a way for many people to experience a level of dignity in their life and obviously to make a contribution generally. What we did out of the budget last year in terms of our Jobs Victoria program is we really consolidated, if you like, the broad suite of jobs type programs across government into a concentrated area under our department. So Jobs Victoria was funded in 2016 to enable the development of a more coordinated and streamlined system of employment — assistance to achieve better employment outcomes for disadvantaged Victorians.

This budget adds to the allocations made last year, so the allocation for this budget increases to \$63 million overall for Jobs Victoria. It really reflects the government's commitment to ensuring that as many Victorians as we possibly can have the opportunity to share in the social and economic benefits that come from employment. I have had the great pleasure to visit a number of Jobs Victoria Employment Network providers and will continue to do so. Every time you visit some of those providers and their employers you hear great stories of people who face multiple barriers to gaining employment, whether that be fleeing domestic violence, whether that be vulnerability through homelessness, whether that be that they have come in and out or rotated through our justice system — in particular our youth justice system. What we are seeing is opportunities for people who

need a strong level of support wrapped around them to not only get the job skills that they need but also to essentially then place them into a job, and not just to place them into a job but to keep them sustained into that job over a period of time, which in our case through our program is six months to really make sure that job sticks.

The CHAIR — How many people have applied to join the program through the registered providers?

Mr NOONAN — There is registration, and at the time of preparing for this PAEC hearing there are about 3450 Victorians who have registered with JVEN services. I am really pleased to say that 1030 have gained employment, and through our program we would like to see about 4000 gain employment. Bear in mind that these are really the sorts of people that would find it very, very difficult to gain any level of employment. We were really pleased to go down to the Marriott hotel recently and announce that we have crossed that first milestone of 1000 people into work. Given that the program was only launched in the second half of last year, that is a pretty reasonable result.

The CHAIR — Had some of these people previously been going through the commonwealth jobs employment network, for want of a better term, or had they been registered with federally funded programs?

Mr NOONAN — They have. In fact you have to say that when people look to services, yes, the commonwealth services are essentially the main vehicle in terms of the way people view the opportunities to gain a job if they are out of employment.

The allocation of funding for Jobs Victoria in 2016 followed a review of employment programs that found Victoria's employment programs were probably fragmented or lacked scale and geographical coverage. What that also found is that there were many people falling through the commonwealth services net, and in fact 50 000 unemployed Victorians have been registered with commonwealth jobs services for three years or longer. That is a very big number. That really pointed very clearly towards us doing something more than a federal program such as jobactive to assist people to gain and keep employment in very tough circumstances for them personally.

The CHAIR — So in terms of the program itself, are you targeting specific cohorts, are you targeting specific geographic areas or are you targeting specific employees who might be going through that industry transition process at the moment?

Mr NOONAN — We would be targeting just about anyone you could think of with a personal profile that would find it difficult to gain and keep employment. We have made sure through the reallocation to 38 employment network providers that we have looked at the various cohorts. So you asked for some examples — refugees, retrenched automotive workers, youth justice clients, long-term unemployed people, disengaged young people, single parents, people with disabilities, public housing tenants and Aboriginal Victorians — so there are any number of workers.

Think about a young person who may have been in a youth justice system, for example, for 9 or 10 months. When they are preparing a résumé, how do they account for that 9 to 10 months in terms of an open-field market, if you like, in order to gain and keep a job? It is very, very difficult. What this program really does is it seeks to make a more direct link for them into employment but also ensure that they have the work-ready skills that are necessary to even be in a position to be looking at a job. And then, once that job has been gained, a level of sustainability in that job needs to be offered through mentoring services and the like. So it is really a very targeted program from that point of view, and it is acknowledgement that some people are quite hard to place in employment.

The CHAIR — That is good. Certainly from my perspective I think that where there is the capacity — and again being quite parochial — I think most of the African-Australian communities would tend to have an unemployment rate of in excess of probably 15 or 20 per cent — these sorts of programs are really important in terms of trying to find those people those positions. Can you outline the allocation of funding for the first phase of JVEN compared to the second phase of JVEN?

Mr NOONAN — I have talked about our initial allocation last year of \$53 million overall to Jobs Victoria. We worked very quickly from that budget allocation to essentially open up opportunities for a stage 1. We will break this into two stages, stage 1 and stage 2. Late last year we allocated \$39.2 million across 38 providers.

Again they have vast reach geographically right across the state — so Melbourne and right across Victoria. They also have vast reach in terms of the cohorts, if you like, of people generally. But again, if you look at that funding, if you look at the providers that have been providing pathways, there are so many terrific examples of people already gaining employment in circumstances where they had no employment and really no hope sadly before a program such as this.

Mr MORRIS — With regard to the Future Industries Fund, which is a subject I have certainly raised on many occasions and I know it has been raised in other forums, you have recently provided us with some detail of some expenditures from the fund. But can I ask: as of today or as close to today as we can get, can we get — happy to take it on notice if necessary — numbers of dollars expended and jobs created in the food and fibre sector, the international education sector, the medical technologies and pharmaceutical sector, the new energy technology sector, the professional services sector, the defence technology sector, the construction technology sector and the transport technology sector? We have received some figures, largely consolidated, and we have repeatedly sought those figures for those sectors, so can we have them, please?

Mr NOONAN — Thank you, Deputy Chair. You are right. In fact a question from the shadow minister had been put and we provided some information. I think the question went back to February in fact when it was put through a question on notice through the Parliament.

Mr MORRIS — There were questions in the outcomes hearings and there were questions in last year's, and in each case a commitment was given, 'Yes, information will be provided', but we have not received it.

Mr NOONAN — Can I provide some information, and then if I can provide further information on the issue I will.

Mr MORRIS — Thank you.

Mr NOONAN — I will give you some information, which I think will be of benefit, which will go to the allocations and to the expenditures as well, which I think is where you are going with the question. Over the last two years 272.86 million has been allocated to deliver the Future Industries Sector Strategy. So you are right: it is targeting the growth in the priority sectors where Victoria has a real advantage, and that is, as you have listed, those areas where we see that over the coming period to 2025 we would see an opportunity to grow the Victorian jobs base by about 400 000.

Deputy Chair, the Future Industries Fund supports direct grants to companies, investments attraction, export facilitation and building opportunities for collaboration across academia, industry and government. They are medium-term investments, and they are really focused at excellence and developing projects overall.

In preparation for this hearing I can advise the Deputy Chair that we have now committed \$249 million under the fund to strategic projects and programs to deliver on the vision of those sector strategies. Some of the difficulty in terms of siloing each of those categories is that the grants programs can be crosscutting across a number of those areas and supporting more than one sector. But some of the advice that I have provided goes to the allocations, if you like, to some of those grants programs, so I am happy to provide those. The cross-sectorial sector growth fund we have allocated \$20 million to. We have also allocated \$20 million to the New Energy Jobs Fund, which is managed by the minister for energy, and the Future Industries Manufacturing Program, which I referred to in my overheads, now takes our allocations to 18 million overall. I am happy to go to some of the individual allocations that have been made.

Mr MORRIS — I think we have been down a very similar track with another minister. The question was: dollars and jobs for each of those sectors. Now, I appreciate your comment about affecting more than one sector — if that information could be added in, that is fine — but the figures we have got are largely consolidated and essentially meaningless. So of that 249 that you have committed, can we get those figures — on notice is fine?

Mr NOONAN — There is a lot of detail there; it is obviously a very big program, Deputy Chair. I think the further bit of advice that I would provide to the committee is that of the money that has been assigned, if you like — 189 million of that has been announced by way of commitments — there is about 60 million that has not been announced that has been allocated for future initiatives. I think by way of good faith, providing some advice to the committee here, that probably gives you, I hope, a bit of a sense about the allocations overall. But I

take the point in relation to wanting some advice in relation to some of the individual sectors and the jobs, and we can provide some more information on that for the committee's benefit.

Mr MORRIS — Thank you; I would appreciate that. Can we move on to the Latrobe Valley GovHub. Plans have been announced to build a new dedicated government hub in the Latrobe Valley as part of the Latrobe Valley transition package. Can you tell the committee where the hub will be located, when it will be built and how much you anticipate it will cost?

Mr NOONAN — I can advise the committee I was very happy to join Ms Shing shortly after the budget was announced to announce this. I know this enjoys, as an initiative, a lot of support in the local community.

Mr MORRIS — I have seen some of those reports.

Mr NOONAN — Well, it is good news for the region. Clearly the commitment has been made in relation to the building and indeed the workers and the types of workers — their occupations, if you like — that will be positioned there. And I am very pleased to advise the committee that in fact the earth resources regulator head office is moving from Melbourne to that area. That makes a lot of sense, given significant work around the Latrobe Valley mines. So that is not an insignificant announcement. The Latrobe Valley mine commissioner will also be in that building. I think there is also a very good opportunity to locate the project team for the regional rail revival project in Gippsland also in that building, which would add to the 150 that will be there. So the exact siting of the building, the specific location, does still need to be determined. It will be a pretty significant building, and you could imagine, with your experience, that site location will go through a number of stages as a project, but it is pretty clear that townships such as Morwell and Traralgon will be really the focus of attention, but not exclusively, and Development Victoria will take carriage of this. How the building is actually delivered — the financing arrangement in relation to the building — will need to be determined as well.

Mr MORRIS — So we do not know how much, we do not where it will be. Do we know when it will be built?

Ms WARD — We do know. Do not verbal the minister, Mr Morris. You have done this repeatedly. It would help to be accurate.

Mr MORRIS — It will be Morwell or Traralgon or perhaps somewhere else. So we do not know where it will be?

Mr NOONAN — Yes, that is fine. We made it clear on the day of the announcement that we would have this building open and people there by mid-2020.

Mr MORRIS — Do we know when?

Mr NOONAN — But I think it is also important to say that not all of the jobs will be relocated from Melbourne either. There will be jobs open for locals in particular during the course of the next 12 months, so really what we are talking about is a consolidation, if you like, into this building. It is very good policy, and as I said, it has been very well received by locals in the Latrobe Valley, and we were very pleased to make the announcement.

Mr MORRIS — When will it be built?

Mr NOONAN — We have made that clear: mid-2020.

Mr MORRIS — Mid-2020.

Mr NOONAN — But bear in mind, there will be new jobs open — —

Mr MORRIS — No, I will ask about the jobs in a second.

Mr NOONAN — Okay, sure.

Mr MORRIS — It is the building that I am — —

Mr NOONAN — Yes, okay.

Mr MORRIS — So mid-2020. Has there been a business case done for the hub?

Mr NOONAN — I will just confer with my departmental officials.

Mr HANNEY — Minister, I can say that it is the same as with the Ballarat GovHub: for the Latrobe GovHub the numbers have been determined in terms of the broad numbers around the relocation cost of relocating staff. We have also done some benchmarking data on regional construction costs. There is a local building firm in Latrobe that previously came forward with a proposal to build in Traralgon, and they have said that when this goes to market they would be interested in submitting a proposal through — —

Mr MORRIS — But there is no formal business case?

Mr HANNEY — There is no formal business case for the construction costs, but we are clear on what the construction costs are based on what has been determined both for Ballarat and for the construction costs in Geelong. The costing of the relocation of staff has also been done. We have broad parameters around what it will cost for the people who will be located there from within Latrobe and also broad parameters around the costs of relocating staff.

Mr MORRIS — Okay, thank you.

Ms PENNICUIK — Good morning, Minister. Good morning, Secretary, deputy secretaries and other staff here from the department. Thank you for coming today. Minister, in your presentation you mentioned under ‘Attracting, investing and assisting the best for more jobs’ the \$90 million expansion of the investment attraction and assistance program. Now, you did reel off a number of industries, so I would be happy to hear those again; I was trying to write them down. It says:

Facilitating a pipeline of strategically targeted, private-sector opportunities ...

And in fact, the budget overview on page 7 says also it will:

... protect existing businesses.

In your media release, with the amounts that are mentioned there, it comes up to about \$25 million, so I am just wondering if you could outline what the \$90 million is actually broken down into and the industries and where the money is going.

Mr NOONAN — Thanks, Ms Pennicuik. It is nice to see you again on this committee from my vantage point. We go back a little bit in terms of when I sat next to you, I think, many years ago.

Ms PENNICUIK — Eight years ago.

Mr NOONAN — It goes back a little while — best not to go into years. Look, it is a very important fund, and I think probably the thing that needs to be recognised is that we live in a pretty globally competitive world in relation to securing businesses and business opportunities for Victoria, so if I could give you one example — a recent example — from earlier this month of a business called Concourse Golf.

Ms PENNICUIK — Yes, sure, but very briefly because we have only got a short amount of time. I am happy to hear that, but if you could go to the answer of the question too.

Mr NOONAN — Okay. So again, in a nutshell: head office is in Sydney; doing manufacturing in China; making a business or commercial decision to consolidate somewhere in Australia; choosing Melbourne, Victoria. This will create about 200 high-skilled manufacturing jobs down in Melbourne’s south-east, where auto workers will be looking for jobs. So that is essentially the thrust of the investment attraction and assistance program. If you look to the areas — I think in your question — that we would target, if I go back to the presentation, those areas are: manufacturing I am talking about, your aviation sector, medical technologies and pharmaceuticals, food and fibre — the sorts of areas that the Victorian government has identified as growth areas for our economy.

We do not necessarily break that \$90 million up into sending 10 million to this sector or that sector. It is an allocation or a fund that is available for us to try and attract and in some cases retain opportunities. Again, if you look at the David Jones announcement that was made last year, you have Woolworths South Africa basically

saying, 'We've got a Country Road head office in Melbourne, and we've got a David Jones head office in Sydney. We can consolidate anywhere'. They chose to consolidate in Melbourne, so you retain hundreds of jobs in Melbourne and you bring new jobs, potentially, from Sydney — not that we are into poaching jobs from Sydney, but you can see in that model why we are so committed, if you like, to creating opportunities for Victoria.

Ms PENNICUIK — Okay, Minister. Thanks for that. If there is any more information on that, could you give it to the committee, as in terms of breakdown et cetera. But the second part of it, which is really interesting to me, is:

Partnering with strategically significant manufacturers to manage their exposure to volatility in energy markets

Could you explain how that would work — for example, would you be subsidising investments that reduced gas use, or would you be subsidising industry's gas bills? What does that actually mean?

Mr NOONAN — It is essentially an acknowledgement that some businesses who are more energy intensive are facing high prices in relation to gas and electricity. Of course you probably will be well aware that the gas market has changed, probably forever, in relation to gas now being priced at an export price because of the LNG projects out of Queensland. It is basically sucking supply out of our domestic market, and it is influencing supply and influencing price. So you are right in relation to saying that there are some businesses that are more energy intensive, and I have spoken to a number of those businesses in relation to their future. What they will say to you is that this sort of volatility is making them review the way they look to do their business in the future. Some of that does go to energy efficiency. Some of that does go to looking at business cases to try and diversify their energy mix generally.

I visited Kingspan out in Melbourne's north recently, a manufacturing Green Star building which essentially runs off grid. We are going to see more investments in businesses to become more sustainable and reduce their energy intensity. That is really the thrust of the IAAP fund.

Ms PENNICUIK — Thank you, Minister. I am sorry to interrupt. I have got 15 seconds to go. If you could perhaps provide the committee with some more information on what is meant by that strategic partnership and how many industries or businesses that might involve, that would be helpful.

Mr NOONAN — I am happy to provide more information on that, but I think the thrust is as I have explained.

Ms WARD — Good morning, Minister and everyone. First of all I would like to declare that I am the minister's Parliamentary Secretary for Industry and Employment.

Minister, if I can get you to please continue on with some of the questioning that Ms Pennicuik had in terms of going back to your presentation regarding attracting and investing the best for more jobs. You talk about the investment attraction assistance program. You mentioned a couple of businesses. There are a few businesses here in your slide, such as Concourse and David Jones, which you also mentioned in your reply to Ms Pennicuik. What are the kinds of jobs that are being created through these programs and with these businesses, the LIFT program?

Mr NOONAN — Thank you for your question and for your disclosure as being my parliamentary secretary as well, and a very good one at that. I can say very clearly that our investment of \$90 million under the 17–18 budget is really about the continuation of our dedicated investment attraction and assistance program. It is really about driving new opportunities for Victoria that might otherwise go elsewhere, if you like, or not happen as a result of not having a willing government.

As I indicated to Ms Pennicuik, there are a number of very strategic priority sectors that do generate not only jobs but seriously positive economic benefits to the state. We do deliberately target manufacturing. A lot of people might think that manufacturing, with car making going, is in some way on the decline. You would have seen from the slide we are seeing some really positive outcomes because manufacturers are moving to advanced manufacturing, and we want to support that as well.

Ms WARD — A significant amount of the manufacturing jobs are full time. Is that correct?

Mr NOONAN — The absolute majority of manufacturing jobs are full time, and they are high-value jobs as well. Remember that when you invest in an area like manufacturing, the downstream impacts of that investment and those investments by a prime manufacturer, the ripple effect through the community, the supply chain in particular, is very significant. So too are investments in aviation and medical technologies. These are high-yield areas for our economy. Food and fibre is one of the drivers of that manufacturing growth as well, which we are seeing some very positive results in.

Since December 2014 the department has progressively increased its annual investment targets, which have risen from 4250 full-time equivalent jobs coming from these investments and 2 billion in capital expenditure in 2013–14 to 4800 full-time equivalent jobs and 2.2 billion in capital expenditure this year, in 16–17.

Moving to this budget, 17–18, the investment targets are for 5000 full-time equivalent jobs to be generated out of these types of investments and 2.3 billion capital expenditure and the establishment of seven new headquarters and/or research and development centres in Victoria.

If I can stop there just for a moment and emphasise the value of establishing regional headquarters in Victoria. Some of these businesses might actually start at a reasonably modest level, but their strategy is to grow within not just Australia but the Asia-Pacific region. That is very valuable over a longer term run.

Ms WARD — So does Alibaba fit into that category.

Mr NOONAN — Absolutely. One of the real coups for Victoria this year was essentially announcing that Alibaba would establish their Australia and New Zealand headquarters here in Melbourne. Anyone who knows anything about online or mobile commerce companies will know Alibaba very well. The company does provide a wide range of services on various platforms, and its affiliated companies, including business to business. This is where there will be significant growth ongoing in the economy. I am sure when you have my colleague Philip Dalidakis before you, one of the challenges will be on that clock up there, getting him to stop talking in relation to Alibaba.

Ms WARD — It is not just at PAEC. It is a challenge to stop him talking, Minister.

Ms SHING — At least he is consistent.

Mr NOONAN — He is.

Ms WARD — And we say that with love.

Mr NOONAN — Of course we do. If I just go back to what Ms Pennicuik said, one of the things we are able to do through this program is if you look at a company like Woolworths Holdings — a South Africa-based business — they announced that they would establish a head office here in Victoria. That then brings 820 new jobs to Victoria and secures 680 jobs that are here in Victoria that could have easily gone to Sydney. So you get the consolidation of a very, very big retailer. But what it does is it also consolidates Victoria in terms of Australia as absolutely the retail capital of Australia, because others will take their cues from a decision such as South Africa's Woolworths Ltd to actually come to Victoria and site here. So again the ripple effect of that will be very positive.

But it is not just retail and it is not just online e-commerce. If you look at other announcements that have come as a result of these investments, Herbert Smith Freehills, which will be known to some of the members around the table, an international law firm, have announced the opening of a new legal services hub, creating more than 100 jobs. The dedicated office for legal processes is an Australian first, but it will also act as the Australian, Asian and Middle Eastern hub for the firm's global 24/7 alternative legal service offerings. What we see is a lot of announcements like that, which are important obviously individually to those companies but again the benefits to the economy are pretty vast.

Ms WARD — Minister, if I can get you to have a look at budget paper 3, page 27, and the vast structural adjustments supporting industries in transition through the FIMP and LIFT programs, so it is the Future Industries Management Program. Can you please talk us through how that is working and the kind of industries that is helping? I am imagining that you have visited a number of them to see how they are going. Can you talk us through that?

Mr NOONAN — You are referring to the LIFT program and the FIMP program?

Ms WARD — The FIMP program, yes.

Mr NOONAN — Absolutely. What we have available to us is an allocation, if you like, of funds across government to try and generate new economic opportunities for Victoria. If you look at the economy and the industries that fit within the economy, they are vast; you can go anywhere in terms of your strategic investments. As the Deputy Chair outlined in his question, we are deliberately targeting a number of areas based on our own analysis of where growth will come in the Victorian economy. So not just in terms of investments but overall. We are about jobs, and you have got to look at those sorts of investments in relation to your future industries fund, if you like. We have already made some significant investments. There are more investments in this because we are targeting the areas which we know over the medium run will actually generate new jobs for Victorians well into the next decade.

Ms WARD — With FIMP, can you tell us how that money is being invested? What are the outcomes that you have seen so far?

Mr NOONAN — You are talking about the Future Industries Fund?

Ms WARD — Yes.

Mr NOONAN — To go to the Future Industries Fund, I am happy to give some examples of some of the projects that have been funded under that program in recent times. If you look at a couple of areas in medical, which I think are absolutely strategic, in June last year the Premier announced that the government would invest in a new biomedical partnerships enterprise which will bridge the gap between research and commercialisation. This is the first partnership between Monash University and the University of Melbourne, called BioCurate. It is a 10-year collaboration. Our government have committed \$10 million to this. This is something which will be an \$80 million enterprise, obviously drawing industry in as well, and it is really about taking the sorts of discoveries that are made in labs, made in universities and commercialising them to bring value to those products for Victorian industry and create jobs. The collaboration is expected to generate about \$360 million in activity over that 10 years and obviously support many highly skilled jobs. So there is one example.

Ms WARD — So would it be a variety of levels of jobs, though, that you would imagine?

Mr NOONAN — Absolutely. When you are talking about an enterprise of that scale you are talking about multiple types of professions. You are talking about professional jobs but you are also bringing it back to manufacturing jobs, because ultimately things need to be made as you commercialise some of this research.

Just on medicines, it is obviously a real thrust of what we are doing. The Premier also announced \$4 million for the Medicines Manufacturing Innovation Centre in October last year at the opening of the 2016 Ausbiotech conference. Again, the centre brings together the specialist capabilities from Monash University — their institute of pharmaceutical sciences — with Victoria's manufacturing sector as well. It will bring an ecosystem of innovation, if you like, to help again grow opportunities for very high yield and very talented businesses and innovators in an area of value.

Time permitting I could talk to you about the food innovation centre, again a collaboration with academia. It is really about taking one of our strengths in food and fibre and then driving new opportunities, particularly to our near neighbours, such as Asia. I am watching the Chair; he is getting anxious.

The CHAIR — Order! Yes, I am.

Mr MORRIS — Minister, I want to come back to the Latrobe Valley GovHub. We talked about employment in the valley. The ABS stats, the small area labour market stats, indicate that between December 2014 and December 2016 the unemployment rate in Morwell went up from 13 per cent to 20.3 per cent, an increase by more than half. In Traralgon it rose from 4.8 per cent to 7.3 per cent, again more than half, and in Moe it went from 10.1 per cent to 15.3 per cent, again more than half. That is information released on 17 March, up to 31 December. Of course 800 jobs went out the door at the end of March as well, which just makes the whole situation a lot worse. We have got Heyfield, we have got Carter Holt Harvey — it is not good. Yet this alleged jobs boost — you cannot tell us what it will cost, you cannot tell us where it will be built and

you tell us it will not operate for more than three years. That is not really going to do a lot to help the immediate problem. Surely you can do better than that.

Ms SHING — Like 7600 new jobs in the first quarter of this year, Mr Morris.

The CHAIR — Order! Ms Shing!

Mr MORRIS — Unemployment up 56 per cent in Morwell, 52 per cent in Traralgon, 51.4 per cent in Moe — —

Ms WARD — Look at what is really happening on the ground, Mr Morris.

Members interjecting.

Mr MORRIS — Effective local member — 56 per cent, 52 per cent, 51.4 per cent increase in unemployment.

Ms SHING — \$266 million over transition periods after three record budgets, Mr Morris.

The CHAIR — Order! Ms Shing, there is a question to the minister.

Ms SHING — The coalition would have left the valley to rot on the vine. You do not care about the Latrobe Valley. You never have, and you never will.

The CHAIR — Minister.

Mr NOONAN — Thanks, Chair, and thanks, Deputy Chair, for your question. I have spent a lot of time in the Latrobe Valley and the Gippsland region, and yes, you can cut statistics lots of ways. The macro statistics again for the Latrobe Valley and Gippsland region, as I said in my presentation, have shown some very positive signs over the last three months.

Mr MORRIS — 50 per cent increase in unemployment. Come on — 50 per cent in two years.

Ms WARD — Why do not you let the minister answer the question, Mr Morris? Talking over people — —

Members interjecting.

The CHAIR — Order! There is a question the minister is attempting to answer. Interjections from both sides of the table are not helpful. Minister, to continue.

Mr NOONAN — Latrobe-Gippsland region ABS stats — the same ones you quote from. For Latrobe-Gippsland region there has been an increase in employment by 7600 over the last three months, and over the last 12 months, 16 600. And of course anyone who knows Gippsland knows that people can live in one part and work in other parts, and that is really consistent with what I have discovered as I have been down there.

Mr MORRIS — Morwell, Traralgon, Moe — they are all up by more than 50 per cent in two years.

Mr NOONAN — So again, the overall number of people working in the Latrobe Gippsland region over the last 12 months has grown by 16 600.

Mr MORRIS — And the number of people that are not has increased by 50 per cent in the last two years.

Mr NOONAN — So I think within your question, if we move past the statistics at the moment, because I think we can cut them any which way — —

Mr MORRIS — They are not statistics, Minister; they are people.

Mr NOONAN — In fact they are, so — —

Members interjecting.

Mr NOONAN — They are people — 16 600 more people in work in the last 12 months. To go to the substance of your question, which was essentially to look at the GovHub as the only initiative, and laced within that question is really not a very thorough understanding of all of the work that has been happening as a result of this — —

Mr MORRIS — ‘Jobs boost for the valley’ is the heading on your media release.

Members interjecting.

Mr NOONAN — So to essentially look at the GovHub as the only initiative of the government in the last six months — —

Mr MORRIS — I am asking you why this one is going to take so damn long.

Ms WARD — Such strong language.

Mr MORRIS — More than three years.

Mr NOONAN — Well, indeed that is one of many initiatives we are taking in the Latrobe Valley —

Ms SHING — Three record budgets for Gippsland.

Mr NOONAN — and the Gippsland region. Again, Ms Shing, in her interjection, talks about the very strong work that the government has done in relation to a worker transfer scheme, for example, where we would expect that about 150 workers leaving Hazelwood would have an opportunity to have their skills retained in the Latrobe Valley as a result of the work of the government in partnership with each — —

Members interjecting.

Mr NOONAN — As a result of the work of the unions, the government —

Members interjecting.

Mr NOONAN — and the generators, and this is — —

Mr MORRIS — So, Minister, how many new jobs will this hub create?

Mr NOONAN — How many jobs will the hub create?

Mr MORRIS — How many new jobs? Not how many jobs will be shifted from other places, how many new jobs?

Mr NOONAN — The construction of the building is expected to create about 100 jobs, and the jobs that would be ongoing there about 150, but the building will have a capacity for more. Again this is where initiatives such as the regional rail revival program for Gippsland, which I am sure you heard from the Minister for Public Transport, will be so valuable in terms of siting these sorts of workers in that building. But again I reiterate that whilst the building will take some time to build, opportunities — jobs — will be opened up in the coming 12 months. We have got to give also a level of respect for the fact that workers will need to potentially relocate from Melbourne, and it is appropriate that you also give a period of time for that.

Mr MORRIS — A 50 per cent increase in unemployment in the valley and you want to move people in from Melbourne.

Mr T. SMITH — Budget paper 3, page 143. Minister, how would you describe sustainable employment?

Mr NOONAN — Can you give me that budget reference again?

Mr T. SMITH — Budget paper 3, page 143. How would you describe sustainable employment?

Mr NOONAN — Is this in relation to a specific reference?

Mr T. SMITH — I am asking you, how would you describe sustainable employment?

Mr DIMOPOULOS — The budget reference has to relate to your question.

Mr T. SMITH — How about you read the budget, mate? It is right there.

Ms WARD — Which bit are you referring to, Mr Smith?

Mr T. SMITH — Sustainable employment, disadvantaged job seekers — it is a perfectly reasonable question. If you cannot read your own damn budget, do not ask stupid questions.

Ms WARD — Mr Smith, we just want clarity.

Mr T. SMITH — How about you read it before you open your mouth?

Ms SHING — Mr Smith's governess did not quite phrase the question properly when she sent it through to him this morning.

The CHAIR — Order! Ms Shing!

Mr T. SMITH — How would you describe sustainable employment, Minister?

Mr NOONAN — Within the budget reference that you referred to, I think that you are probably referring to disadvantaged jobseekers.

Mr T. SMITH — I am.

Mr NOONAN — Indeed the sustainable employment is the minimum number of 26 weeks. That is how it is defined.

Mr T. SMITH — So you think sustainable employment is 26 weeks?

Mr NOONAN — For the purposes of assisting disadvantaged jobseekers and ensuring that the — —

Members interjecting.

Mr NOONAN — Thanks, Mr Smith. In relation to this program and the benchmarks around payments to the employment network providers, it is 26 weeks. Of course if you take a disadvantaged jobseeker who has been out of employment potentially for years and years and years, and you secure employment for them and they can make it through particularly the initial period, the weeks and months — Mr Smith, as you probably appreciate — if you can get the person to six months or 26 weeks, that is what we consider to be sustainable employment under this particular program.

Mr T. SMITH — Minister, in the little time that I have got left, I refer you to budget paper 3, page 141, and the Future Industries Fund. The performance measures for the fund indicate that 100 companies and business associations have been supported by the fund for financial year 2016–17, and it also states that the measure has been renamed from companies supported by the fund. Was this measure changed simply because the measure of meeting only companies was actually not met?

Mr NOONAN — Just give us a moment. Sorry, can you just go to the substance of the question again? I have got the reference in the budget paper.

Mr T. SMITH — Was this measure changed simply because the measure of meeting only companies was actually not met?

The CHAIR — Maybe take that for the next break.

Mr T. SMITH — Yes.

Ms PATTEN — I would like to just speak a little bit about the social enterprise sector and compare it in the budget to other employment programs, such as LIFT and FIMP. In the budget it is looking at \$1.5 million each year for social enterprise, and this was on page 27 of budget paper 3. On your website you say that there are more than 5000 social enterprises employing more than 75 000 people. Meanwhile on your 3 May media

release you are putting \$33 million into the LIFT programs, which will include 591 jobs. Given the strength of the social enterprise sector, why are we not putting more funding into that sector in this budget? I wonder if there are any studies that have been done within your department about the return given from funding social enterprise versus the return of funding some of the other programs.

Mr NOONAN — I might ask Ms Healy to talk about the research work that is going on in relation to the social enterprise sector. You are right in terms of putting forward some numbers in relation to the size of the sector — there are about 5000, I think you said — but I think importantly it is also worth noting that many of these social enterprises have been established in recent years, which is very positive. I think that probably goes to the fact that people are making some values-based judgements about their purchasing practices as well in terms of the services or goods that they are buying.

Why are we doing this? The social enterprise sector is a strong sector, but it provides a vehicle for people to find a pathway to social and economic inclusion as well. If I think about where we went to launch this strategy, out at a nursery in Melbourne's east, you are talking about a nursery that has retail and wholesale and employs about 100 people with intellectual disabilities or acquired brain injuries who are essentially potting tubes. My predecessor, the minister for employment, Jacinta Allan, saw an opportunity for a business like that to receive an opportunity to essentially use those plants for the landscaping along our level crossing removal projects in Bayswater, and about 60 000 plants and grasses have been used for that. It is recognition that social enterprises are moving. They were once charitable with some business component, now they are becoming much more a business component with social enterprise.

This is an unprecedented investment. It is not the only investment we may make in the future, but it is recognition that we have probably laid the foundations for the sector. We do not want it to be just a grants or a subsidy-type program; we genuinely want to develop the strength of the sector, because it has its own strengths already, so it is to complement what they are doing by building better networks, building the development and capability of individuals and organisations within that sector and also to provide better opportunities for government contracts, if you like, through that. So the research work that sits behind this is very important. If time permits, I would be happy for Ms Healy — —

Ms PATTEN — Yes, that would be great, or on notice, because I suppose my question is, given all that you have said about the acceptance of social enterprises by our community and the ability for governments to procure from those enterprises, why we would not put more into that area.

Mr NOONAN — If you could convince my Treasurer to double it, that would be terrific, Ms Patten. I am sure you can use the adjournment debate for that. But it has to be looked at in terms of where we are at in phasing — 10.8 million, again, is significant, and a bit of that investment goes into understanding more about the sector.

Ms PATTEN — I can only see 1.5, so — —

Mr NOONAN — Sorry, you are talking about how it is budgeted for over the forward estimates?

Ms PATTEN — Yes, so 6 million over the four years.

Mr NOONAN — Do you want to just supplement that?

Ms HEALY — Yes. Thanks, Minister. I would just make a couple of comments regarding the research base. The Centre for Social Impact at Swinburne's Professor Jo Barraket is probably one of the leaders here in Australia, and the document *Finding Australia's Social Enterprise Sector 2015* has been the basis of where we have taken Australia's research from. That has informed both commonwealth and state governments. The state's action, though, has been probably very first time and significant. Within that 1.5 million over four years, the 6 million that you said, one of the key actions in that is actually to do some further census work to really dig in deep, so — —

Ms PATTEN — Because it certainly seems to be a better employment strategy than the other ones if you look basically at the numbers.

Ms HEALY — There is great potential for social enterprises, and you mentioned government procurement as being one of those opportunities — again, some of the cream of the crop of the enterprises feel that they have

access to government procurement, but we have heard very directly from a number of the enterprises that they need some support to be tender ready, skill ready and contract ready. So, again, across the social enterprise strategy there are targeted investments not just to continue the research but also to do work around enabling access to government procurement.

Ms PATTEN — Could I get a link to that report, please?

Ms HEALY — Certainly.

Mr DIMOPOULOS — Minister, on page 27, BP3, but also in your presentation in relation to the commitment to investing for more Victorian jobs, that allocation, you talked about exposure to the fluctuations in the energy market for some manufacturers and some businesses. I know you have referred to it at a high level in answers to other questions, but could you give us some more detail about why the focus of this program in terms of the energy prices for those manufacturers? What is going on?

Mr NOONAN — You are right. I have indicated on a number of occasions to the committee that this \$90 million for the investment attraction and assistance program will assist in terms of providing support to Victorian businesses that have an exposure to this volatility in energy markets. Victorian businesses, particularly manufacturing businesses, are expressing concern about rising energy prices and security of energy supply in Victoria. So what does that mean? Businesses that may have traditionally been able to secure longer term gas supply contracts are having trouble securing longer term gas contracts in particular. So in response, what the Premier did was establish a task force committee, which is engaging with industry to understand what those real pressures are in relation to higher gas and electricity prices.

My department has been actively engaged with the most significant manufacturers as to the impact on them through energy prices and supply. As I said I, as the minister, have been meeting with a number of key manufacturers to listen more specifically to their concerns and their needs. We will be looking to work with these manufacturers to determine their needs and the extent to which the Victorian government can assist. The government has also advocated for and does support the commonwealth government's initiatives that address gas supply constraint. What we would like to see is not just that supply be the centre of the commonwealth's focus but also the price as well. The government has got some concerns about the effectiveness of the commonwealth's proposed Australian domestic gas market security mechanism, and we have indeed communicated these concerns to the commonwealth Minister for Resources and Northern Australia recently.

I think what you will see from us is continued work in terms of engagement with the commonwealth on ways to improve the transparency and competition in the east coast gas market, because it is a market, and we welcome the commonwealth's funding commitment to accelerate the gas market reforms agreed to at COAG Energy Council.

There is a lot going on. Our focus, and my focus as Minister for Industry and Employment, is to try and support businesses — support them to continue to grow but also support them through a period of volatility, with our key focus, of course, being on jobs.

Mr DIMOPOULOS — Thank you, Minister. Just to take you to another area of your portfolio, you and I, I think, had the pleasure — I definitely had the pleasure, and I hope you did — of visiting the Oakleigh Centre some weeks ago, which is an excellent organisation that provides employment pathways, housing and a whole range of other things for intellectually disabled people in my electorate and beyond. I think it was about a week or two before the budget, which came down with a further commitment to social enterprise.

So the commitment was already there. This is an additional commitment of \$10.8 million, I think, in the budget, if I am correct. I am just interested in the skills development aspect of that, because that leads directly to the kind of groundwork you lay for these organisations to be sustainable in the future without government assistance. You do not want, I imagine, an investment which has to continue into the future because they rely on government. I saw that you recently announced funding for Fitted for Work. Can you give us an example, whether it be that one or any other NGO or social enterprise we support through this program, of how the skills development aspect would work?

Mr NOONAN — I will acknowledge the visit we made together, the OC Connections visit.

Mr DIMOPOULOS — Thanks for getting the name right. They have changed it after 50 years, and I have been struggling to remember that it is now OC Connections. I grew up with the Oakleigh Centre.

Mr NOONAN — Yes, and it is at this point worth acknowledging your strong commitment and attachment. If my memory serves me right, you were selling Christmas trees in a suit there late last year, which is what they remember you for.

Ms SHING — It is what everyone remembers Mr Dimopoulos for, Minister.

Mr NOONAN — Anyway, with the indulgence of the committee we will move past that point. There is no doubt that this is a very exciting area of policy development which we are really seeking to take to the next level. There is a range of work that will be done in relation to this. Again, time permitting, I might just go to Ms Healy in relation to the component parts of some of this.

If you look at a visit that I made earlier this week to a business called Good Cycles, Good Cycles are based down in Docklands. They look like a bike shop from the outside, which is exactly what they are, but behind the scenes they have got people, young people in particular, who have been out of work, who have been through our justice system, and they have got a trainer in there who is essentially teaching them how to repair and how to service bikes. These are people who have not had a job and who do not have a lot of skills. It is essentially giving them an opportunity through a structured program to learn skills, and in that program, improve their confidence, essentially to gain employment elsewhere.

It is a terrific business, and what I learned from that business is that they were awarded the work from the RACV, who are the prime contractor in relation to the bike network — the blue bikes we see around town. They have got the contract essentially to service those bikes and repair those bikes. So here is a social enterprise that is standing on its own two feet. They have got a revenue stream, but all of the profits that they make are put back into the development of people, and that is really critical.

You saw this with OC Connections and others are seeing it in relation to social enterprises. Again, I visited the YMCA ReBuild program. They run, I think, about nine maintenance trucks around town and do any sort of job for people that you can think of. But again, they are taking young offenders out of the youth justice system, putting them in a crew with others and teaching them skills that make them more employable. It could just —

Mr DIMOPOULOS — And I suppose the budget allocation in a sense levels the playing field for those organisations to bid for government work on a similar sort of plane to the private sector.

Mr NOONAN — What you see in the good businesses, the good social enterprise businesses, is you see a business capability within those. You see a professionalism. They have engaged people with professional business skills in order to turn them into sustainable businesses, profitable businesses. Our social enterprise program is not about providing the subsidies to keep those businesses alive; it is really about assisting in building the capabilities of individuals within those businesses that exist already to improve their capabilities.

If you think about writing a government tender, for example, or even knowing where a government tender or government work might be, you would really struggle with that unless you had skills, if you had the writing skills, or even essentially the skills that I saw with Good Cycles earlier this week, where you have essentially got the manager of that business going and knocking on the RACV's door looking for that work. There should be a better way for that to actually happen.

Mr DIMOPOULOS — That is right. Thank you, Minister. I am interested in how the department or your portfolio will implement the skills development aspect of the aspiration of that commitment you have made in the budget. Ms Healy, or whoever?

Ms HEALY — Thanks, Mr Dimopoulos. I can go to the minister's comments regarding the social enterprise strategy and skills specifically. One of the key action areas is called Building Skills, a skills development program, and it is really targeted at the founders and the managers of social enterprises to help them ensure their social enterprises develop strongly and that they can take them to establishment phase and then to scale-up phase.

The design of the program was discussed with over 100 social enterprises that attended our first regional forum in April this year. We did a codesign with those enterprises, and what has come forward is that there is a lot of general business support in the market, if you like, but not by providers who understand both that social and economic objective and how to balance that, so the program will have that as a feature. But it really is about this establishment and scale-up element and then being able to be tender-ready and contract-ready are two of the key areas as well as marketing.

The department is finalising the design, but what we do know about good design is it is about having the right providers in the market who are there ready and able to get the social enterprises, so some support through some sort of voucher system is a model the department has used in the past and has proven a good model. That gives the actual enterprise themselves funds — limited funds — and a panel of credited providers to then go and do their training with. So that should be in the market, we are hoping, by the end of this financial year.

Mr T. SMITH — I will just continue from where my last question was asked of you, Minister.

Mr NOONAN — Yes. Sorry, say it again.

Mr T. SMITH — Do you want me to ask it again?

Mr NOONAN — Sorry, I did not understand your process. It was about that measure in the budget.

Mr T. SMITH — Yes. So you changed it from industries. Sorry, you changed it from companies —

Mr NOONAN — I think we have, Mr Smith —

Mr T. SMITH — to industry associations.

Mr NOONAN — Yes, I think we have got some clarity on that in the time since the last question. I might ask Mr Hanney just to provide some information for you.

Mr T. SMITH — Thank you.

Mr HANNEY — The industry associations were always eligible, and it was just trying to clarify the measure. So a lot of the industry associations work with a number of firms. They are reaching to firms and might work with 10 or 20 firms at a time, so it was, one, just to try and seek some clarification. They were recognised, and so the Geelong Manufacturing Council would be an example. The Australian Industry Group have not applied but would be —

Mr T. SMITH — How many companies did you meet with?

Mr HANNEY — How many companies do they meet with?

Mr T. SMITH — Have you met with.

Mr HANNEY — Have we met with?

Mr T. SMITH — Yes. Through this measure.

Mr HANNEY — We would have met with hundreds, if not thousands, of firms in terms of the number of firms that we meet with and have conversations with about the Future Industries Fund or industry support program. I think the important point also to make here is, in terms of the inclusion of industry associations, each of the future industry strategies identifies the importance of the associations. From the department's point of view, the associations are just a way to get to a broader membership. A good example is we share our industry database with VECCI and they share theirs with ours, so we can see through their membership, through either VECCI or their Melbourne club, who they are working directly with, and if they have got issues and we, the state, are working with them on the same, instead of us trying to both resolve the same issue, we can work together with them.

Mr T. SMITH — Given the lack of clarity around the outcomes in this measure, could the committee have a list of those 100 organisations and associations supported in financial year 2016–17?

Mr HANNEY — This would be firms, Minister — so the Future Industries Fund and firms who receive support through the Future Industries Fund. That is something we can report on, the number of firms that have accessed or received support. I think earlier you started to describe some of those Future Industries Fund recipients. We can —

Mr T. SMITH — But we are actually asking for a list of organisations you are supporting.

Mr NOONAN — I am not sure if we can provide a list. There might be some commercial sensitivity with those that choose to engage with government, but we will provide further information on the issue.

Mr MORRIS — Just on that point, Minister. As no doubt you are aware, there is a fair history of commercial confidences.

Mr NOONAN — Yes, there is.

Mr MORRIS — And where public money is involved, there has never been a problem with disclosing who gets the money.

Mr NOONAN — Yes.

Mr MORRIS — It is about what they do with it, and we are not asking you to disclose what they are going to do with it. That would be unreasonable, but we are asking you to disclose who the money has gone to.

Mr NOONAN — I think we can probably provide information on that. When we provide funds we usually make that known through media statements, so I think that is what you are looking for.

Mr MORRIS — Yes, I do not want to know what they are doing with it, but I do want to know who has got the money.

Mr NOONAN — Okay.

Mr MORRIS — That is the information we are seeking. There may be a better way of putting it.

Mr NOONAN — To go to this, this is companies and industry associations supported by the Future Industries Fund, which does not go to the money.

Mr HANNEY — Minister, can I qualify that? Grants are listed in our annual report, so all of the grants are. Where we engage with a company — there are thousands — sometimes there is commercially sensitive information, so we do not publish who we are engaging with, but if a grant is provided to a firm or an association then we list that in our annual report.

Mr MORRIS — We are asking for the list now.

Mr HANNEY — Of firms that received grants?

Mr MORRIS — In 16–17.

Mr NOONAN — Of firms that have received grants?

Mr T. SMITH — Yes.

Mr MORRIS — In 16–17, up until whenever the list is prepared.

Mr BOLT — I will just clarify Mr Hanney's point that that will actually be in the annual report. Are you looking for an advance on the annual report?

Mr MORRIS — We are being asked to consider the estimates, which is well in advance of the annual reporting season, so that is why we are asking for that information.

Mr BOLT — For 16–17, for the full year? Without wishing to state the obvious, it is not yet over.

Mr MORRIS — The full year will appear in the annual report, but to date is the information we are seeking in connection with the estimates process.

Mr BOLT — While I am speaking, I think Mr Smith you asked the question how many firms do we engage with. I know that was specific to the measure on Future Industries Fund, but you will see the measure there of engagements with business being our target of 14 000, so we have quite an extensive engagement program, but as Mr Hanney said, not all of that is of course public as to who and on what subject we engage with.

Mr MORRIS — Just a quick one to Mr Bolt on a totally different subject. In connection with the GovHubs in Ballarat, the Latrobe Valley and the proposed one in Bendigo — and the reference for that is BP3, pages 27 and 33 — just from an operational point of view it appears there has not been a business case for Ballarat, there has not been a business case for Latrobe Valley but there is \$1 million in the estimates for Bendigo. I am just wondering: why the distinction?

Mr BOLT — I think Justin is the best to disclose that. One of the questions about the cost and the benefits of the GovHub, the point is that there are quite a number of benefits that have not been canvassed here today. Maybe I will say no more about it and I will ask Justin specifically to focus on the Bendigo question.

Mr HANNEY — With Latrobe Valley, there is a comprehensive business case for Ballarat that has been completed — that has been completed by Regional Development Victoria, so it is comprehensive — and we have used that to then work out the construction costs and the likely costs. So when we say there is not a purchased business case, there are internal workings that have been done through Regional Development Victoria on the cost of the relocations and the costs of the construction, and the cost of the construction has been used for industry benchmarks. Bendigo is more complex because the City of Greater Bendigo has some specific views on sites and we know that we need to do some work on site analysis should there be a future consideration for Bendigo.

With Latrobe we know that there are multiple sites that are coming forward, and as I said, there is a proposal that has come in, a previous proposal that has been put forward out of Latrobe Valley, which proposed building a building for government. So there are some very clear figures on what the construct would cost in the Latrobe Valley, and we know the industry benchmarks. So a full business case is being completed for Ballarat. Using the Ballarat and the Geelong figures we understand what the costs are for the Latrobe Valley. We can do the same for Bendigo, except there are some site complexities that need to be considered, and that is what that money is being allocated for — the million dollars for Bendigo.

Mr T. SMITH — The previous minister for industry in last year's hearings in a question asked by Ms Shing stated that the measure of success for the Future Industries Fund was, I quote, 'capability, quality of life, communities feeling less vulnerable'. How have you as minister quantified these stated performance measures since you became minister, and how will you do so into the coming financial year?

Ms WARD — On a point of order, Chair, I am not quite sure what this has to do with forward estimates.

The CHAIR — I will let the question stand.

Mr NOONAN — I had not seen those comments, so thank you. I would not disagree with them. I suppose from my point of view the Future Industries Fund, for me, is about really establishing opportunities for Victoria by way of new jobs and investment, and by extension where you achieve that you also achieve a higher level of livability, if you like, for those people who benefit from the Future Industries Fund.

Mr T. SMITH — You did not answer my question.

Ms SHING — He did. The question has been answered. It is just not the gotcha moment that you were hoping for, Mr Smith.

The CHAIR — Order, Ms Shing.

Mr T. SMITH — Again Ms Shing, you can interject as much as you like. The question was put to the minister and I do not feel I have had the response.

Ms SHING — The minister said he would not disagree and then went on to talk about what he would also aspire to, which is success in implementing his portfolio.

Mr T. SMITH — Communities feeling less vulnerable?

Mr MORRIS — Is that still the way you measure the performance?

Mr DIMOPOULOS — ‘We’re about to tell you someone feels vulnerable’; is that what you mean?

Ms SHING — Yes. Then we will talk about a police minister maybe.

Mr MORRIS — It is what the previous minister said.

Members interjecting.

Mr MORRIS — Can we get an answer from the minister?

Mr NOONAN — There are measurements of course in the budget papers. You referred to them in an earlier question.

The CHAIR — Order! We will come back to that.

Ms PENNICUIK — Minister, I want to perhaps reconcile some of the figures in your papers. On your presentation and throughout the budget papers it says that more than 236 000 jobs have been created — this is on page 2 of your presentation — or around 270 every day, and on the next page it says 115 600 jobs have been created in Victoria over the past 12 months and 76 400 in the rest of Australia, but the ABS figures released yesterday suggest that around 152 000 jobs have been created in Australia over the last year. If you add your figures up, it is 192 000. That is one thing; if you could clarify that. But there is another important issue. In the report on the budget estimates that the committee made last year we talked about the growth in part-time employment. The ABS yesterday put the ratio of that at 60–40, so 60 per cent part-time and 40 per cent full-time employment. I was not able to get the breakdown in Victoria, but I wondered if you could comment on that, in particular whether there has been an increase or decrease in part-time employment in Victoria since we reported last year?

Mr NOONAN — So there is a bit in that question. I think there were about three or four questions.

Ms PENNICUIK — They are all related though.

Mr NOONAN — Yes, of course they are. As you are layering them up one on the other, I am just trying to take various notes. So let us see how we go with the answers. In the past 12 months — so this is April 16 to April 17 — based on the figures that were released yesterday, a total of 115 600 jobs have been created in Victoria. It is important to compare that to the rest of Australia combined, which is 76 400 jobs overall.

On the other figures that I have provided during the presentation, it might be better to take them one at a time. So the figures that have been provided on the starting slide are from November 2014 of course, and they are also up to and including the April 2017 figures as well. So in fact we updated the slide late yesterday because of the job figures being out — 236 000 overall. I think your question actually then went to full-time employment as well.

Ms PENNICUIK — Yes, it just seemed that it could be the different months that we are going from too.

Mr NOONAN — Yes, I think so.

Ms PENNICUIK — But in the last year the ABS is saying 152 000, and you are saying 192 000 in the past 12 months on your second slide. You are implying 192 000 were created in Australia, and an average 115 000 were in Victoria. But yes, the other one is what the ABS is also saying — the high ratio of part-time to full-time employment.

Mr NOONAN — Yes, look, I think it depends on where we are cutting the line on the statistics measurements.

Ms PENNICUIK — Your slide says the last 12 months. I am going on the ABS last 12 months, and those figures do not seem to match.

Mr NOONAN — What does your figure say?

Ms PENNICUIK — Well, if I just go on their media release yesterday, it is 152 000 in Australia. If I go on your slide, that adds up to 192 000, which is a discrepancy of 40 000. So I am just wondering. You can take that on notice and get back to me, and let us talk about the part-time and full-time employment.

Mr NOONAN — Yes, sure. I think it is worth saying that we have to focus on full-time employment obviously. That is why we are investing in areas such as manufacturing, because we know that that is an area that predominately has many full-time jobs. If you look at what has been achieved since we have come to government, that full-time employment figure has grown by 122 400. That is the highest among any of the states, so I would not discount that achievement. That has really been a focus of this government in terms of where we are investing in some of those areas that we have had a chance to discuss during the course of this session.

Ms PENNICUIK — Thank you, Minister. If there is any more information you could provide to me to clarify that, that would be great.

Mr NOONAN — That is fine.

Ms PENNICUIK — The other question I had was following up on that 90 million investment program. You did mention when you were going through the slide that there would be targeting of disadvantaged communities as well as businesses. So I am particularly interested in any information you are able to provide, and I am very interested to hear where and how that is going to be done.

Mr NOONAN — I might get Mr Hanney to talk about the disadvantaged communities. It is a focus in terms of where would we would see investments which we would consider to be footloose. They could go anywhere, for example, to try and take the opportunity where we know there might be higher levels of unemployment to create that opportunity for that community.

Mr HANNEY — We have about 400 firms that are on a pipeline of potential investments in any given time within the state. We put them through lenses, and one of the first lenses we put them through is: is there an area that has got high unemployment or high disadvantage that we can target them to? They might be in metro, they might be in regional. It is the same as we do with a regional lens. If there is a firm coming that is international, can we get them to the valley, can we get them to one of the regional areas — Bendigo, Ballarat, Geelong, the north-east of Victoria et cetera?

Ms PENNICUIK — Or suburbs of Melbourne, particular areas of Melbourne?

Mr HANNEY — Absolutely, so western suburbs, areas of high unemployment, that is an absolute focus. The industry investment fund is used, that \$90 million, to try and target in the first instance.

Ms SHING — Good morning, Minister, and thank you for the evidence you have provided in the course of your discussion on the presentation and the answers to questions to date. I would like to pick up on a number of the things that have arisen in the course of the discussion this morning, and in particular around the Latrobe Valley and Gippsland. It will come as no surprise to you or in fact to anybody that this is an area that I have an intensive focus on, and that it is in fact very important that we do not use the challenges that the valley and Gippsland region have faced in recent times as a political football. In fact it has to be about building opportunities and about ongoing and sustained investment and about a government delivering on making opportunities better in an intergenerational sense.

I note that we have talked about public sector jobs growth in the government hub in relation to questions from the Deputy Chair and 150 jobs from the earth resources regulator, the mine safety commissioner, the EPA and Parks Victoria as well as opportunities for a private tenant to come into that space. I would like to also get a sense of the way in which that will work alongside the creation of private sector jobs through the co-investments being made. Last year we had announcements at Trafalgar at Victoria Valley Meat Exports, we have had Flavorite in Warragul and there are other opportunities out towards the Maffra area. How do we make sure that

we combine, as any good transition needs to do, infrastructure, jobs creation in the public sector and the private sector and skills and training opportunities within the work that you are doing to grow jobs overall?

Mr NOONAN — Thanks, Ms Shing, for your question. I think you and I both agree that Latrobe Valley and Gippsland's best assets are their people.

Ms SHING — Absolutely.

Mr NOONAN — Indeed it has been a very challenging time for the Latrobe Valley and Gippsland region, but I have seen a strength in people which is admirable. There is clearly a very strong desire to persevere through this, and the people will have our government walking shoulder to shoulder with them through this time. I note through your advocacy and your work they could not ask for a better local member.

Ms SHING — Well, they could. The former member was around the cabinet table under the last government and we did not get this investment. As you were, Minister.

Members interjecting.

Mr NOONAN — Let me just go to one of the really important issues which came out of last year's budget, the \$40 million budget that was allocated for economic development in the Latrobe Valley. Part of that, which goes to your question, was a \$10 million economic facilitation fund to try and diversify the Latrobe Valley and Gippsland economy and bring in new businesses as well. It is still relatively early days, but there have been a number of significant announcements that have been made, and I know that you have been part of those announcements. For the committee's benefit it is worth making very clear some of those announcements and the investments that come with them, because when we talk about growth in jobs over the last 12 months, we have to realise that the growth is coming in the various component parts of the economy across Latrobe Valley and Gippsland.

On the issue of Victoria Valley Meat Exports, this was the first announcement we made out of that economic facilitation fund. They are to invest \$1.2 million in their business. Importantly it will grow jobs there by 73 full-time equivalent jobs. That is a very significant investment and growth in jobs. Similarly Flavorite — and you will remember Flavorite in terms of tomatoes and capsicums; a very, very big facility, the sort of employer that employs lots and lots of people — are expanding their business, investing \$11.5 million in their business, which will grow their business by 33 jobs. Again a beneficiary, if you like, of this economic facilitation program.

Dicky Bill Farming — they are making a \$650 000 investment. If my memory serves me right, they are one of the providers of iceberg lettuce, I think for McDonald's hamburgers, one of the biggest suppliers. Again that investment in their business will grow jobs by 15.

Latrobe Valley Enterprises — a terrific business. Anyone who knows this area well will know of the longstanding contribution Latrobe Valley Enterprises makes in order to allow people who may have disabilities to be able to work. Latrobe Valley Enterprises are investing in their business — \$950 000, 24 new jobs. Overall there is \$14.3 million of new investment in businesses in the Latrobe Valley, and that takes the jobs tally to 145.

Ms SHING — When we talk about the combination of those jobs, the numbers that you have just listed range from 13-odd jobs to hundreds of jobs. To that end, look at the investments that have been made around infrastructure and jobs for sports and schools, with 300 construction jobs for the sporting package — 275 ongoing jobs — the regional rail revival, with 400 jobs for construction when the commonwealth pays Victoria what we are owed under asset recycling.

There is a lot of scuttlebutt in relation to job losses in and around the valley though, and we have heard some interjections from people who could probably do with spending a little more time in the Latrobe Valley in relation to Hazelwood. I would really like to clear up the position that the opposition takes about the government's policy on the closure of Hazelwood. Can you say whether it has been this government's policy to close Hazelwood in relation to the coal royalties issue that Mr Smith raised as an interjection earlier?

Mr NOONAN — The simple answer is no.

Mr T. SMITH — Point of order, Chair. To use Ms Shing's own language, I suspect she is seeking an opinion from the minister about coalition policy and comments. I am happy for it — —

Ms SHING — Further to the point of order, it is a categorical position of the — —

Members interjecting.

The CHAIR — Order! There is no point of order, Mr Smith. The minister, to continue.

Mr NOONAN — It was not our policy to close Hazelwood. We did take a policy to the 2010 election that involved a staged closure of Hazelwood. The Brumby government was not re-elected. It was not a policy the Andrews government took to the 2014 election. The decision to close Hazelwood was a commercial decision of French company Engie.

What the government has been left to do is assist that community, and that work goes on in earnest. As Ms Shing pointed out, if you look at the work that we have done around the worker transfer scheme; if you look at the work that is going on in relation to investment in infrastructure and in particular the very significant announcement that has been made in relation to upgrades and builds of sporting and recreational facilities that will create more than 500 jobs; if you look at the investments we are making to grow businesses in the local area — as I have run through, about 145 jobs and more to come — those are the sorts of investments that are happening as a result of the state's investment.

Ms SHING — In relation to workers affected by the likely Carter Holt Harvey decision to close the Morwell mill, will they receive assistance and support from the Latrobe Valley Authority in the same way that Hazelwood workers have received support, Minister?

Mr NOONAN — Yes, they will. And of course my thoughts are with those workers, but they will have access to the Latrobe Valley Authority and the same worker transition services that Hazelwood workers will have.

Ms SHING — Thanks for confirming that, Minister.

Mr MORRIS — Minister, supporting workers in transition, budget paper 3, page 143, 'Retrenched workers supported with employment assistance': the 2016–17 target was 2000, yet the expected outcome is 1500. The target for next year, or for the coming year, is again 2000 against that backdrop of not achieving this year's target. We talked about the increased unemployment numbers in Morwell and Traralgon and Moe, we talked about the closure of Hazelwood. This week Carter Holt Harvey announced plans to close its sawmill at Morwell, so there is at least another 160 jobs gone there, and of course not too long ago we had the decision announced to close the Heyfield mill —

Ms SHING — Which the government has said we will buy to keep the jobs going.

Mr MORRIS — at a time when — I will come back to that — clearly manufacturing in this part of the world is dying.

Ms WARD — Manufacturing is not dying.

Mr MORRIS — Industries are in transition. Thousands, literally thousands, of Victorians in these industries are losing their jobs. Why are you not setting stretch targets rather than simply business as usual?

Ms SHING — Jobs growth in the valley and in Gippsland is around manufacturing, Mr Morris.

Mr NOONAN — Deputy Chair, I think some in our business community, particularly in manufacturing, would be offended by your comments. Manufacturing is not dying in Victoria. Manufacturing in fact in Victoria has a very bright future.

Mr MORRIS — I think if you look at the transcript I said 'in this area'.

Ms SHING — But it is not, though. The ABS statistic clearly show it is not.

Mr MORRIS — Employment is up 50 per cent suggests a different picture.

Ms SHING — There are 7600 new jobs in the March quarter, Mr Morris.

Mr MORRIS — It is 50 per cent.

Mr NOONAN — But essentially if your comments are aimed at all of Victoria and you simply —

Mr MORRIS — No, they are not. We are talking about in this case the Latrobe Valley, Heyfield, Carter Holt Harvey, Hazelwood.

Mr NOONAN — I heard you very clearly talk about manufacturing dying. I heard you say manufacturing is dying. It is not.

Ms WARD — That is exactly what he said.

Mr MORRIS — I said ‘in this area’.

Ms WARD — No, you did not.

Mr MORRIS — Let us look at the transcript, but I said ‘in this area’. Clearly manufacturing is not dying across the state.

Ms SHING — So you are just disincentivising investment for a region that you do not ever actually care about or come to.

Mr NOONAN — So I will just cast aside just for a moment some of the assertions in the question, because we are seeing record jobs growth here in Victoria, but there is an acknowledgement that some people are losing their jobs, Mr Morris.

Mr MORRIS — It is 6 per cent up in Morwell, 52 per cent up in Traralgon, 51.4 per cent up in Moe —

Mr NOONAN — And 16 600 over the last 12 months —

Mr MORRIS — Hazelwood, Carter Holt Harvey, Heyfield — that is the area we are asking about.

Mr NOONAN — more people in employment in the Latrobe Valley, Gippsland region. So therefore our response has been to establish the Latrobe Valley Authority and indeed establish services for people in the Latrobe Valley. Those services in fact even extend to their family, whether they be career planning, transition skills, whether they be advice around their financial circumstances because, bear in mind, Mr Morris, a good number of these workers in the Latrobe Valley have worked for Hazelwood for many decades and are at retirement age, so being able to be able to triage people into the sorts of services they want — a good number of people look at starting small businesses as a result of these circumstances that occur. So having an opportunity through the Latrobe Valley Authority and worker transition services to be able to support individual needs has been a very important component of our overall \$266 million investment in the Latrobe Valley.

To go to the measure in the budget paper which you point to, I think what you see coming out of that overall figure for the year is essentially targeted efforts in areas such as the automotive sector in the Latrobe Valley that do not necessarily feature in that figure in the budget paper. We make no apology for ensuring that workers, particularly where they are in concentrated numbers, have available to them the broader sweep of services to help them through a period of transition. The great news is, because I have sat down with these workers —

Mr MORRIS — Minister, you have committed an extra \$15 million to support industry transition to support manufacturing programs. Are you going to buy Heyfield?

Mr NOONAN — I think the Premier has made it very clear that we are a buyer of last resort, and that is a —

Mr MORRIS — Have you done a business case for that?

Mr NOONAN — significant commitment that this government is prepared to make —

Mr MORRIS — Have you done a business case for that?

Mr NOONAN — in order to assist workers. Sorry, I am talking and you are talking at the same time, so I cannot hear you.

Mr MORRIS — I said, ‘Have you done a business case for that?’.

Mr NOONAN — I am not in a position — —

I am not the lead minister in relation to the issue of Heyfield.

Mr MORRIS — But you are the minister for employment, and this is a critical part of it.

Mr NOONAN — Oh, of course I am, so I take a strong interest in this, but the Minister for Agriculture — and you will have her before you — has responsibility for the forestry industry.

Mr MORRIS — The Minister for Agriculture said she is not going to do anything about Carter Holt Harvey.

Ms SHING — No, she has not. Sorry, do not actually put words into the minister’s mouth.

Mr MORRIS — She said there was — I forget the words; it was an interesting choice of words, but effectively that — no opportunity to engage in that market.

Mr NOONAN — Well, the circumstances are different because —

Mr MORRIS — Clearly.

Mr NOONAN — Carter Holt Harvey, and just bear with me — —

Mr MORRIS — Still a lot of people losing jobs, though.

Mr NOONAN — Yes, there are people that lose jobs, and they do not need to be kicked around in Spring Street as a political football. They need to be supported, and that is exactly what we will do, but it is important —

Mr MORRIS — So you are saying these jobs are Minister Pulford’s responsibility?

Mr NOONAN — that there is recognition for the difference between Carter Holt Harvey, who source their timber through private plantation timber, which has been decimated as a result of a number of fires, including Black Saturday. So that supply is not there over the long term to sustain that mill. At no point has this company — Carter Holt Harvey — sought any assistance from the government in relation to their predicament.

Mr MORRIS — So those job losses are someone else’s problem?

Mr NOONAN — And when asked on Monday whether we could do anything about it —

Mr MORRIS — Not your problem?

Mr NOONAN — they essentially said no. Mr Morris, what you would need to do is provide appropriate support for those individuals who are still being consulted by their company at this point, according to their statements, and will continue to be, but they will also be supported by our government.

Mr MORRIS — In a recent media release you indicated that the programs I have referred to were about creating new jobs and opportunities for workers, businesses and communities. Can you confirm that the expected outputs and outcomes, including the number of new jobs that will be created for each of the Future Industries Manufacturing Program and the Local Industry Fund for Transition — the outputs and the outcomes?

Mr NOONAN — What I can provide to the committee in relation to the investment — because these are extensions to the investments that we have made already — we are extending funding to LIFT, so the 10 million is on top of the 33 million. I can advise the committee that 32 businesses have been supported already, and that will create about 781 jobs under those commitments, and the vast majority of those jobs are suited to ex-auto workers. That comes under the LIFT grant.

Mr MORRIS — So 781 at a cost of?

Mr NOONAN — I am talking about announcements that have been made already as opposed to essentially what we would expect out of the full investment of our LIFT fund, so there is a difference here.

Mr MORRIS — I appreciate that. That is why I am asking what is the cost of that 781?

Mr NOONAN — Given the time, I will provide some more information in terms of allocations against forward projections, if you like. There is difference because we are extending, but I can tell you briefly that in relation to the Future Industries Manufacturing Program 25 businesses are supported already through that program. It is a very popular program, with 235 jobs secured. If you look at those two programs together, it is about 1000 jobs under those two programs. That is why we are extending them by a combined total of 15 million.

Mr MORRIS — If you could give me the total cost of those 1000 jobs? I am happy to have it on notice — the total cost of those 1000 jobs.

Mr NOONAN — The total cost.

The CHAIR — On notice, Minister.

Ms PATTEN — I wanted to further look at some of the most disadvantaged areas and particularly your comments in regard to the \$65 million for investing more in Victorian jobs. On budget paper 3, page 31, it appears that you are targeting mainly high-skill jobs, like aviation and medical technologies. I am wondering, particularly for northern metro, with two of the most disadvantaged postcodes being Campbellfield and Broadmeadows — and I appreciate there is some work in there — are there some exact amounts you could give me as to how much you are spending in those areas of disadvantage, given that supporting jobs in locations with high levels of disadvantage was the objective of that 65 million?

The CHAIR — It is unfortunate the opposition have left the building so they cannot hear this answer.

Mr NOONAN — Okay. It is a very good question. Indeed I can furnish the committee with some information in relation to this, and I will try and be pretty specific as well. By 17 May, a couple of days ago, we had in fact allocated 3.6 million as part of eight announced LIFT — Local Industry Fund for Transition — recipients to generate an anticipated 192 jobs in Melbourne's north. In addition to that, 331 000 has been committed to seven recipients in Melbourne's north under our \$5 million Automotive Supply Chain Transition Program, which really helps those component part businesses essentially find a transition away from supplying the automotive sector.

To go to some of the types of job announcements, as I think I indicated a bit earlier in my contribution, if you look at Prydes Confectionery, 50 direct jobs coming there was announced early this week. They already employ about 110 people, so there is an example. If I look at some of the others in the area, Job Site Recyclers in Broadmeadows was also a LIFT recipient and will generate 45 new jobs in Broadmeadows.

Ms PATTEN — I guess when you look at the reasons for those postcodes having such great disadvantage, it is intergenerational unemployment and lack of education?

Mr NOONAN — Absolutely. So when you add Ford's closure on top, you understand why we are very directly targeting businesses in that geographical area. Again, what needs to be understood is if you invest in these areas, you create incentives for businesses to bring forward or accelerate investments, and that is what we are seeking to do.

It is also worth making note that under a previous program, Melbourne's North Innovation and Investment Fund, or the MNIIF program, there have been about 500 jobs created under that program, which has been a co-contribution from the commonwealth government. But there is still much more work for us to do, and we are absolutely focused on the job of creating those sorts of examples — those two examples I have given you; there are obviously six more that I have not given you — to create jobs in Melbourne's north.

Ms PATTEN — Yes. Fantastic. In the short period I have got left I just wanted to further ask about creating a sustainable construction industry workforce. I know Ms Pennicuik touched on this. It is funding to encourage

young people, skills et cetera. The only funding I can find is \$500 000 for the 17–18 budget. Is that just one advertising campaign? How will you use \$500 000 in one year?

Mr NOONAN — We will work with industry partners in relation to this program, so we will work with the master builders as an example of that to try and use a very strong network to drive new opportunities. If you are going to invest \$9.6 billion over your forward estimates on average every year, you know that you are going to look for a workforce. If you dug deeply into the budget papers, you would see that the construction industry is one of our really strong performers in terms of jobs growth overall. So we see this investment as a way of ensuring that when choosing opportunities we can really drive — —

The CHAIR — Order! I would like to thank the witnesses for their attendance: the Minister for Industry and Employment, the Honourable Wade Noonan, MP; Mr Bolt; Mr Hanney; and Ms Healy. The committee will follow up on any questions taken on notice in writing. I think there were five questions taken on notice. The responses, answering the questions in full, should be provided in writing within 10 working days of the committee's request. All broadcasting and recording equipment must now be turned off.

Witnesses withdrew.