

PAEC Inquiry into the 2017-18 Budget Estimates – Questions taken on notice and further information agreed to be supplied at the hearing

Minister Noonan, Industry and Employment, Friday 19 May 2017

Question 1

In relation to the Future Industries Fund, please provide the amount of expenditure to date and the number of jobs created in the following sectors to date:

(Page 6 of the Industry and Employment portfolio transcript)

Response

The Future Industries Fund is supporting the development of industry sectors that will contribute to the State's future economic development and drive significant jobs growth. Future Industries is about creating jobs today, by growing the industries of tomorrow. The Future Industries sector strategies, which were released in March 2016, are guiding the government's investments.

More than \$189 million from the Future Industries Fund has been contracted to be expended over the coming years. Total expenditure from the Future Industries Fund as at 31 May 2017 is \$65.76 million.

Since November 2014, 246,400 new jobs have been created in Victoria. The Future Industries sectors are making an important contribution to jobs growth in Victoria, with an estimated 30,000 jobs created in the priority sectors since the Future Industries sector strategies were released.

Examples of how grants and projects supported by the Future Industries Fund are promoting further jobs growth include: i) a \$300,000 grant to Albins Performance Transmissions near Ballarat will create 25 new jobs; and ii) a \$2.5 million contribution to establish the Food Innovation Centre based at Monash University will assist around 150 Victorian food manufacturers each year to better tailor their products to export market requirements, and thereby grow exports and jobs.

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Question 2

Please provide a break-down of \$90 million funding allocated to the Investment Attraction and Assistance Program (Department of Treasury and Finance, Budget Overview (2017), p.7; Department of Treasury and Finance, Budget Paper No.3: Service Delivery (2017), pp.27, 31). Indicate the allocation of funding by industry.

(Pages 8-9 of the Industry and Employment portfolio transcript)

Response

While the allocation will support investments in key strategic and priority sectors such as manufacturing and food and fibre, and to support significant companies affected by volatility in energy markets, the funding is not allocated to any particular industry. Funding is considered on a case-by case basis.

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Question 3

In relation to the ‘Investing for more Victorian jobs’ output initiative), the budget papers indicate that ‘this initiative also includes funding to partner with strategically significant manufacturers to manage their exposure to volatility in energy markets’ (Department of Treasury and Finance, Budget Paper No.3: Service Delivery (2017), pp.27, 31).

Please explain:

a) what is meant by ‘strategic partnership’

b) how many industries or business are expected to receive funds from this initiative

(Page 9 of the Industry and Employment portfolio transcript)

Response

The budget allocation will provide support for eligible strategically significant Victorian manufacturers to manage their exposure to the volatile national energy market. This recognises the important role these manufacturers have in the Victorian economy.

Funding will be considered on a case by case basis, and as such, it is too early to forecast how many sectors or businesses will be supported through this initiative.

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Question 4

Please provide the link to the Finding Australia's Social Enterprise Sector 2015 report.

(Pages 15-16 of the Industry and Employment portfolio transcript)

Response

The most recent 2016 report citation - "Finding Australia's Social Enterprise Sector 2016: Final Report" by Jo Barraket, Chris Mason and Blake Blain of the Centre for Social Impact, Swinburne University of Technology (June 2016). Weblink - <http://cdn.socialtraders.com.au/app/uploads/2016/07/FASES-2016-full-report-final.pdf>

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Question 5

Please provide a list of the companies that received funding through the Future Industries Fund in 2016-17 to date.

(Pages 18-19 of the Industry and Employment portfolio transcript)

Response

Year to date, the following companies have received direct funding through Future Industries grant programs. All companies that received direct funding support will be published in the Department of Economic Development, Jobs, Transport and Resources' 2016-17 Annual Report.

Albins Performance Transmissions Pty Ltd	Natimuk Agricultural and Pastoral Society Inc
Australian Botanical Products	Nissan Casting Australia Pty Ltd
Bravo Print and Design Pty Ltd	NORWOOD INDUSTRIES PTY. LIMITED
CE Bartlett Pty Ltd	Passion for Pasta Pty Ltd
Charles Sandford Woodturning & Joinery Pty Ltd	Patco Automotive Pty Ltd
Crusader Hose Pty Ltd	Pharmaceutical Packaging Professionals
Denim 108 Pty Ltd	Planet Innovation
Dollar Sweets Company Pty. Ltd.	Radio Frequency Systems Pty Limited
dorsaVi Pty Ltd	RayGen Resources Pty Ltd
EcoEnergy Ventures Pty Ltd	ROCKBANK (AUST) PTY LTD
El Cielo Foods	RPM Pipes
ENVIRO-SIP Australasia Pty Ltd	Selectronic Australia Pty Ltd
Gekko Systems Pty Ltd	South East Councils Climate Change Alliance Incorporated
Greensync Pty Ltd	Southern Cross Ceramics Pty Ltd
Guala Closures Australia Holdings Pty Ltd	Sunbather Pty Ltd
Hydrix Services Pty Ltd	SWISSE WELLNESS PTY LTD
IDT Australia Limited	The Product Makers (Aust) Pty Ltd
KeepCup	Thirteenth Acol Pty Ltd
Kez's Kitchen	Tracksformation Pty Ltd
Lontos Fabrications Pty Ltd	Waranga Green Energy Pty Ltd
Lovitt Technologies Australia	Watson Engineering & Sales Pty Ltd
Medical Developments International Ltd	Wilson Transformers (Wodonga) Pty Ltd
Megasorber Pty Ltd	Zero Discharge Pty Ltd
MIL-Systems Pty Ltd	
Modena Engineering Australia P/L	

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Question 6

In relation to the employment statistics, please explain the cause of the discrepancy between the 152,000 jobs created in Australia reported by the Australian Bureau of Statistics (ABS) on 18 May 2017 and the estimate of 192,000 presented by Minister during his hearing presentation.

(Pages 21-22 of the Industry and Employment portfolio transcript)

Response

In the Minister's presentation, employment growth between April 2016 and April 2017 is calculated using *seasonally adjusted* figures provided by the Australian Bureau of Statistics (ABS). These figures show Victorian seasonally adjusted employment growth of 115,600 and the rest of the country as 76,400, equating to an additional 192,000 workers nationally.

The ABS provides a summary overview which presents *trend* employment growth over the same period, reporting an additional 152,600 jobs created.

The discrepancy between the two figures in question is a result of different calculations methods, which are both produced by the ABS, namely seasonally adjusted or trend estimations:

Seasonally adjusted employment - Employment estimates that have been adjusted to remove systematic and calendar related events (seasonal impacts, public holidays, etc) which impact results

Trend employment - The 'long term' movement in employment without calendar related and irregular effects; this reflects the underlying level.

The Department typically reports on seasonally adjusted employment where available. This practice is in-line with the approach adopted in the Victorian Budget, the Department of Treasury and Finance and the Department of Premier and Cabinet.

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Question 7

Please provide the total cost of the 1,000 jobs created for each of the Future Industries Manufacturing Program and the Local Industry Fund for Transition.

	Number of jobs created	Cost of jobs created \$ million
Future Industries Manufacturing Program		
Local Industry Fund for Transition		

(Pages 26-27 of the Industry and Employment portfolio transcript)

Response

The table below outlines the total jobs expected to be created for the programs to date, the total grant amount contracted and the total project investment leveraged by the grant allocation.

	Number of jobs expected to be created	Grant amount contracted \$ million	Total project investment \$ million
Future Industries Manufacturing Program	243	6.4	27.5
Local Industry Fund for Transition	881	19.2	127.2