

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

Minister Pulford, Regional Development, Thursday 1 June 2017

Question 4

Question 9 of the DEDJTR's response to the PAEC 2017-18 Budget Estimates General Questionnaire indicates that \$108.7 million has been reprioritised for the 2017–18 financial year. Please provide details in relation to how future reprioritisations and efficiency measures will be applied across the Regional Development portfolio.

(Pages 5 and 10 of the Regional Development portfolio transcript)

Response

There have been no decisions made to date about how reprioritisations or efficiency measures will be applied to the Regional Development portfolio.

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Question 5

With regard to the Regional Jobs and Infrastructure Fund:

How much funding has been committed to support Nectar Farms to develop a hydroponic facility in Stawell?

(Page 6 of the Regional Development portfolio transcript)

Response

As indicated at the PAEC hearing, the amount of the grant is not public. This is consistent with the longstanding practice of the current and former governments as these are matters of negotiation between the government and private companies.

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Question submitted to the Chair by Ms Pennicuik, who was absent from the hearing.

Question 6

The total output cost for regional development is \$230.7 million, up \$40.8 million from 2016-17 expected output cost.

- a. What activities does this fund support?**
- b. Is it separate from or related to the \$220 million fund for agriculture, infrastructure and jobs? If it is related, please explain how.**
- c. As the performance measure have not changed, why has the expenditure increased?**

Response A

The total output cost for regional development comprises of numerous funding sources and programs including:

- Regional Development Australia activities;
- Regional Partnerships;
- Regional Jobs and Infrastructure Fund grant programs (such as Energy for the Regions, Mobile Black Spots, etc.);
- Regional Tourism and Infrastructure Fund projects; and
- Regional Digital Divide.

Response B

The Agriculture, Infrastructure and Jobs Fund is not related.

Response C

The 2017-18 target is \$40.8 million higher than the 2016-17 expected result mainly due to additional funding in the 2017-18 State budget (\$52.8m) offset by the net impact of Regional Tourism Infrastructure Fund rephases and underlying funding profile. Decisions from the 2016-17 Budget reduced the 2017-18 Target by \$9.5 million.

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Question submitted to the Chair by Ms Pennicuik, who was absent from the hearing.

Question 7

The Regional Jobs and Infrastructure Fund invests in growing jobs, building infrastructure and strengthening communities in regional Victoria.

- a. Is this fund related to the output costs of \$230.7 million for regional development?**
- b. Please provide details of how details as to how Regional Jobs and Infrastructure Fund (RJIF) grants are allocated, for what and to whom.**
- c. How much funding has been allocated to the ten program streams with public grant programs?**
- d. Is this funding separate from or related to the RJIF or regional development output cost?**
- e. What is the money spent on and what performance measures are in place for these grants?**

Response A

The expenditure from the RJIF is included in the regional development output costs.

Response B

The Regional Jobs & Infrastructure Fund (RJIF) is the Victorian Government's \$500 million overarching regional development package. It is investing in growing jobs, building infrastructure and strengthening communities in regional Victoria.

The Government welcomes grant proposals from businesses, industry groups, regional and rural local government authorities, government agencies, not-for-profits and community groups.

Details of grant eligibility criteria, application and assessment processes are contained within the public guidelines for the various RJIF program streams and can be viewed at <http://www.rdv.vic.gov.au/regional-jobs-and-infrastructure-fund>.

Response C

As at 31 March 2017, \$263.68m has been allocated under the 10 streams with public grant programs.

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Response D

The funding for the ten program streams is funded from RJIF which is part of the regional development output cost.

Response E

In terms of what the grant is spent on can be seen by looking at the three programs within RJIF, namely:

- a) The \$250m Regional Infrastructure Fund is investing in major infrastructure projects that create or enhance the conditions for economic growth and build resilient, diversified and environmentally sustainable regional economies.
- b) The \$200m Regional Jobs Fund is helping companies grow their workforce, innovate, expand their markets and create jobs of the future.
- c) The \$50m Stronger Regional Communities Plan will improve the liveability of Victoria's rural and regional towns to help retain and attract population and build community capacity.

The delivery of RJIF is closely monitored. The performance of RJIF is assessed through a number of indicators including the number of expected jobs created, the level of investment created and the level of export sales generated.