

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into the 2026–27 Budget Estimates**

Melbourne – Wednesday 20 May 2026

### **MEMBERS**

Sarah Connolly – Chair

John Pesutto – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Richard Riordan

Meng Heang Tak



**WITNESSES**

Colin Brooks MP, Minister for Industry and Advanced Manufacturing; and

Matt Carrick, Secretary,

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

Julian Lyngcoln, Deputy Secretary, Economic Policy, Programs and Services, Department of Jobs, Skills, Industry and Regions.

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

On behalf of the Parliament, the committee is conducting this Inquiry into the 2026–27 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

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

I welcome the Minister for Industry and Advanced Manufacturing the Honourable Colin Brooks as well as officials from the Department of Jobs, Skills, Industry and Regions. Minister, I invite you to make an opening statement or presentation of no more than 5 minutes after which time committee members will ask you some questions. Your time starts now.

**Colin BROOKS:** Thank you very much, Chair. Obviously everyone on the committee knows the Secretary. I think Deputy Secretary Jarrett was here last night, so you probably have already been introduced to her. Julian Lyngcoln, who is here with us as well in the seated area, is the Deputy Secretary of Economic Policy, Programs and Services. Thank you very much, committee, for the opportunity to present on the industry and advanced manufacturing portfolio.

**Visual presentation.**

**Colin BROOKS:** Firstly, the key thing that I wanted to say here is that manufacturing is a key contributor to the Victorian economy. It produces some \$37.4 billion in gross value added, with over 23,000 manufacturing businesses supporting around 260,000 jobs and exporting a significant amount of goods worth \$29 billion. We have the biggest manufacturing workforce in the country, and as Minister for Industry and Advanced Manufacturing my focus has been on creating the right conditions for industry to thrive by backing important policy and reform work, supporting innovation, attracting investment and ensuring the industry has access to the skilled workforce that it needs, which goes to the previous hearing on skills and TAFE as well.

To give industry greater confidence and clarity, last year I released the *Victorian Industry Policy*, and it provides the framework to drive productivity and competitiveness, guiding how government uses its levers for the benefit of the Victorian economy. I am pleased to say that the industry policy is already guiding activity and priorities right across government. Modern methods of construction is a focus for impact sector in the policy, which has been backed by the release of our modern methods of construction statement in December 2025, and I talked earlier on about the TAFE portfolio, for example, and the work that the previous minister did in establishing that centre of excellence for modern methods of construction and centre of excellence in the TAFE system. Additive manufacturing is a focus for impact in the policy, and we are absolutely delighted to have secured the national headquarters of the additive manufacturing cooperative research centre, the CRC, right here in Melbourne, and the industry policy also highlighted the need to address industrial land supply to drive economic growth. This led to the release by the planning minister of the 10-year plan for industrial land in September 2025.

In addition to the industry policy, we are delivering on the commitments set out in the *Economic Growth Statement*, which was released prior to the industry policy. In my portfolio, this includes addressing skills gaps through the skills solutions partnerships program. We also continue to drive local industry development outcomes through Local Jobs First, including through the setting of minimum local content requirements on strategic projects, supporting over 68,000 jobs, and members will recall the legislation that came through this Parliament recently to strengthen Local Jobs First.

Next slide. The Victorian government is stimulating economic growth by driving investment attraction and industry development. In 2025–26 the Department of Jobs, Skills, Industry and Regions is on track to deliver the output performance measure of 900 jobs and \$1.785 billion in capital investment from government facilitation services and assistance. This reflects Victorian government support for a range of investments like, for example, supporting Walkinshaw, Australia's largest automotive remanufacturing company, to open their new \$114 million headquarters and expanded manufacturing facility in Dandenong South – a very impressive facility.

We continue to enhance Victoria's connectivity to international markets with the announcement that British Airways will commence direct daily flights between London and Melbourne via Kuala Lumpur in January next year, while Jetstar has brought international flights back to Avalon Airport. With the opening of a new freight processing facility at Avalon Airport, Victoria now has a new gateway for international freight as well. This will speed up delivery times while supporting hundreds of jobs across cargo, handling, warehousing and distribution, particularly in that Geelong–Avalon region.

Through the \$150 million Victorian Investment Fund we have also supported one of Australia's largest food manufacturers, George Weston Foods, to increase its operations at its Mauri flour mill out at Ballarat. This investment will secure jobs for more than 3000 staff across the state, with more than half employed in regional Victoria. As part of this budget this funding of –

**The CHAIR:** Apologies, Minister. The first 13 minutes is going to go to the Deputy Chair.

**John PESUTTO:** Thank you, Minister, and good morning, officials. Minister, just before I begin on some of the questions, I just want to ascertain: you would agree, wouldn't you, that one of the greatest threats to job security across the world today is artificial intelligence? As much as it has opportunities, would you agree that it represents also, if it is not anticipated and prepared for, one of the greatest threats to job security?

**Colin BROOKS:** I am happy to have this conversation with you. Maybe it is not a conversation for us to have over the table in PAEC.

**John PESUTTO:** But is it an important issue?

**Mathew HILAKARI:** There might be a budget reference you might be able to –

**John PESUTTO:** Well, I will come to the budget reference. Can I put it to you, Minister, that in your presentation we did not hear artificial intelligence once?

**Colin BROOKS:** You were here for the TAFE and skills presentation a few minutes ago that I gave, where I spoke extensively about the Victorian skills plan, calling out the work that is underway and that needs to be done in terms of responding to AI.

**John PESUTTO:** But you would agree industry and advanced manufacturing are about people in the workforce, jobs of the future, industries and sectors of the future?

**Colin BROOKS:** That is correct.

**John PESUTTO:** It was not mentioned at all in your presentation.

**Colin BROOKS:** I got cut off, and I only got 5 minutes.

**John PESUTTO:** You knew you had only 5 minutes.

**Colin BROOKS:** Anyway, I think this is a bit of a silly conversation.

**John PESUTTO:** That is all right. I ask that as the backdrop to this question: budget reference BP3, pages 62 and 65: the government's AI mission statement, published in January of this year, sets aside \$8 million for career conversion programs to re-skill the Victorian workforce. Minister, just for clarity, is that the same initiative as the line item in table 1.17 on page 62 titled 'Victoria's artificial intelligence (AI) investment package'? Just for clarity, are we talking about the same thing or something different?

**Colin BROOKS:** The lead minister for AI is Minister Dimopoulos, so refer that question to him.

**John PESUTTO:** But AI affects all areas of government. Do you understand it to be the same? Is each hand talking to the other?

**Colin BROOKS:** It does not matter which way you frame that question; the minister responsible for that is Minister Dimopoulos.

**John PESUTTO:** Okay. Thank you, Minister. In terms of the artificial intelligence investment package, on page 65 it says that the funding is intended to safeguard jobs in industries at risk from AI, upskilling workers to transition into AI roles and become specialists in the technology. How many workers do you expect it, Minister, on the advice you have received, to assist under this package?

**Colin BROOKS:** As I have just said, the digital jobs program sits with Minister Dimopoulos.

**John PESUTTO:** This is in your department, though, isn't it?

**Colin BROOKS:** So is a lot of other stuff. It is not my portfolio.

**John PESUTTO:** Are you not concerned about industries and advanced manufacturers being able to anticipate AI?

**The CHAIR:** Excuse me, Deputy Chair. I think I can understand where this is going. There has been a point of order raised. Mr Hilakari, quickly on the point of order.

**Mathew HILAKARI:** It is not CSI Hawthorn. We should be getting to the department portfolio areas for the minister responsible for that area. He has answered this question already.

**The CHAIR:** Thank you, Mr Hilakari. I will quickly rule on that. Deputy Chair, do you want to rephrase your question so it is within his portfolio, please.

**John PESUTTO:** Do you expect, as the minister in charge of your portfolio, that the artificial intelligence and investment package will in any way assist the employees of firms who come under the purview of your department?

**Colin BROOKS:** I am wanting to be able to respond to your questions, but the question you are asking sits within another minister's portfolio, so I think it is best for me not to engage directly.

**John PESUTTO:** I appreciate that, Minister. In the interest of a constructive exchange, let me try again a different way. What advice have you sought and received in terms of the impact of AI on firms – advanced manufacturers, startups, any number of firms – across any number of sectors in the portfolio area you oversee?

**Colin BROOKS:** Just for the benefit of the committee and you, the portfolio of economic growth and jobs and my portfolio of industry and advanced manufacturing have a number of areas that are closely linked or where there is overlap. With the previous minister, Minister Pearson, and now with Minister Dimopoulos, we work very closely on what falls into which portfolio, and digital jobs – the program that you are talking about that deals with AI – sits with Minister Dimopoulos, so I am not going to jump across into his portfolio and answer that question. What I will say is it probably goes to the previous hearing. I spoke extensively about the skills and training needs of Victorian workers and therefore employers on upskilling and being able to utilise AI better, and I talked about that in the previous response in the PAEC hearing on skills and TAFE.

**John PESUTTO:** Thank you, Minister. Budget paper reference pages 26 and 65 – Minister, your government is funding a data centres project team in DEECA at \$3.2 million over the next two years, and at the same time DJSIR is spending \$5 million on a sustainable data centre action plan tasked to provide better

planning for data centres. Minister, is the government seriously saying there is no sustainable data centre action plan now?

**Colin BROOKS:** My answer is the same: data centres sit squarely with Minister Dimopoulos.

**John PESUTTO:** But don't you have any interest or concern as minister in how AI is affecting your sector?

**Michael GALEA:** Point of order.

**The CHAIR:** Excuse me, Deputy Chair, there is a point of order. Mr Galea.

**Michael GALEA:** Whether the minister has any interest or other personal considerations into a matter is completely irrelevant as to his portfolio responsibilities, as you have ruled on in your previous point of order.

**The CHAIR:** Thank you. That is correct, Mr Galea. Deputy Chair, do you wish to rephrase that question or move on?

**John PESUTTO:** I will go back to a question I was trying to ascertain from the minister earlier. Isn't artificial intelligence something that runs across all portfolio areas? Can you seriously say, given the responsibilities you have as minister, that it is not something that you are thinking about in just about every decision you are making as a minister? That is why I did open with that general question.

**Colin BROOKS:** Yes.

**John PESUTTO:** As much as it represents great opportunities for human progress and humanity, it also represents great dislocation and job insecurity. That is why I asked you.

**Colin BROOKS:** Yes. As you have phrased that question in a general term, I think you are closer to the mark where it is potentially important to answer this question this way. The *Victorian Industry Policy*, which calls out the need for improved training in digital technologies – the *Economic Growth Statement* highlights that as an area – sits across a number of portfolios. I mentioned the need for more industrial land. It does not sit in my portfolio; it sits in the Minister for Planning's portfolio. So to drive the benefits in all of those different parts across government, whether it is AI or industrial land or skills and TAFE, different ministers have different portfolio responsibilities. A key one for all sectors of the economy, not just manufacturing, is to better equip Victorian businesses, the workforce and government around the use of AI. The digital jobs program does that. But as I said to you before, the digital jobs program, which has a strong focus on AI, sits with Minister Dimopoulos.

**John PESUTTO:** Thank you, Minister. Are you satisfied, then, Minister, as a member of this government, that all that can be done is being done to address the prospect of job losses that might come from the uptake of AI?

**Colin BROOKS:** Again, this is answered in two different portfolios, one of which I hold, which I spoke to in the earlier hearing in relation to the Victorian skills plan calling out – I think it is chapter 6 – in a detailed way the challenges that are in front of the Victorian economy in relation to the use of AI. It sets out recommendations or a path forward for the skills and training sector to equip workers to be able to respond to that. At the same time my colleague the Minister for Economic Growth and Jobs is rolling out the digital jobs program to ensure that Victorian businesses have those digital skills, AI skills, to ensure that they are able to meet the challenges coming forward.

**John PESUTTO:** Thank you, Minister. Moving to a different topic – budget paper 4, page 63. Like the Avalon air show, you have also in this budget scrapped the \$20 million Victorian Industry Development Fund, the VIDF. This was your plan to support industry growth via matched grants across priority sectors, and now it is gone. Minister, how can a program go from being a key pillar to being cancelled within 18 months? What was wrong with this program?

**Colin BROOKS:** What was the program?

**John PESUTTO:** It was the Victorian Industry Development Fund.

**Colin BROOKS:** Yes. There are two parts to this answer. Firstly, in your preamble you mentioned the air show. Can I just say we held the Avalon air show for about 30 years. Last year's air show was a roaring success, with more than 60,000 people coming to the trade days, which is important for manufacturing and particularly the defence and aerospace sector –

**John PESUTTO:** So successful they are going?

**Colin BROOKS:** I am coming to that – and then 200,000 people coming as members of the public to enjoy the air show. I am glad we have secured the air show for next year, for 2027. I am looking forward to many members of Parliament seeking support to visit the air show and the benefits that brings. We are actively engaged with organisers about a forward program of air shows here in Victoria. So I reject the premise of that part of your question.

**John PESUTTO:** And as to the fund?

**Colin BROOKS:** In terms of the Victorian Industry Development Fund, that has been rolled into the Victorian Investment Fund of \$150 million, which is going to delivering support for companies like the examples I gave earlier on. That is being put to work supporting investment in Victoria.

**John PESUTTO:** Minister, you would accept that productivity is important in any economy – it allows an economy to grow faster without running into constraints like inflation and interest rate increases. Minister, despite record government expenditure – according to the government – Victoria's economic growth forecast has more or less halved in the new budget and we continue to suffer the lowest productivity growth in Australia. What do you and your department consider to be the key domestic drivers of productivity growth in Victoria?

**Colin BROOKS:** Three things here. Firstly, Victoria has had the fastest growing economy over the last 10 years. The last data I saw, which was December quarter data for the year to December, had Victoria's economy growing I think at 2.7 per cent – the Secretary will correct me if I am wrong – and strong business investment. I think business investment was up in the December quarter 2.2 per cent. So the negative narrative is not accurate for Victoria. Victoria is performing well, subject to a range of challenges that we know exist in the broader economy as we go forward. Productivity is important – it goes to training that we talked about before in the earlier hearing.

**John PESUTTO:** We have the worst productivity in Australia, don't we?

**Colin BROOKS:** Well, just in terms of that, there is some work that I know has been done. I might call on our expert witness Mr Lyngcoln, who might be able to inform the committee in a more able way around productivity.

**Julian LYNGCOLN:** Hello. I am Julian Lyngcoln, Deputy Secretary, Economic Policy, Programs and Services. I take it the question was on measures of productivity?

**John PESUTTO:** Why Victoria is the worst.

**The CHAIR:** Apologies, gentlemen. We are going to move on.

**Colin BROOKS:** The answer was: it is not.

**The CHAIR:** That will be a fireside chat. Ms Kathage.

**Lauren KATHAGE:** Thank you so much, Chair, Minister and officials. Discussion has started about the investment fund, and I can see some details there on pages 28 and 29 of the questionnaire showing 41 investment projects supported through that fund. Are you able to provide details on the impact those investments have had on job creation?

**Colin BROOKS:** Yes. Thanks very much for the question. I will refer to the investment fund as the VIF if the committee does not mind; it is just an acronym we have become used to. It was deliberately set up to support the creation of jobs and investment in Victoria and to boost our economic growth. Part of that \$150 million is a dedicated \$50 million stream for regional Victoria, combining that fund with the lower payroll

tax rates in regional Victoria to help turbocharge investment in those regional areas. I talked before about that investment through to George Weston Foods to assist with their new flour mill there at Ballarat West employment zone, which also through that flour mill investment locks in and secures the 3000 jobs across the rest of the state that are provided by George Weston Foods.

To give some context to the structure of the VIF, it supports the priority industries that are set out across the regions and all of Victoria – advanced manufacturing and defence, health technologies and medical research, the circular economy, digital technologies and agribusiness. I know that the Minister for Agriculture led the announcement earlier in the week that Victoria’s agribusiness sector is once again leading the nation, powering the state to retain its position as Australia’s top food and fibre exporter, delivering record results for regional communities, which is a good result. It shows that the state’s food and fibre exports have reached a record \$22.1 billion, increasing Victoria’s share of national exports to 28 per cent. The results highlight the strength, resilience and innovation of Victoria’s farmers and producers, who have delivered a fourth consecutive year of record-breaking growth despite the challenging seasonal conditions that we are all aware of.

Recently the previous Minister for Regional Development visited Tongala Nutrition to announce support for the company’s expansion through the regional stream of the VIF, the Victorian Investment Fund. Tongala Nutrition have been producing nutrition and UHT liquid products since 2023 after acquiring the former Nestlé factory, so we are all going to be able to keep enjoying those little milk satchel things you get in motel rooms. With the government’s support they will upgrade their technology and infrastructure to create 40 brand new jobs – so it is really important; 40 jobs in that area is really significant – and that site will be brought back to life, employing locals and creating jobs. The Allan Labor government has also recently supported the expansion of Greenham Australia’s Tongala abattoir, which has seen them almost double their production and create 270 jobs. So there are many agribusinesses that are a key part of that sector that we have identified.

There are many food and beverage producers as well. One that I could highlight as an example: I was pleased to be able to visit a few months back Mars Petcare’s facility to discuss their \$112.6 million expansion of their pet food factory in Wodonga, a massive facility and employer – 7800 square metres of manufacturing facility. It will support the production of more than 290 million single-serve cat food pouches every year. That is a lot of cats. That is for both domestic and regional markets, and that includes brands like Whiskas and Dine, Ms Kathage. The expansion, supported by our government’s investment, will create around 60 new jobs and bring the company’s Wodonga workforce to almost 500 people while shifting the manufacturing of its cat food pouches onshore. I remember when I was there the line manager, who did a TV interview for WIN – I think it was WIN News up there at the time – was so excited about calling people to come forward and apply for jobs at that facility, so it is a really good outcome for jobs in that local area. The factory will allow Mars to meet the continued rise in cat ownership in Australia and the growing demand for convenience and those trusted brands that I just mentioned – Whiskas, Advance, Optimum and Dine. Mars Australia is the largest manufacturer of pet care products in Australia with its Wodonga pet food manufacturing facility and the largest supply site for Mars Petcare in the Asia-Pacific region. It was originally opened back in 1967, and it is set to become Australia’s first manufacturing facility of its kind to deploy a 100 per cent renewable energy solution, within two years. There has been significant investment into their renewable energy program. So that is a great example of innovation and growth.

**Lauren KATHAGE:** And I can see further along in the questionnaire on page 32 it speaks to the regional stream of that fund and says that 14 different projects have been supported through that. Can you provide details on how the fund is helping to grow opportunities in regional Victoria?

**Colin BROOKS:** As I said, the \$150 million Victorian Investment Fund has a \$50 million dedicated regional stream, and that, as it suggests, goes to supporting projects and investment in regional Victoria. We have invested more than \$70 million in developing – not from that fund – the Ballarat West employment zone, or BWEZ, as many locals know it, a huge industrial area on the outskirts of Ballarat. That has been a project that has been developed in Victoria, and they have been working to attract businesses to set up and operate at BWEZ.

As I mentioned before, George Weston Foods must be nearly complete with the opening of that flour mill that they have created there. As I said, it is one of the largest food manufacturers in the country. It is part of daily life for many Victorians. From your multigrain toast from the supermarket to KR Castlemaine hot dogs at the footy, they come from George Weston Foods. That expansion at the Ballarat West employment zone was a

quarter of a billion dollar investment by the company in that local community, so that is a significant investment in that company. As I said before, our support and that project going forward mean that not only does that facility get built but it locks in the jobs across the rest of Victoria – 3000 jobs, half of which are in regional Victoria. There were an additional 47 jobs brought to Ballarat through that investment. I was able to get up there and meet the managers of the flour mill with the Minister for Regional Development Michaela Settle, who is a local member of Parliament in that area, and the Member for Ripon Martha Haylett. We saw the progress of the mill and what the Victorian government's investment through the VIF was able to help bring to life.

In 2025, after the VIF was announced, there was a package put forward for funding for support for Avalon Airport, and this complements businesses operating at the airport in the industrial precinct. There is a new freight facility there to operate 24 hours to remain competitive with the opening of western Sydney airport in the future to make sure that our second major airport here in Victoria is ready for that opening and able to compete. As I mentioned in my opening remarks, there is a dedicated freight facility, and there are now international flights back at Avalon through Jetstar flying out of there internationally and enhancing and increasing their domestic flights there as well.

**Lauren KATHAGE:** In your presentation, Minister, you referred to the *Victorian Industry Policy*. Can you provide details on what progress is being made on the objectives of that policy?

**Colin BROOKS:** The first thing to say about the industry policy – I am assuming not everyone in the committee has had time to read through it as bedtime reading. I can summarise the key components of that policy as on one hand growing our industrial base, so the strengths that we already have and the industry that we already have – how do we grow that? – and at the same time where there are opportunities to leverage off new industries and innovation. So those are the two components. Then sitting either side of that is secure, affordable energy supply, so making sure that our industry has secure and affordable energy going forward. Then the other counterbalancing piece is to ensure that we have a highly skilled workforce suitable for the needs of the industry. I spoke to that during the skills and TAFE portfolio hearing. It is really about making sure that across government – it goes to the discussion that we were having, Mr Pesutto, before – the industry policy sits across a number of different portfolios to ensure, whether it be industrial land or digital training or whether it be manufacturing, that we are pushing that forward. As an example, it is why we have identified modern methods of construction. If anyone has the opportunity to visit some of the modern methods of construction facilities, they will see the incredible advanced manufacturing techniques that are on offer at many of those facilities – often 3D printing houses and so forth. These modern methods of construction factories are already helping to increase our construction capacity and have the capacity to deliver more homes more quickly. That goes to the centres of excellence at TAFE that I talked about before.

We have also secured, flowing from the policy work that we set out in the industry policy, the Additive Manufacturing CRC – I mentioned that before – that is expected to bring \$116 million of new manufacturing technologies and will support an expected \$2.8 billion boost to our economy over 15 years. We should not underestimate the importance of winning that CRC here in Victoria, and it was a project that was strongly supported by the Victorian government. A lot of work was done to secure that here in Victoria.

Another priority is to develop the industries of the future, as I mentioned: critical minerals, offshore wind, defence manufacturing, health technologies. We have released the defence vision statement, and we will talk to that more in the next hearing on the defence industry portfolio. At a high level, that positions the state to secure more defence investment whilst the federal government is looking to spend hundreds of billions of dollars in defence uplift, so it is an important part of our industry strategy. The other priority is to utilise industry through the transition to net zero, so to support industry through that transition to net zero to make sure that we have that access to cheap and reliable power. It was great to see the Minister for Energy and Resources release the gas security statement some time ago; that was a good outcome, being able to secure cheap Victorian gas for Victorian industry. There are large parts of Victorian industry for whom it is difficult to transition or abate at the moment, so that gives them some certainty, including the approvals around new gas, so that is an important area as well. We will work with the Commonwealth government to look at opportunities to accelerate new technologies and solutions whilst we will also always look to reduce emissions. I might leave my answer there, Ms Kathage.

**Lauren KATHAGE:** Okay. A complementary policy then to the one we have just been discussing is the Local Jobs First policy. Progress on meeting the targets and objectives of that policy, is that as far along as the industry policy?

**Colin BROOKS:** This is a great policy. I am very proud to have carriage of the Local Jobs First policy. The legislation is Australia's longest and oldest industry participation policy, something Victoria should be very proud of, leading the way in terms of a policy like this. Since 2014 through to the middle of last year, Local Jobs First has been applied to some 3535 projects worth over \$215 billion in government investment. That ensures that Victorian businesses and Victorian workers, apprentices, trainees and cadets benefit from that government procurement. Additionally, from 2014 to March 2026 Local Jobs First content requirements have been set on 417 strategic projects, supporting more than 68,000 jobs and enabling local companies both large and small to compete for government contracts on Victoria's largest projects. This is a great industry participation policy. It applies to Victorian government procurement across all goods and services, areas like transport, housing, health and education.

As members know, the legislation was recently amended to strengthen the scheme and enhance the powers and functions of the Local Jobs First Commissioner. Funding of \$12.1 million has been allocated in the current 2026–27 state budget to fund Local Jobs First implementation. This investment builds on \$6.3 million announced in the previous budget and the \$32.1 million allocated over four years in the 2021–22 state budget for Local Jobs First implementation. Funding for Local Jobs First implementation supports three key areas – the Local Jobs First commissioner and their office; administration of the Local Jobs First policy by the Department of Jobs, Skills, Industry and Regions; and funding the Industry Capability Network Victoria to help support the department in the important work that they do in understanding local content capabilities.

The Major Projects Skills Guarantee under the *Local Jobs First Act* provides opportunities for Victorian apprentices, trainees and cadets to work on high-value government construction projects, so \$20 million or above. The Local Jobs First Amendment Bill 2025 passed both houses of Parliament, members will know, and received royal assent in August last year, which acquits the election commitment we made at the last election to strengthen that Act. Those reforms focus on compliance and enforcement of local industry development plans. They are the plans that are put together through the procurement process to outline where you are sourcing local content from, and they strengthen the powers and functions of the Local Jobs First commissioner whose role it is to make sure that people, when they submit their LIDPs, are doing the right thing and actually following through with that local procurement.

Overall the reforms ensure that the Local Jobs First scheme continues to maximise opportunities for local jobs and businesses, supports a stronger workforce and supports local industry, local businesses and the Victorian economy. Now, some of these reforms have already commenced and the department is preparing updates to support implementation of the remaining reforms in preparation for their commencement on 1 July this year. Thank you.

**Lauren KATHAGE:** You spoke earlier about partnering with Avalon Airport to boost flight services. What sort of impact are we expecting to see on regional jobs?

**Colin BROOKS:** Yes, great, so I have some statistics here, thank you, Ms Kathage. I indicated before we supported Avalon to attract Jetstar for international flights. They also introduced two new domestic flights, so there is an upgrade there. And of course the airport had suffered, like a lot of jurisdiction second airports, significantly through COVID and through the impacts of COVID, so their relatively new terminal was effectively mothballed until we were able to assist them. This is a really important thing for that airport and for that region to be able to come in and help them get that project off the ground. The international component that has been secured is Jetstar's first ever flight from Avalon to Bali, where I think this committee is probably going to head straight after finishing these hearings. That is a compliment to all the hard work you are all doing. That service will operate five days a week and add around 120,000 seats annually. That is great for Victorians wanting to travel but also importantly locks in jobs at Avalon Airport as well in terms of the operation of that international service.

**Lauren KATHAGE:** Thank you, Minister.

**The CHAIR:** Thank you, Minister. The last 4 minutes are going to Mr Puglielli.

**Aiv PUGLIELLI:** Thank you, Chair. Good morning, Minister and officials. I am going to go back to agribusiness, which we were just talking about a little bit earlier. I am looking at the performance standards, page 78, with reference to the Heyfield mill, can I ask what percentage of that mill does the government currently own?

**Colin BROOKS:** We are a minor shareholder in that mill. I do not know. I will take advice from my department officials as to whether we can indicate more specifically. A minority shareholder is what I will say.

**Aiv PUGLIELLI:** Minority shareholder.

**Colin BROOKS:** Yes.

**Aiv PUGLIELLI:** Is there a number of shares that you can indicate to the committee?

**Colin BROOKS:** I think that would be the same answer.

**Aiv PUGLIELLI:** Same answer. Is there an estimated value of that shareholding that you can share with the committee?

**Colin BROOKS:** That would be commercial-in-confidence.

**Aiv PUGLIELLI:** Okay. Is there any intention from government to sell that share?

**Colin BROOKS:** What I would say is that our overriding and paramount obligation, in my view, in relation to that mill is the ongoing operation of the jobs and the mill for the benefit of that local community. Anything further to that would be probably not in the best interests commercially at the moment to talk about.

**Aiv PUGLIELLI:** Okay. So over the estimates you do not foresee any desire to sell the shareholding in the mill that the government holds?

**Colin BROOKS:** All I would say is that everything we do will be on the basis of what is in the best interests of the ongoing operation of that mill.

**Aiv PUGLIELLI:** Okay. Is the department aware of this mill receiving native forest timber from other states?

**Colin BROOKS:** Well, I assume that they do, because –

**Aiv PUGLIELLI:** You assume they do?

**Colin BROOKS:** Yes. I can confirm if I am wrong, but I assume that they do because there is no native timber harvested in that region of Victoria.

**Aiv PUGLIELLI:** Does that undermine the state's position with respect to native timber harvesting?

**Colin BROOKS:** I would put to you not if the timber is not harvested in Victoria. What other jurisdictions do with their native timber harvesting is a matter for them.

**Aiv PUGLIELLI:** Okay. So you do not see a responsibility of government in exiting positions like this, given that we are getting out of that industry in this state?

**Colin BROOKS:** In this state, yes. The matter you are raising is really one for the Tasmanian government or other jurisdictions.

**Aiv PUGLIELLI:** Okay. Does the department have visibility of how much native timber has come through that mill from other states?

**Colin BROOKS:** I don't. I am not sure – I don't know.

**Matt CARRICK:** We would have to take that one on notice.

**Aiv PUGLIELLI:** That is all right. Thank you. If we can get that figure from 2023, that would be appreciated.

**Colin BROOKS:** We will try.

**Aiv PUGLIELLI:** Thank you. I will move on to another matter. At a more strategic level for this portfolio, what impact has Trump's war on Iran had on this sector and your remit as portfolio holder?

**Colin BROOKS:** The conflict in the Middle East raises a number of challenges, and people would be well aware of the moves that have been made at a federal and state level around securing supply of fuels. Diesel in particular is critical for freight and logistics and manufacturing. There is the obvious impact there in terms of prices already in terms of freight. There is also the impact of prices on inputs into manufacturing processes like plastic resins. Ensuring that the federal government is advocating strongly and securing enough incoming plastic resins, along with fuel, is important to ensure that we can continue to make things here in Victoria, like plastic pipes, like blow-moulded bottles for a whole range of products. The list goes on. At this point in time we are not aware of any shortages in terms of, for example, plastics.

**Aiv PUGLIELLI:** Thank you.

**The CHAIR:** Thank you, Minister. Minister and officials, thank you very much for appearing before the committee this morning. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is going to take a short break before beginning its consideration of the portfolio for the defence industry at 10:35 am. I declare this hearing adjourned.

**Witnesses withdrew.**