

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

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

Melbourne – Tuesday 19 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**

Steve Dimopoulos, Minister for Economic Growth and Jobs; and

Matt Carrick, Secretary,

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

Heather Ridley, Deputy Secretary, Corporate Services,

Julian Lyngcoln, Deputy Secretary, Economic Policy, Programs and Services, and

Daniel Rodger, Chief Financial Officer, Department of Jobs, Skills, Industry and Regions.

**The CHAIR:** I declare open this hearing of the Public Accounts and Estimates Committee, and 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, any 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, and verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Economic Growth and Jobs the Honourable Steve Dimopoulos as well as officials from DJSIR. 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 questions. Your time starts now.

**Steve DIMOPOULOS:** Thank you, Chair. Thanks for giving me the chance to make a statement. I acknowledge the traditional owners of the land upon which we meet, and I pay my respects to their elders past and present.

**Visual presentation.**

**Steve DIMOPOULOS:** This portfolio is focused on one clear objective: strengthening Victoria's economic growth. That means attracting investment, supporting business growth, helping Victorian companies reach global markets, building the skills base, attracting talent and backing the infrastructure and innovation that leads to productivity. Last year we saw \$11.6 billion in new foreign direct investment. Since June 2020 more than 123,000 businesses in net terms were created. That is growth of 20 per cent – one of the strongest percentage growths in the country. Business investment has grown strongly, increasing by 44 per cent since 2020 – the strongest in the nation – and Victoria's exports reached a record high of \$79.3 billion in 2025.

Next slide. We are seeing strength across the portfolio. Victoria retained the position as Australia's leading food- and fibre-exporting state, with exports growing by 10 per cent to reach \$22.1 billion in the 2024–25 financial year. International education remained Victoria's largest single export in 2025, valued at \$17.9 billion and supporting around 69,000 jobs. Victoria is also home to more than 4400 startups, valued at \$139 billion. That represents growth of almost 20-fold over the last decade. Since establishment, Breakthrough Victoria has committed \$497 million in capital across 91 investments, attracting \$1.4 billion in co-investment, helping shape the state's economic future. These numbers represent jobs in farms, laboratories, universities, small businesses, export firms and technology companies across the state.

Next slide. In terms of our recent achievements in the portfolio, in 2025–26 we are on track to facilitate 1050 jobs and \$95 million in innovation expenditure from international investment, while the investment coordinator-general has helped unlock more than \$24 billion in private investment across key sectors. The AI mission statement and the sustainable data centre action plan send a clear signal to investors and industry: Victoria is open to economic growth and the responsible use of digital technology, including AI. The digital

jobs program is a \$4.3 million program to support workers to gain the digital skills necessary to succeed in future construction and advanced manufacturing jobs. In November last year BioNTech launched its research-grade mRNA manufacturing facility at La Trobe University, Bundoora, making Victoria the only place in the world where both global mRNA leaders, Moderna and BioNTech, have chosen to establish R and D and manufacturing operations, cementing our state's position as a world-leading hub for the next generation of medical innovation.

Next slide. In 2025–26 Global Victoria has facilitated more than \$304.4 million in export sales, supported over 1790 Victorian businesses and strengthened Victoria's global connections through 354 international economic engagements, including with visiting officials from 40 countries and 38 Australian ambassadors. Melbourne was again ranked as Australia's best student city and the fifth-best globally, cementing Victoria's position as a world-class study destination. That matters, because international education is not only an export industry but it is also a talent pipeline, a research strength and a long-term bridge between Victoria and the world.

Next slide. This year's budget continues that focus on investment, innovation and productivity in future industries. As a sample, we are investing \$13.7 million under the AI mission statement to harness AI for innovation, jobs and growth, including \$8.2 million for the digital jobs AI career conversion program to help workers move to AI roles and \$5.5 million for a sustainable data centre action plan to position us as an Asia Pacific data centre hub while managing sustainable sector growth.

Next slide. The budget also backs the skills, global presence and advanced manufacturing capabilities Victoria needs to keep growing. There is \$12 million over four years to attract and secure the skilled talent Victorian businesses need to grow. There is \$3 million over two years provided for the continued operation of mRNA Victoria, supporting delivery of major sovereign mRNA manufacturing facilities, and there is \$2.4 million to maintain Victoria's trade and investment facilities, services and activities to strengthen Victoria's international relations. Thank you. Chair.

**The CHAIR:** Thank you very much, Minister. We are going to go to the Deputy Chair for 7 minutes.

**John PESUTTO:** Thank you, Chair. Good evening, Minister and senior officials. Minister, I refer you to page 17 of budget paper 2 where it states Victoria had a growth rate of only 1.1 per cent in 2024–25. Table 2.1 states that growth is forecast to increase to 1.5 per cent in 2025–26 but then drop again in 2026–27 to 1.25 per cent. Minister, don't these figures demonstrate that economic growth is flatlining under Premier Jacinta Allan and Labor?

**Steve DIMOPOULOS:** Thank you, Deputy Chair. There are a number of ways you could represent the economic growth figures, and you clearly have looked at one of those. But can I tell you that from where I sit it is a pretty extraordinary story. The Victorian economy has grown 28.7 per cent over the last decade. That is a higher growth rate than our nearest neighbour, New South Wales, by 5 percentage points. State final demand has grown by 0.7 per cent in the December quarter, so the growth has been long term over 10 years. Even one of the most recent quarters – the last quarter of 2025 – saw growth. In fact today I saw, Deputy Chair, figures that came out for consumer demand, which were 6.5 per cent in April, where the national figure was 3.5 per cent.

I have got a bunch of figures I could talk you through, and I would argue in my portfolio the work that we are doing to support businesses right through our 23 trade offices, right through Global Victoria, Invest Victoria, the breakthrough fund, LaunchVic, we are really catalysing economic growth. Data centres are one big part of that, but it is far, far wider than data centres.

**John PESUTTO:** Minister, are you satisfied in your first budget as the minister responsible for economic growth that Victoria's growth rate will fall by a quarter of a per cent next year?

**Steve DIMOPOULOS:** The Treasurer would have gone to aggregate macro-economic factors. We are here to support businesses in Victoria, despite what is going on in the rest of the world, despite global interest rates peaking, despite a fuel crisis, despite uncertainty in foreign relations and wars around the place. We are steadfast in our support. What I am proud of, and some of the presentation went to this, is the amount of business we have secured for Victoria through DJSIR and through the apparatus of government, both the international footprint and the local footprint.

**John PESUTTO:** So, Minister, can I ask you then: the growth rate in Victoria on a per capita basis is currently at negative 0.8 per cent, and that is based on Parliamentary Budget Office reports. That is not growth, Minister. Doesn't this demonstrate that Labor's policies are failing to deliver economic growth?

**Steve DIMOPOULOS:** Deputy Chair, you are inviting the *Australian* to the Treasurer's hearing. But what I will say to you is that, as I said, in the 0.7 per cent growth in state final demand in the December quarter, equally in the December quarter we had our biggest ever in the history of Victoria level of business investment: \$20 billion in one quarter. That was a record figure. I could go on. This is driven clearly by data centres, energy projects, a whole bunch of different investments. We have seen 896,000 jobs created in this economy in the time we have been in office. That is a pretty extraordinary figure, and it outranks every other state in the country. Rather than just reaching back into the past, I will tell you that in the last three years 300,000 more Victorians have found work. You cannot have those clear markers of health in the economy and then have a conclusion that the economy is not doing well. Of course there are pressure points. Of course.

**John PESUTTO:** Thanks, Minister. Can I direct you this question to the Secretary. At page 81 of the 'Department Performance Statement' it states there has been a cut of 24.3 per cent in the trade and investment output next year, equating to \$39.5 million. How can you achieve economic growth if you have cut the trade and investment budget by almost 25 per cent?

**Matt CARRICK:** Sorry, that was directed at me, Mr Pesutto?

**Steve DIMOPOULOS:** What page are we? Sorry, Deputy Chair.

**John PESUTTO:** I had page 81 of the 'Department Performance Statement'.

**Matt CARRICK:** I will hand to Ms Jarrett in a second. But what I can say is that the department has actually been fulfilling its objectives and the KPIs which have been set for it in terms of global Victoria performance. You see that in terms of the investment outcomes, you see that in terms of the facilitated employment outcomes and you see that in terms of facilitated exports. There have been a range of budget initiatives which help support our overall activities as a department in terms of economic development, which means we will fulfil the KPIs which have been set for us.

**John PESUTTO:** But with that cut in mind, it does appear that the government has given up trying to compete with Queensland and South Australia for investment.

**Mathew HILAKARI:** We just keep beating them. You would have heard the previous answer. We keep beating New South Wales and Queensland. You should not be a booster for them. You should be celebrating record quarters of business development.

**John PESUTTO:** Does the minister or someone wish to respond?

**Steve DIMOPOULOS:** I just broadly say that this budget is a budget that delivers on the commitment the Premier and Treasurer made in relation to fiscal discipline, and within the remit we have been given, as the Secretary said, we are absolutely confident we will kick it out of the park in terms of the success of the business investment in this state and the employment growth. The stats, even the most recent quarter stats, indicate that. We have, just as an example, Deputy Chair, overtaken New South Wales in many areas, but one area I will give you an example is in data centre investment. Historically they have been the go-to place for US companies. I am not talking about low flyers, I am talking about the top end of town in the US. Now we have overtaken New South Wales with – I will get the most recent stats, I think it is about 40 – yes, that is right. In 2025 Victoria recorded a \$5.8 billion dollar capital expenditure for internet, web search, data processing businesses ahead of New South Wales's \$4.6 billion. So forget New South Wales, I would say even forget Queensland.

**The CHAIR:** Thank you, Minister. Let us hope they are watching tonight. Mr Galea.

**Michael GALEA:** I am sure they are. They can know their place. Thank you, Chair. Good evening, Minister, Secretary and officials. Thank you for joining us. Minister, referring to budget paper 1, page 2, I would like to talk about the *Economic Growth Statement* and indeed how this budget is supporting jobs, investment and productivity in the Victorian economy. You have just given a very good example in one area of

the data centres and that helpful interstate comparison that this committee always enjoys. But, Minister, if you could elaborate on, in a broader sense, how this budget is driving that.

**Steve DIMOPOULOS:** Thank you, Mr Galea. We have an approach in our portfolio of basically catalysing economic growth through three key opportunities. Obviously we are backing business investment. We do that through Invest Victoria, Visit Victoria – apologies, that is the next session, but Visit Victoria does help – and Global Victoria. We have also done that through the breakthrough fund and through LaunchVic, and we will go to that a bit later, but we are combining those two into a new entity to have a single door. But we also do it in terms of building a skilled workforce and, out of my portfolio, clearly the achievement of literally taxpayer funding a bunch of skills gaps for employers through our skills guarantee and our free TAFE. The other one is about lifting productive capacity in place.

The *Economic Growth Statement* itself talked about I think 40-odd – I may be corrected – odd initiatives to help catalyse economic growth. Cutting red tape was a key amongst those, and maybe the Treasurer went to this, but it absolutely is. Some businesses have said to me – and this is not just our story, it is a global story of governments – regulation is also a tax, delays are also a tax. So we have tried to really focus on catalysing investment by just making it easier. Part of it is halving the number of regulators, which would achieve a \$500 million economic benefit by 2030, as outlined in the economic growth strategy. There are a bunch of other things I could say, Mr Galea, but fundamentally it is making it easier to do business. And despite the negative talk by some quarters, it is a message that many people have taken up – many businesses. I am not talking about just data centres and AI. I am talking about medical research and medical technologies. I am talking about the extraordinary international companies that have located here. Mondelēz’s biggest warehouse in the world is right here. A bunch of others are in the pipeline. I am talking about aviation, defence industries in Minister Brooks’s portfolio.

**Michael GALEA:** Thank you, Minister. And just building on that, how does the *Economic Growth Statement* guide those priorities for investment attraction and industry development that you have talked about?

**Steve DIMOPOULOS:** It does in a couple of ways. The first is it is actually almost like a prospectus to business to say, ‘We are here, and we’re serious for seeking your investment.’ The regulators are probably a really big part of it. Also the other part I would say is that in the *Economic Growth Statement* we established the coordinator-general investment –

**Danni JARRETT:** Investment coordinator-general.

**Steve DIMOPOULOS:** Investment coordinator-general. That is a role that literally is meant to – this is figuratively speaking – break down walls across government, from the planning system to the health system to anything that may be an obstacle for investment, in a way that is nuanced of course. You still have to observe regulations and accord with regulations. But that investment coordinator-general has had outstanding success. That office has handled, shaped and helped secure \$24 billion worth of investment. I think people forget this is a large economy. It is \$637 billion. It is 23 per cent of Australia’s gross domestic product. This is not some flaky place. The investment coordinator-general does extraordinary work in saying, ‘I’m going to help you through these processes.’

**Michael GALEA:** Despite not being a mining state, that is a very significant portion of GDP. When you take that into account that is actually well and truly punching above our weight.

**Steve DIMOPOULOS:** Yes, exactly.

**Michael GALEA:** The investment front door, Minister. How is this utilised to bring in that investment and attract further industry support in Victoria?

**Steve DIMOPOULOS:** I will make a couple of comments, and I might, if we have enough time, throw to the Deputy Secretary. We did a review previous to my time in this role about our apparatus, our ecosystem, and how we try and market ourselves in terms of a place to do business. We found that we cannot underestimate how important it is for a business to have one point of contact, because we had a bunch of different funds, we had a bunch of different agencies. We had medical funds, we had growth funds, we had other funds. Now we have one, and we also are combining two agencies. But I might throw to the Deputy Secretary to say how the front door works.

**Danni JARRETT:** Thanks, Minister. The investment front door is really a triaging facilitation service whereby since the *Economic Growth Statement* was released it has received around 40 potential investment leads through that front door. That is not just the only means through which we receive prospective investment opportunities, but through that front door, it has been very effective in terms of, as I said, triaging and then working with those investors to understand their investment aspirations and their projects and then how we can support them to secure those investments.

**Steve DIMOPOULOS:** Deputy Secretary, I might just say to Mr Galea: a business located overseas, as one example, may have planning issues that it needs to get across, it may have health regulation issues from the Department of Health, it may have facilitation funds issues. All those are shepherded through one point of contact in DJSIR rather than finishing with one aspect and saying, 'Please go to the health department and speak to them about X.'

**Michael GALEA:** 'And now do that, and now do that,' and then just that productivity tax effectively that you are talking about.

**Steve DIMOPOULOS:** Yes, that is it exactly.

**Danni JARRETT:** That is right.

**Michael GALEA:** Thank you, Minister and Deputy Secretary. Very quickly, with the time I have got left, the Asia-Pacific innovation symposium: can you talk to me about the role the government has played with that in driving that investment as well?

**Steve DIMOPOULOS:** Yes. I love this kind of symposium –

**Jade BENHAM:** We love a symposium.

**Steve DIMOPOULOS:** and I would love you to ask me, in the next question you get –

**Richard RIORDAN:** He loves a symposium –

**Steve DIMOPOULOS:** No, it is extraordinarily powerful. We literally have decision-makers who have global funds at their disposal coming to Melbourne to meet and talk business and investment.

**The CHAIR:** Thank you. We are going to go to Mr Riordan.

**Richard RIORDAN:** Thank you, Chair. Secretary, I refer to page 28 of the questionnaire and note the Breakthrough Victoria and LaunchVic merger will be known as Innovation Victoria. Breakthrough Victoria was allocated \$2 billion back in the 2021 budget over a 10-year period, with a \$200 million allocation each year. In 2024–25 the fund was rephased over 15 years, reducing the annual allocation to around \$110 million from that year. Can you advise how much of the \$2 billion fund has been provided to Breakthrough Victoria to date?

**Matt CARRICK:** Mr Riordan, my understanding is that around \$500 million has been distributed for investments. There will be an operational component around that. Importantly, with the money which has been distributed for Breakthrough Victoria to invest, they have actually crowded in \$1.4 billion in additional investment from the private sector into the companies that they have invested in. So this is a significant investment in the start-up ecosystem and in terms of turbocharging innovation here in the state of Victoria.

**Richard RIORDAN:** And the state controls that \$500 million investment?

**Matt CARRICK:** The way it works is that Breakthrough Victoria, which is about to be merged into Innovation Victoria, is a state-owned entity, and basically the money is distributed from the state to the entity and the entity then makes a series of investments in different companies. They are never the exclusive investor in those companies. They will invest with other investors in the target companies.

**Richard RIORDAN:** Okay. How much –

**Steve DIMOPOULOS:** Mr Riordan just quickly, the Treasurer is the shareholder on behalf of the state of Victoria for Innovation Victoria, as she was with Breakthrough. The board is appointed by cabinet, and they are savvy businesspeople, and they have investment committees that support their work. We do not get involved in deciding which companies to support. We effectively make the payments when they ask us for the milestone payments to pay to those companies.

**Richard RIORDAN:** Okay. How much of the original \$2 billion remains available?

**Steve DIMOPOULOS:** That would be in the annual report.

**Matt CARRICK:** In terms of the distribution of funds, that is basically dealt with as part of the annual reporting process.

**Richard RIORDAN:** Right. So that will be later in the year?

**Steve DIMOPOULOS:** Yes.

**Matt CARRICK:** Yes.

**Richard RIORDAN:** Will this money be allocated to the new Innovation Victoria entity – the carryover of the \$2 billion?

**Matt CARRICK:** Putting aside whatever the figure is, in effect you are seeing a merger of two organisations, and the funding that comes with that and the assets that come with Breakthrough Victoria, yes, will go into the new entity. The new entity is planning to go live on 1 July, and in effect that brings together Breakthrough Victoria and LaunchVic, and basically what you will see is that the staff will be transferred from those two organisations into the single entity.

**Richard RIORDAN:** I get the gist of that, but I am just really worried about that corpus of \$2 billion. What is left of it?

**Matt CARRICK:** The way it works is that the funds which are distributed on an annual basis to the company – that which is currently with Breakthrough Victoria is transferred into the new entity.

**Richard RIORDAN:** But the original commitment of \$2 billion – how much of it is left to commit?

**Steve DIMOPOULOS:** Mr Riordan – I am not passing the buck – that is effectively a question for the Treasurer and the Budget and Finance Committee of Cabinet, because what happens is that organisation – I sign off on effectively what they request. When they draw down on certain figures and certain sums of money they go back to central contingency for the rest. They are not hamstrung by funding. They are literally looking judiciously at opportunities to support businesses and startups and all the rest of the ecosystem, and when they need more they come back to government for more.

**Richard RIORDAN:** That original commitment of \$2 billion over 10 years – I am wanting to know where that commitment is at. Have we changed that focus?

**Matt CARRICK:** That would be one for the Treasurer, as the shareholder, in terms of the distribution over time.

**Richard RIORDAN:** Mr Carrick, you have never had that conversation with the Treasury to say, ‘How much is left of this original commitment?’

**Matt CARRICK:** Money is phased from year to year. What we are responsible for is when the company comes back with a request for an allocation, trying to ensure that they get the allocation that they need.

**Richard RIORDAN:** What I am hearing is you are not really anticipating the fact you will get the \$2 billion over the 10 years.

**Steve DIMOPOULOS:** That is not the case, Mr Riordan.

**Richard RIORDAN:** So you will get the \$2 billion then?

**Steve DIMOPOULOS:** Literally, it is market driven. We draw down on what we need when we need it.

**Richard RIORDAN:** It is now no longer a core government commitment.

**Matt CARRICK:** Perhaps we can –

**Richard RIORDAN:** We will move on.

**Steve DIMOPOULOS:** That is not right.

**Richard RIORDAN:** What bit is not right?

**Steve DIMOPOULOS:** As I said, Mr Riordan, just for the committee's knowledge, this is market driven. This entity invests to create wealth and jobs for Victoria.

**Richard RIORDAN:** I am just interested in that promise for the \$2 billion.

**Steve DIMOPOULOS:** Hang on. Then what happens is when it needs to draw down on those funds to then provide them to the startup or to the company it seeks permission from me – the department and me. I sign it off. If there is any opportunity where they have got more funding they need to provide than what is given, I go and seek that from the Treasurer for contingency.

**Richard RIORDAN:** Roughly you have done \$500 million and there is \$2 billion, so there is \$1.5 billion left; you could access it.

**Steve DIMOPOULOS:** I could have a conversation with the Treasurer. That is the point.

**Richard RIORDAN:** How much funding will Innovation Victoria receive when it begins operating?

**Matt CARRICK:** The funding allocations will be reported in the annual report, but what you will see is that, to go back to my earlier point, we will be bringing together LaunchVic and Breakthrough Victoria. Effectively you will see the resourcing attached to both of those actually come into a new entity, which takes effect for the new financial year, and they will report all their financials as part of the normal reporting mechanisms.

**Steve DIMOPOULOS:** They report an annual report to Parliament.

**Richard RIORDAN:** So the same funding that the two agencies had before?

**Matt CARRICK:** Yes.

**Richard RIORDAN:** Will Innovation Victoria be a state-owned enterprise, or will it be a government agency?

**Steve DIMOPOULOS:** It is a state-owned enterprise, and the shareholder is the Treasurer.

**Richard RIORDAN:** I understand Mr Bristow at Breakthrough Victoria has been –

**The CHAIR:** Thank you, Mr Riordan. We will go to Ms Kathage.

**Steve DIMOPOULOS:** You have a long list of questions there, Mr Riordan.

**Lauren KATHAGE:** Thank you so much, Chair, Minister and officials. I want to ask about employers investing in Victoria or investment leading to employment. I can see on page 62 of BP3 government funding in jobs, manufacturing, trade and investment. Can you outline how the government is supporting businesses and employers to invest and grow in Victoria?

**Steve DIMOPOULOS:** Thank you, Ms Kathage. I am excited by opportunities that the department and the apparatus of government see and seize, because they do create jobs. I know this government is pro-business. This government believes in the strength of the business community to create jobs and economic wealth. We do that through what the Deputy Secretary talked about before in terms of the front door and what Mr Galea

raised. We do that through the new Innovation Victoria entity as of 1 July, but the existing apparatus of LaunchVic, and we do it through Global Victoria and Investment Victoria. Invest Victoria's job is to get international investment here, and Global Victoria is to get Victorian businesses to expand into international markets.

Just on the former, a good example of that – and you would have heard this – is that the Favourites chocolates you are having right now, and you have had probably all week, literally come from this beautiful state. Apart from the Mondelēz factory in Ringwood, we have the biggest warehouse in the world right here, a \$130 million national distribution centre in Truganina. This is the most advanced facility in the world. This company invested that money because it had support and a sense of camaraderie, holding hands with government, a trusted partner, to break through some of the barriers that would ordinarily exist. We also invested in that. As I said, it is the biggest one in the world – 47,000 square metres, a high-tech centre.

Again, they come and they look, and we assist and facilitate. Also, we go looking through the 23 offices around the world. We have more trade offices around the world than any other state in the country. That is how much we value seizing opportunities for Victoria. I will give you one other example. The Walkinshaw Group is a big group internationally, with a \$114 million headquarters and expanded manufacturing facility right here in Dandenong South. I have been to their place. It is extraordinary. It is factory after factory.

**John PESUTTO:** Did you buy a Ram?

**Steve DIMOPOULOS:** What is that?

**John PESUTTO:** You have got to buy a Ram. They do the Rams.

**Steve DIMOPOULOS:** That is right – and 155 jobs created. It is interesting with the Walkinshaw Group that Ryan Walkinshaw also owns a supercar racing company. We are talking about significant individuals globally who have capital ownership of different assets. Again, that was an achievement through DJSIR and the work of our offices.

On your broad question, of course a \$637 billion economy would take care largely of itself, but we make a significant difference for these big investments to come here through facilitation and sometimes through grant money. Facilitation is probably one of the most powerful tools, because if you are going to a new state, with new regulation and new regulatory framework, if you have the government of that state as your partner, you are more likely to feel confident going through the hurdles of establishing a business or growing an existing business. We know it leads to jobs for Victorians.

**Lauren KATHAGE:** How do those investments, like the ones you spoke about by employers, help secure long-term stable manufacturing roles?

**Steve DIMOPOULOS:** Have you got anything more to add, Deputy Secretary? But one thing would be, Ms Kathage, that you build out the ecosystem. I will give you medical technologies as one example. The minute you start having almost a tipping point of that industry in Melbourne, then global investments start to sort of concentrate where there is already an ecosystem, because their trading partners, their suppliers and their other business partners are also in the same location. That is increasingly happening with data centres. You do one or two or three of these, and all of a sudden you have catalysed an interest in that industry to continue to invest here. Therefore you secure a long-term pipeline. You are more than one company deep in particular industries and sectors, and we are definitely more than one company deep in a bunch of sectors in this economy in Victoria because of the work of the government.

**Lauren KATHAGE:** What about flow-on benefits for local suppliers or regional communities?

**Steve DIMOPOULOS:** Absolutely, and I do not know whether we have got any data on that or more information on that.

**Danni JARRETT:** Sure. Thanks, Minister. There is a really good example of a company that we support – and just to expand upon the minister's comments, we look to identify investments through key sectors that we see deliver the most value and where we are most competitive as a state from an investment as well as a trade perspective. We really look to focus our attention – and it is outlined in the *Economic Growth Statement* as well

– in sectors such as digital, health and life sciences, energy, circular economy, advanced manufacturing and ag food and agritech. Chobani is a great example. It is an American company. We have the only other manufacturing site outside of America in Victoria, and all of its dairy products are sourced from Gippsland.

**Lauren KATHAGE:** Chobani?

**Danni JARRETT:** Sorry, Chobani yoghurt.

**Lauren KATHAGE:** Yes, right.

**Danni JARRETT:** They get all their feedstock, so to speak, from Gippsland, so again, there is that long tail of supply chain of regional development, the regional economy, farmers, everyone that contributes to the breeding of cows and the dairy farms in Gippsland, transporting that product to their facility in Dandenong. We have worked very closely with Chobani around council regulations, planning, all of those approvals that they need to be able to set up the right type of facility to then manufacture their products. Then, likewise, as they look to then export their products, we assist them through that.

**The CHAIR:** Thank you, Ms Kathage. We are going to Ms Benham.

**Jade BENHAM:** Thank you, Chair. I want to talk about the budget paper 5, 'Statement of Finances', page 204 – the COVID-19 business lockdown class action legal costs. Secretary, on page 204, like I said, there is reference made to the state's contingent liabilities, including legal proceedings. Can you please confirm if the COVID-19 class action remains a contingent liability against the department?

**Matt CARRICK:** I might have to take that one on notice.

**Jade BENHAM:** Okay. Do you know how much in total the department spent on legal fees defending the class action before agreeing to pay the \$125 million in compensation to the businesses who were locked down by the government?

**Matt CARRICK:** I will have to come back to you with a precise figure on that.

**Jade BENHAM:** Okay.

**Steve DIMOPOULOS:** Sorry, that is fine, but I just wanted to say that it was not a class action against DJSIR.

**Jade BENHAM:** Okay.

**Steve DIMOPOULOS:** It was the state of Victoria, so the decision would not have been DJSIR's decision.

**Jade BENHAM:** But the figures would come under DJSIR.

**Steve DIMOPOULOS:** Potentially. I cannot even confirm that.

**Jade BENHAM:** That is where they are listed in the 'Statement of Finances', so that is why we are asking.

**Matt CARRICK:** We will clarify for you, and we will come back to you.

**Jade BENHAM:** That would be great. Thank you, Secretary. I want to talk about the DJSIR budget. On page 36 of the questionnaire it reports that the net result after the department's income and expenditure is accounted for that the department will deliver a budget deficit of \$56 million for this financial year. This result is \$18 million worse than what was originally anticipated. Can you explain how the department managed to deliver a \$56 million loss?

**Matt CARRICK:** In terms of \$56 million, that will be in terms of timing of when money is released from contingency for different projects, so that will be timing about when we might be paying out funds. If you look at much of what we do as a department, essentially it is actually about money which will be distributed to entities – we have over 50 entities. So that will be part of the reason as to why there is a \$50 million-plus deficit.

**Jade BENHAM:** Okay. You have got over 50 entities, like you said, so is there no detail on timing, because that is a pretty big lump in the budget?

**Matt CARRICK:** From time to time departments will have that, and as you would have seen through your examination of other departments, that is not uncommon to have that. We can come back to you with a little bit more detail on that.

**Jade BENHAM:** That would be great. Thank you very much. Has there ever been a deficit posted before, despite the fact you have received an additional \$21 million in special appropriations and \$292 million in additional grant funding – an additional \$313 million combined – and still managed a \$56 million deficit?

**Matt CARRICK:** The department goes through different iterations at different times, so that one, I am not sure.

**Heather RIDLEY:** I do not have the historic knowledge, I am afraid, I am sorry.

**Matt CARRICK:** Yes, we do not have that historic knowledge, but it is not uncommon for that to happen for departments.

**Jade BENHAM:** Okay. No worries. Thank you.

**Steve DIMOPOULOS:** Can I just observe that the department's budget is about \$2.5 billion or –

**Matt CARRICK:** Yes, depending on how you calculate it in terms of the throughput of money, but, yes –

**Steve DIMOPOULOS:** Throughput of money, that –

**Matt CARRICK:** So that is a small percentage –

**Steve DIMOPOULOS:** Of the bigger figure, yes.

**Jade BENHAM:** But still big numbers, really, when we are talking about taxpayer money. We are just trying to ascertain where the lumps and bumps are.

**Matt CARRICK:** It is not a company in the sense that it is a loss. It is about when the funding is actually allocated and goes out the door. But as I say, we can clarify whether that has happened previously.

**Jade BENHAM:** That would be great.

**Matt CARRICK:** If you would like, we can ask our CFO to come forward and answer some of the more detailed questions?

**Jade BENHAM:** We are happy to take them on notice given we have got very limited time.

**Matt CARRICK:** He is here if you want to talk more detail on some of this.

**Jade BENHAM:** I have got a couple of other questions first. I want to just go back to Innovation Victoria, if that is all right. Then, if we have got time, we might go to the CFO. That would be great.

**Matt CARRICK:** Sure.

**Jade BENHAM:** Breakthrough Victoria has appointed a new CEO – it is now Innovation Victoria, obviously. The position was not advertised or subject to a competitive recruitment process?

**Matt CARRICK:** If I may, Minister. The position which Mr Bristow applied for for Breakthrough Victoria was, as I understand it, publicly advertised. While that predates my time with the department, I understand that to be the case. He went through a competitive process, and he was appointed as CEO of Breakthrough Victoria. If we now fast-forward to the merged entity, what has happened is that Kate Cornick, who is the CEO of LaunchVic, has actually been headhunted to head up the Tech Council of Australia. Now, this is very important. The Tech Council of Australia – a wonderful organisation – has traditionally been very Sydneycentric, so for her to be based out of Melbourne as the head of the tech council is a massive

endorsement not only of her amazing capacity and ability but also says a lot about the tech scene here in Victoria.

**Jade BENHAM:** So she will remain here? She is not being relocated?

**Matt CARRICK:** My understanding is that Kate is remaining here in Victoria, which is fantastic.

**Steve DIMOPOULOS:** We are the startup capital.

**Jade BENHAM:** You are the startup capital.

**Steve DIMOPOULOS:** No, we are. Victoria is. Genuinely, we are the startup capital. It is extraordinary.

**Matt CARRICK:** That goes to the point of the work that LaunchVic has done under Kate's leadership and also Leigh Jasper as chair – a magnificent job in terms of helping to catalyse the startup community here in Victoria. We now have over 4400 startups, and I think a great deal of credit goes to LaunchVic under the leadership of Kate and Leigh and the board to get to where we have.

**Steve DIMOPOULOS:** And \$139 billion of value, as I said in my opening remarks.

**Matt CARRICK:** That is right. Then if we fast-forward in terms of a new entity which is being stood up, with Kate leaving, Mr Bristow was an obvious candidate. Basically, upon the recommendation of the department, a decision was made by the minister at the time appointing Mr Bristow as the inaugural CEO. The rationale when we looked at that was he had the right skill set, he had been through a competitive process quite recently and we wanted to be up and running come 1 July.

**Jade BENHAM:** Okay. Thank you.

**The CHAIR:** Thank you. Mr Tak.

**Meng Heang TAK:** Thank you, Chair, Minister and officials. I refer to budget paper 3, 'Service Delivery', page 64, which highlights the supporting of delivery of major sovereign mRNA manufacturing facilities. Minister, can you please outline the progress on the mRNA manufacturing facilities in Victoria and how this strengthens our sovereign capability?

**Steve DIMOPOULOS:** Thank you, Mr Tak. I cannot claim any responsibility for this other than for its continuing support and stewardship, but this is something we should all be extraordinarily proud of. We seized an opportunity in the context of a global pandemic, and in the context of the fuel crisis right now people are again turning to the conversation of sovereign capability, as we did turn to that conversation globally when it came to COVID. But we actually did something about it. The government, our government, at that point in time got a deal with the Commonwealth in facilitating, supporting, investing in, bringing in – and I will refer it to the Deputy Secretary in a moment because she had a bit more to do with it while she was there. Sorry, it happened during both the Secretary's and the Deputy Secretary's watch. But what is incredible about it is not only the fact that it is located in Melbourne, so there is a better opportunity for us, God forbid, should something like that happen again – mRNA is not just about vaccines, mind you. It is about personalised cancer treatment; it is about many, many other things. It is located in Victoria, this facility on Blackburn Road opposite Monash University, very close to your patch – it may even be in your patch; no, it is in my patch – and it has capacity to do 100 million vaccines of all types of mRNA.

What is interesting about that is that was related to Ms Kathage's question about the downstream effects of these investments. It is related to the fact that BioNTech decided to locate here and Moderna is here. We are the only city on the planet that has those two powerhouse medical research companies and pharmaceutical companies who have located here, which gives us then more opportunity beyond the initial investment. Do you want to –

**Danni JARRETT:** Sure. Thanks, Minister. In addition to securing both Moderna and BioNTech, through mRNA Victoria's very targeted approach to essentially developing a new sector, which is what mRNA vaccine and therapeutic manufacturing involves, mRNA Victoria has supported over 65 projects since its establishment in 2021 with \$34.1 million, but also it has committed to have leveraged up to \$109 million in other capital. It has contributed to spin-off companies and attracted \$17 million in private venture capital as well. What that

does is develop the growth of mRNA as a new industry that contributes to new vaccines being developed not just for COVID but for other diseases and cancer therapies as well. In and of itself it is contributing to not just research capability but manufacturing capability in Victoria.

**Meng Heang TAK:** Thank you. Minister, can I also bring you back to another question: can you outline how global investment, such as the Moderna establishment operation in Victoria, which is next to – you said Blackburn Road – the heart hospital and Monash University, the medical hub, is creating jobs and building Victoria's skill base?

**Steve DIMOPOULOS:** Thank you, Mr Tak. Part of it is the talent attraction, because – this goes without saying – most of these advancements are made at this stage by human beings assisted by artificial intelligence on occasion. Being able to have that facility located literally next door to the biggest university in Australia, with also a medical school, a faculty that is in the top 50 in the world, and then the synchrotron next door – again, proudly a Labor government under John Brumby and Steve Bracks – means you start getting a really deep ecosystem and you attract talent, you attract people, professors, postdoctoral researchers and high net worth individuals. BioNTech, if I am not mistaken, Deputy Secretary, was a couple of researchers who found a discovery and set up a company that has become global, and they have located here. You start attracting not just the talent, but they bring with them other compatriots and other colleagues, and they bring with them capital. Then all of a sudden you start getting a supplier-to-supplier, business-to-business arrangement – quite a hefty industry – and you attract more and more. That means Victorians get access to jobs. I feel like it is almost straight out of the University of Monash and many others too. You walk across the road to a world of opportunity – not just across the road but around the precinct. It leads to long-term jobs, high-value jobs, high-paid jobs and the creation of intellectual property, which then already is headquartered here in Melbourne and Victoria, because they are here. Then there are a whole bunch of startups that come from those opportunities.

**Meng Heang TAK:** Minister, if you can talk about how the investment strengthens Victoria's long-term economic resilience and innovation capacity.

**Steve DIMOPOULOS:** I think the resilience comes from, Mr Tak, the fact that, again, going back to COVID or the fuel crisis, we realise how vulnerable we are when global supply chains are threatened. The more we have here on things that really matter – the Deputy Secretary talked about those key sectors and those key industries – the more of the supply chain, the more of the intellectual property and the more of the talent we have here, we are protected in a health sense, in a public policy sense and in job creation by having it located in Melbourne and Victoria.

**Meng Heang TAK:** Thank you, Minister.

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

**Aiv PUGLIELLI:** Thank you, Chair. Good evening, Minister and officials.

**Steve DIMOPOULOS:** Hello.

**Aiv PUGLIELLI:** Looking at Invest Victoria, which we were just talking about a little bit earlier, can I ask: has Invest Victoria had any engagement with the company Palantir?

**Steve DIMOPOULOS:** I am not sure if the Deputy Secretary – can you give us more information, Mr Puglielli?

**Aiv PUGLIELLI:** It is a particular company. It has historically been used in different departments of government. Given Invest Victoria and its portal for securing investment for the state, have there been any engagements, partnerships, contracts, meetings, anything ongoing?

**Steve DIMOPOULOS:** What do they do? Do you know what the company –

**Matt CARRICK:** Yes. What I can say is that we certainly do not have any contracts with that company.

**Aiv PUGLIELLI:** Okay.

**Matt CARRICK:** I am unaware that we have had any direct dealings.

**Danni JARRETT:** It has not come through the investment front door.

**Aiv PUGLIELLI:** It has not? Okay.

**Matt CARRICK:** Yes. If any other further information comes to hand that contradicts that, we would certainly let you know.

**Aiv PUGLIELLI:** Are you aware of this because historically that has been the case in the past?

**Matt CARRICK:** No, I am aware of that because you asked a question about it the other day.

**Aiv PUGLIELLI:** That is right. Fair enough. Someone has been watching PAEC.

**Matt CARRICK:** You are all very entertaining. How could you not?

**Aiv PUGLIELLI:** We have just been speaking about data centres, and the Premier recommended I raise this with this session actually.

**Steve DIMOPOULOS:** Bless her.

**Aiv PUGLIELLI:** Once a data centre is set up and it is running in Victoria, how many people does it typically employ, and in what capacity and what roles once it is set up?

**Steve DIMOPOULOS:** Data centres?

**Aiv PUGLIELLI:** Yes.

**Steve DIMOPOULOS:** I will throw over to the Deputy Secretary to give you a more complete answer, given her length in the portfolio. But if I can just make one quick comment, because I think it is very important: yes, of course the first line of sight is construction jobs. We have got requests already by these industry groups to have thousands more electricians trained. What you would want and expect after that is that we have a seat at the table of a global industry that is only growing because we have a weight of data centres here. Then we can actually have a conversation with the operators of data centres and the tenants of data centres, whether it be Amazon or Microsoft or whoever else, about what else is in play for Victoria. We have already got a bunch of this at embryonic level, but I would like to see high-value jobs for Victorians who actually write the script for the next breakthrough in AI. Data centres are just the beginning of the equation. I might ask the Deputy Secretary if she has more information about what types of jobs.

**Danni JARRETT:** Thanks, Minister. In terms of the number of jobs – I think that was your question.

**Aiv PUGLIELLI:** And what types of roles we are talking, once it has opened particularly.

**Danni JARRETT:** Sure. In terms of the number of jobs, at the moment we have 24 projects in our investment pipeline. We are estimating that that would equate to around 4780 jobs once they are operational, so around 200 jobs per project as such. I think the types of jobs that they would require – really some of that is somewhat determined by the customers and the clients that they have for data centres. Data centres are in a sense a hotel for data. They have clients, whether it is banks, security companies, a range of different types of companies, that will rely on data centres to hold their data. So the types of jobs really are attached to the customers that are using those data centres to hold their data, but safe to say, it is highly technical.

**Aiv PUGLIELLI:** Just to build upon that answer, once a centre is opened does the department retain oversight of the employment that goes on within that centre, or is that no longer visible?

**Matt CARRICK:** The short answer to that is not directly, because what you will find with data centres is the sort of assistance that we are providing is non-financial assistance. It is facilitation in terms of advice on planning regime, site selection, things like that. That is different for the category of companies we provide grants to, because there are contracts in place and milestones that have to be met in terms of payments against job outcomes and reporting provisions which are in place. So there is no legal avenue to keep tab on the number of jobs. But what we can say, based on our experience and also based on the relationship with the companies, is they tend to share information with us, given that we work with them quite a bit.

The other thing I would supplement, if I may, is the number of jobs will vary. The average is about a couple of hundred, but it will vary from a few to many more than that 200 figure. In terms of the types of skills, it is really interesting in that it requires a blend of what you might call blue-collar skills. Electricians are in high demand for those ongoing operational roles, but then there is a range of other skills which data centres are looking to populate their workforce with. The sorts of skills which are required are around machine learning, data engineering, software development, and so there is a whole range of different skills which are required.

**Steve DIMOPOULOS:** Just quickly, I think I know that your concern might be in terms of social licence around these things. Can I just say quickly that digital jobs is a program that is supported in this budget and has been for the last few years in different forms, literally taking effectively white-collar professionals here in Victoria and giving them a course and upgrading their skills, micro-credentialing and beyond that, to how they would do their job in an AI world. There are some really good examples here from a company called Umps Health and a whole bunch of others that we have worked with. I think we are doing an intake of 500 Victorians on that – things like machine learning, generative AI implementation, prompt engineering, data engineering, AI model evaluation and testing. We are not just leaving it at a data centre stage of the investment. We are investing in the workforce. Our sustainable data action plan includes five pillars; one of them is a skilled workforce, not just for the establishment of the data centre but beyond – the AI world.

**Aiv PUGLIELLI:** Thank you, Minister.

**The CHAIR:** Thank you, Mr Puglielli. Mr Hilakari.

**Mathew HILAKARI:** Thank you, Minister. Thank you officials. It is good to see you again this evening. On ‘Attracting talent to Victoria’ on budget paper 3, page 65, we have talked a lot about talent tonight and the sort of wonderful talent we are establishing in Victoria through the many programs that we run and supported by state government, but particularly with reference to the state visa nomination program, I am keen to understand how that is bringing that wider range of skills into Victoria.

**Steve DIMOPOULOS:** Thank you, Mr Hilakari. Just to give you a bit more detail on it, I will throw to the Deputy Secretary, but as I said earlier in response to a question by Mr Tak, when capital is footloose and they are seeking to go somewhere and we know that they are seeking go somewhere, we have so much in our armoury to encourage them to come here – the stuff I talked about: the planning assistance, facilitation, even funding facilitation, getting this under the regulatory hurdles. What is also a really lovely adjoiner to that is having a visa nomination process, which is normally a Commonwealth responsibility. It still is, but the Commonwealth effectively takes our recommendation in almost all cases.

**Mathew HILAKARI:** As they should always.

**Steve DIMOPOULOS:** What is lovely about that is you can offer the talent, whatever talent we are seeking – a skilled person, whether it be the capital owner or their top executives or employees – an opportunity to have a full investment here in Victoria, including a new life for some of those people. We use that as required. Some may not be seeking the nomination, but it is an important tool for talent attraction in the broader scheme of things.

**Mathew HILAKARI:** You get to supplement, if you like, because I am really keen to understand more about the program.

**Danni JARRETT:** I am happy to supplement. As the minister outlined, the skilled migration program that we support is where we really focus on ensuring that we get the right skills that are most in demand and deliver the most economic outcome and impact for the state. We review that each year in terms of how many occupations and skills that are most in demand for in Victoria. And alongside that, you mentioned the global talent attraction program, which was announced in last year’s budget for \$3 million. That is really to seek to attract international leaders in R&D. We are really leaning into our strength as a state for medical research capability, so we are looking and working with partners to identify some international leaders in medical research, highly skilled, that we can secure and bring them and their research labs to Victoria. That program is currently underway. We are looking to hopefully make some announcements shortly.

**Steve DIMOPOULOS:** We have got some very willing universities who are willing to give us some pipeline.

**Mathew HILAKARI:** Do not give anything away yet, but in terms of when a research lab comes to Victoria, it is not just the individual researcher but a whole team around them that comes through?

**Danni JARRETT:** It depends. It could be a team, it could be the individual, but what that brings then is them bringing their own network internationally as well that they can leverage as to whether they come here, and we are also then expanding our network as Victorian researchers with their own international network of researchers. It is the profile that that brings in terms of the credibility of bringing new knowledge and expertise that then will result in research outcomes that can then be applied to research institutes here in Victoria that then helps to achieve that sort of agglomerative outcome and impact for –

**Steve DIMOPOULOS:** And Mr Hilakari, can I just say, as the Deputy Secretary alluded to, there are a couple of different categories, but the state visa nomination program in 2025–26 has nominated 689 health professionals, 652 education professionals, 87 social services professionals and 27 construction workers. So it is quite a wide field, but 689 is the biggest, being the health industry, with 67 professionals working in new energy and advanced manufacturing and 41 professionals working in regional hospitality and tourism. They follow, not entirely but largely, the growth priorities in the economic growth strategy. I tell you, we always do well in filling our quota, and in many respects, I would argue for more from the Commonwealth.

**Mathew HILAKARI:** What does that mean for the productivity of Victoria and business investment for Victoria? When they are bringing their lab and their support and their networks, what does that do for our economy?

**Steve DIMOPOULOS:** Just quickly, I was literally at the Australian Hotels Association, as a few people from across the Parliament were, last night, and I met with the executive of the AHA beforehand. They have a real pinch point. They raised this, not me; they raised migration as a real pinch point for their business. They cannot get enough chefs and sous-chefs and even other roles in hospitality. They said to me that they are advocating to both sides of politics in Canberra. If you take just that example from a big industry, AHA, that is a constraint on growth. If you cannot find the right workforce where you need it, particularly when you talk about regional Victoria but even in Melbourne, that is a constraint on growth. We have a very, very high participation rate in this state. If we had the participation rate of the rest of the country, our unemployment rate would be 1 per cent. We have a lot of people who are already gainfully employed, but also our people have not given up; they are still seeking employment. But even with that quite good labour market, there are constraints to the workforce, particularly in hospitality, but probably in these other areas. I do not leave you much room, do I, Deputy Secretary.

**Mathew HILAKARI:** In the seconds we have left, it strikes me that there are many one-university towns – we are a multi-university town. What happens if we cut the visas for university students, as the federal opposition would propose?

**Steve DIMOPOULOS:** It would be devastating for our economic growth; it really would be. We have two of the world's top 50 as well. We have got many, many excellent universities.

**The CHAIR:** Thank you. I am going to stop you there, Minister. We are almost 5 minutes behind time. Minister and officials, thank you very much for appearing before the committee today. 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 an extremely short break – 1 minute in fact – before beginning its consideration of the portfolio for sports and major events at 7:55. I declare the hearing adjourned.

**Witnesses withdrew.**