

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2025–26 Budget Estimates

Melbourne – Tuesday 3 June 2025

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Meng Heang Tak

Richard Welch

WITNESSES

Jaclyn Symes MLC, Minister for Regional Development; and

Matt Carrick, Secretary,

Xavier Csar, Chief Executive Officer, Regional Development Victoria, and

Heather Ridley, Deputy Secretary, Corporate 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 2025–26 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.

All evidence given today is being recorded by Hansard and is broadcast live on the Parliament's website. The broadcast includes automated captioning. Members and witnesses should be aware that all microphones are live during the hearings and anything said may be picked up and captioned, even if it is said quietly.

As Chair I expect that committee members will be respectful towards the witnesses, the Victorian community joining the hearing via the live stream this afternoon and other committee members.

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 Regional Development, the Honourable Jaclyn Symes, as well as officials from DJSIR. Minister, I am going to invite you to make an opening statement or presentation of no more than 5 minutes, and this will be followed by questions from the committee. Your time starts now.

Visual presentation.

Jaclyn SYMES: Thank you, Chair. Third portfolio today. I am very proud to be here as the Minister for Regional Development, because regional Victoria is a key contributor to our state's economy. The regional economy is worth \$118 billion a year and accounts for around a quarter of the state's economic output, population, small business and employment. With an unemployment rate of 3.7 per cent, our regions are a great place to work and indeed live.

Some industry highlights include leading the state's clean energy transition. Nearly 40 per cent of Victoria's energy is now generated from renewable sources, with most of it produced in regional areas. There has been an increase of 285.2 per cent in minerals exploration activity over the past decade, reflecting strong investment growth in this sector. The export value of regional Victoria's food and fibre produce reached \$19.6 billion in recent years as well. These key sectors play a vital role in driving economic growth, employing locals and supporting country communities, which is all what the regional development portfolio is about.

In relation to some achievements in the last decade, the portfolio has committed over \$2 billion in funding and delivered more than 3600 projects, resulting in the creation of more than 16,000 jobs and contributing more than \$700 million in exports from regional businesses. We are on track to attract more than \$800 million in private sector investment through leverage activities in our regions across 2023–24 and 2024–25, and we are currently delivering more than 634 projects across the state, including the Nyaal Banyul Geelong Convention and Event Centre and the Twelve Apostles precinct redevelopment, which will drive tourism and economic growth for generations to come.

Touching on the Nyaal Banyul Geelong convention centre precinct, it is the centrepiece project of the Geelong City Deal. The precinct will include a purpose-built convention and exhibition space, incorporating a 1000-seat

venue and two large exhibition spaces, and it will be home to retail spaces and a 200-room Crowne Plaza hotel. The project is on track to open its doors in 2026.

The Twelve Apostles precinct redevelopment will provide a world-class visitor experience centre and gateway to the Shipwreck Coast and is also on track to be delivered and completed in 2026. At the centre of the project's design and delivery is an ongoing partnership with the Eastern Maar Aboriginal Corporation, ensuring traditional owners benefit from the project now and into the future.

As you can see from the slide as well, the very popular Tiny Towns Fund is supporting almost 350 projects, with round 2 projects recently announced at the start of May.

The slideshow shows the breadth of activities across the state from our hardworking staff in RDV, from large-scale visitor economy projects such as Mildura Trail of Lights, which is expected to attract more than 100,000 visitors in its first two years, to the enhancement of Ballarat's creative economy through a \$10 million investment in the upgrade of Her Majesty's Theatre. We have got targeted place-based investment that is driving transformative regional investment by prioritising strategic opportunities that align with the unique economic strengths of each region, which is demonstrated by that slide that I have got on the screen. We are supporting Farm Frites to establish a 24-hour production facility in Dooen, western Victoria, creating 250 jobs. We are bringing Bunnings to the Portland North employment precinct as the anchor tenant, which is 50 jobs in creation and 50 ongoing. The Sailors Grave Brewing relocation is an expansion in Gippsland creating 27 jobs through increased production capacity and a new cellar door experience. The Casella wines commercial whisky distillery in Rutherglen has been supported; that will be 30 new jobs there. And as you can see, there are some other investments around the state, which are just highlights of the many activities that are being undertaken.

There are budget initiatives that I quickly wanted to run through. There is \$150 million for the Victorian Investment Fund, including a minimum \$50 million for a dedicated regional stream delivered by RDV, which provides domestic and international investors support to secure business investment that creates jobs supporting innovation and underpins the long-term economic growth of priority sectors. There is \$4 million for a place-based partnership initiative, \$10 million for trunk infrastructure to unlock more and more opportunities in regional Victoria and the Launching Pad initiative, which you can see on the screen as well. Thank you, Chair.

The CHAIR: Thank you, Minister. We are going to go straight to Mrs Benham.

Jade BENHAM: Thank you, Chair. Minister, if you have not seen the Mildura Trail of Lights, I highly recommend it.

Jaclyn SYMES: I have not, but I will let you know when I come up.

Jade BENHAM: Put it on the list. Minister, last budget, the then minister spruiked about the government spending \$2 billion on regional Victoria:

... across a range of portfolios to support the infrastructure, services and projects regional communities rely on.

I noticed the government has not yet mentioned a figure, unless it is the \$1.3 billion in your presentation then. Is that because the funding to regional Victoria has been cut again?

Jaclyn SYMES: No. Thank you for your question. This budget builds on year-on-year investment in regional Victoria. We are now up to \$47 billion to regional Victoria since we came to office in 2014. That is an average of over \$4.3 billion in new funding to regional Victoria every single year. I think you talked about the \$2 billion investment from my predecessor. That was the regional package that was announced in 2023, and that includes some of the projects that I have now inherited in relation to Tiny Towns projects. The 2025–26 budget invests \$64 million into regional development through the Victorian Investment Fund, which I went through; the regional place partnerships; \$400,000 as part of the economic growth statement for the Regional Launching Pads; and the \$10 million in infrastructure. That is through the regional development portfolio. But in relation to regional Victorian investment, the budget includes a range of initiatives. You have got the whole-of-government ones that I have gone through, but the specific ones for rural and regional – take healthcare and hospitals, for example: \$84 million for regional and rural ambulances, \$6.6 million for rural nurses and midwives and \$12 million for the Maryborough hospital, which I talked about earlier.

Jade BENHAM: Sorry, Minister. The whole-of-government number was \$2 billion for the regions last year. Has it come back to \$1.3 billion as illustrated in the presentation this year?

Jaclyn SYMES: No. I was just taking you through all of the initiatives.

Jade BENHAM: In the interests of time, given I have not got that much –

Jaclyn SYMES: To go through the list?

Jade BENHAM: I just need the whole number for the whole budget, not just regional development.

Jaclyn SYMES: It is around \$2 billion this year as well.

Jade BENHAM: Around? So less than or more than?

Jaclyn SYMES: As I indicated, we are up to \$47 billion since being in office, and last year we were \$45 billion.

Jade BENHAM: So more or less than last year?

Jaclyn SYMES: It is around the same.

Jade BENHAM: Budget paper 3, page 149, shows the regional development output budgets being cut by over \$50 million or 17 per cent. What specific programs or services are being cut as a result of that 17 per cent cut?

Jaclyn SYMES: In the regional development portfolio there are no cuts. The staff will continue to deliver the programs that I have outlined.

Jade BENHAM: There is no new funding, though, for new regional development initiatives?

Jaclyn SYMES: Yes, and I took you through some of those in relation to the presentation that I gave, particularly the \$50 million investment fund, which is a guaranteed minimum for regional Victoria. That would be the centrepiece announcement from the perspective of my portfolio. Regional investment is a whole-of-government approach, but from the regional development ministerial position, that \$50 million is a minimum, as I said. We can access more broadly the investment fund, which is \$150 million for appropriate projects. The budget also includes the \$4 million for the Regional Development Australia committees, which I think you would be familiar with. And there is the \$10 million for the trunk infrastructure for regional economic growth and a little bit more money in relation to the economic growth statement dedicated to regional Victoria.

Jade BENHAM: Great. Thank you. With reference to budget paper 3, on page 150 there are 18 grants programs – and we are specifically talking about regional grants now – that deliver jobs and investment on the RDV website. Seventeen of those 18 are closed, and some have not been opened since 2022. The only one currently open in our eyes is the Portland Diversification Fund. So why are there no programs available to create jobs in regional Victoria?

Jaclyn SYMES: Well, this is why I have been at pains to point out the \$50 million fund that is all about growing the regional Victorian economy. It is about ensuring that we can attract businesses – either new businesses or existing businesses – to grow, expand and adopt innovation and new technology. Often the benefit of these funding arrangements is you will have an employer who has plans to expand – they are a little bit cash strapped but have a good business case that stacks up – and with some investment from the government, which we have in the bucket of money from the Victorian Investment Fund, it gives them confidence and it often brings forward their plans. If it is of benefit to regional Victoria, then we are all ears. If you have got any in your electorate, by all means I am more than happy to go and talk to anyone about the opportunities to invest government money to make sure that they can employ more people, grow and help the region as well as the economy.

Jade BENHAM: What is the phasing for that \$50 million program? Is it over four years?

Jaclyn SYMES: Two.

Jade BENHAM: Two years. Okay. Is that evenly split – \$25 million available in 2025–26 and then 2026–27?

Jaclyn SYMES: I think what I would say is –

Matt CARRICK: Four, for the regional.

Jaclyn SYMES: Oh, is it? I do apologise, Ms Benham. It is over four years.

Jade BENHAM: It is over four years.

Jaclyn SYMES: But as I indicated, there is \$50 million that is dedicated just to regional, but that does not mean that projects are locked out of the broader bucket. What I would say is if you have got a good idea, if you have got a plan that will employ more regional Victorians, I will usually find a home for it.

Jade BENHAM: Great. But that opens as of the 2025–26 year? Okay. Terrific. And that is over four years. So we have got the \$50 million grant. Are there any other grants allocated to the Regional Infrastructure Fund or Regional Jobs Fund that we could see coming to create more jobs in the regions?

Jaclyn SYMES: That is the purpose of the investment fund – same purpose.

Jade BENHAM: But that is the only investment over the next four years?

Jaclyn SYMES: Well, no. Just to repeat, there are a couple of other opportunities for funding that support job creation. That includes the broader package. There is also the forestry transition money that is geographically specific, and as part of the economic growth statement there is the \$10 million trunk infrastructure, which is about industrial land activation, effectively.

The CHAIR: Thank you, Minister. We are going to go straight to Ms Kathage.

Lauren KATHAGE: Thank you, Chair. Thank you, Minister. I think we have touched a little bit on that Victorian Investment Fund, which is in budget paper 3, pages 61 and 67, through answering Ms Benham's questions and also a bit in your presentation, but can you speak a bit to how that fund actually supports industry and jobs in the region?

Jaclyn SYMES: I can because, as I said, I am actually quite excited about the opportunities that it presents. As you might appreciate, I am a returning regional development minister – I had the portfolio for a couple of years some time ago. It is a fantastic portfolio, and the reason it is fantastic is you get to visit regional areas and you get to talk to people that are doing pretty exciting things about making, creating, exporting and employing people. Generally they are really passionate about what they are doing, whether it is a gin distillery or – I keep referring to this – a particular organisation in Alexandra that fixed little helicopters. When I visit these types of industries and talk to them about what they are doing, I get really into the details of their projects, because the passion out there is amazing. You are pretty much regional Victoria, Ms Kathage, as well. You would have met a lot of these businesses.

When it comes to the support that Victorian government can give, as I was saying, it is about being able to help verify people's good ideas and give them confidence to grow their business, invest and employ more people. That is what the fund is effectively all about. It is about attracting investment and growing the regions. We expect quite a bit of interest. There always is, often from small businesses that want to become larger and step into new premises and the like or add a new line to their manufacturing or production. That happens a lot in food manufacturing, for example, responding to market demand and seeing where the future goes. Sometimes they just need a little bit of additional financial support from government, which has two benefits in my mind. One is financial support, but two is often that confidence boost they have got – that someone else has said to them, 'Your idea is really good and it's going to work and it's going to employ more people.' That is the benefit as well, because it gives them confidence to put their money into their project as well. That is the benefit of the fund. I am not sure if you wanted to add anything, Mr Csar, in relation to any of your experiences in talking to people about the opportunities that the fund presents.

Xavier CSAR: Thank you, Minister. Yes, thank you for the question, thank you for the referral. We work right across regional Victoria. We have regional offices led by senior regional directors, and we are engaging

with businesses every day. We are intensely interested in where those opportunities for growth, investment and productive capacity can be found. This \$150 million fund gives us the opportunity to engage with businesses not just on the basis of what financial support can be put into those projects but actually to understand all the impediments that they are facing, whether it is workforce, land availability, planning, partners. We work with that. In a sense, that \$150 million, which is a statewide remit, and then the \$50 million that RDV specifically will have a call on, gives us the opportunity to unlock investment way beyond the value of that fund.

Jaclyn SYMES: I think the other one I would add is it really links in with some other priorities and initiatives of government, particularly in the skills space. This is where former roles are particularly useful. Linking TAFE with industry and making sure that the skills that are needed for the future in particular regions are all part of a collective conversation between TAFE and employers and the like. These types of conversations are often facilitated by the opportunities to come and sit down with RDV about your plan, because you can talk about your infrastructure needs and your financial needs but also your people needs. Most RDV staff are in the regions. They know people. Their job is to network. The opportunities that the fund presents – I am trying to get across that they are more than just money. They actually can have multiplying benefits to a range of services to promote the regions. I think there are some really good examples of where they have worked. This slide shows some of the key investments that we have made. A company that received funding which is close to you and me, Ms Kathage, is Koala Cherries, which is very fun to visit in cherry season. They received a grant that enabled them to increase production and employ 72 new people, and so they are the types of opportunities that we look for to assist businesses to grow but, importantly, employ more people so that there are more opportunities in the regions.

Lauren KATHAGE: You spoke about some of the RDV workers and the really place-based approach to what they are doing. The budget papers, Minister, refer to the place-based partnerships. Is that also contributing to jobs? How does that contribute to more jobs in the region? I know people want to live in regional Victoria.

Jaclyn SYMES: Yes, again, I think there was \$400,000 –

Xavier CSAR: Four million dollars.

Jaclyn SYMES: Four million dollars, sorry, for this particular initiative. The portfolio is really about the economic prosperity of regional Victoria. In relation to some of this money, it is about ensuring that we are getting the right people at the table to have the conversations. The Regional Development Australia committees, which are all about that \$4 million partnership, bring together committees of talented regional leaders that collaborate with local businesses and stakeholders to support the sustainable economic growth of our regions. The reason that we break it up into regions is most regions have got different, unique opportunities to explore. There is a little bit of healthy competition between the regions in Victoria, but there is the opportunity to identify what you are really good at, to be specialised. That is what some of the work that the RDA committees are able to do, and that is what that investment is pretty much all about. It also is underpinned by the nine regional partnerships that the state government help facilitate. Again, coming back to some of the benefits of the fund, it is about getting the right people in the room and identifying the wants, needs and desires of local areas and where we as a portfolio can help support those endeavours. Regional development is very much about regional people, and so there are a lot of opportunities to hear from people about how we can best support opportunities in regional Victoria.

Lauren KATHAGE: I think one of those that you set out a bit in your presentation was the Geelong City Deal, and I saw in the budget papers that there is funding there for Nyaal Banyul. Can you update us on the progress there with the city deal?

Jaclyn SYMES: Yes. Thank you, Ms Kathage. This is quite a large project, one of the largest projects outside of Melbourne, I have got to say. It all came about as part of the Geelong City Deal, which was inked just before my first iteration as regional development minister, but it is a collaborative exercise with the federal government and it has continued for some time. One of the cornerstone announcements was the investment to revitalise Geelong and the Great Ocean Road but in particular the Geelong convention centre. That is going to attract and facilitate conferences and a range of events and really bring an economic boost to that part of the state. It is over halfway through construction. It is basically the inside stuff that they are doing now. It is progressing quite well, and I am going down to have a look in July in relation to where that project is up to, but it is going to be an exciting opportunity to bring more and more investment into that region. Obviously Geelong

is a premier city. It is getting quite large. We want to make sure that we can capitalise on the assets that it has. I think I went through the project in my presentation, but it is a 1000-seat venue with two large exhibition spaces, meeting rooms, conference facilities and flexible event spaces. It is really about reaching the opportunity for tourism potential. The business case is forecasting it could attract an additional 300,000 overnight visitors to that region by 2030, and completion is on track for 2026.

Lauren KATHAGE: In terms of employment pipeline, is there a focus on how that development will help apprentices and trainees and traditional owners into secure employment?

Jaclyn SYMES: Yes. As I said at the outset, there has been a really good partnership with traditional owners in the area. We have got some programs about contracting Aboriginal business spend and Aboriginal employment targets in relation to a lot of the projects that are connected to the city deal.

The CHAIR: Thank you, Minister. We are going to go straight to Mr Puglielli.

Aiv PUGLIELLI: Thank you. Good afternoon. Just regarding the Regional Jobs Fund, I note on the department's website that applications for the fund for 2024 have been closed but there is no public information on their allocation. Have successful applicants for that round been announced?

Jaclyn SYMES: As you would appreciate, Mr Puglielli, I think some of that will be before my time and some will be since. I am certainly aware of a lot of the recipients. As to whether I can confirm if everybody who has been successful has been notified, I will have to take that on notice. If there are not any, there would be very, very few.

Aiv PUGLIELLI: Okay. Thank you. It would be good to have a sense of a rationale if that is the case.

Jaclyn SYMES: Well, that is why I would think it is unlikely. There might be some processes that we are still working through, but the purpose is to work with employers and get the money out the door pretty quickly. You want to make sure people are encouraged to move as quickly as possible. We try to avoid all delays, but obviously there is some due diligence that often needs to occur to make sure taxpayer money is getting the biggest bang for its buck.

Aiv PUGLIELLI: Okay. On to regional community leadership programs: funding for these programs was ceased in 2023. As you would appreciate, young women in regional areas have limited leadership opportunities. These programs provided a pathway for women who otherwise would not necessarily be given these opportunities. What are you doing to support young women in the regions without that funding?

Jaclyn SYMES: As you have rightly pointed out, I think in terms of a lot of the leadership programs, they were supported financially over many years with a commitment, last time I was in the portfolio, to identify opportunities to become self-sufficient. Some have indeed done that. I think, coming back to some of the questioning that we were talking about in relation to the partnerships with the RDAs and our regional partnerships, there is an opportunity for representatives from regional areas. We certainly look for diversity, we look for young people and we look for female representatives in particular. I think if you were to look at the list of people that are in regional partnerships, you would agree that we have done well in relation to diversity and a range of views to represent regional communities. Specifically in relation to support for rural women, I would urge you to ask the Minister for Agriculture about the Rural Women's Network, I think it is called, because that is a program that is underway and will pick up exactly some of the issues that you have identified. When I had the two portfolios some time ago, they crossed over, but it sits with the Minister for Agriculture.

Aiv PUGLIELLI: Thank you.

The CHAIR: Thank you, Minister. Minister and officials, thank you very much for appearing before the committee this afternoon. 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 now going to take a break before beginning its consideration of the Premier and Cabinet portfolio at 2 pm.

I declare this hearing adjourned.

Witnesses withdrew.