

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2025–26 Budget Estimates

Melbourne – Thursday 12 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

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, Projects and Coordination, 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, 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 said quietly.

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

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 Industry and Advanced Manufacturing the Honourable Colin Brooks, 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 the committee will ask you some questions. Your time starts now.

Colin BROOKS: Thank you, Chair, and thanks to the committee. I would like to start by acknowledging the traditional owners of the land that we are on and pay my respects to elders past and present. I appreciate the opportunity to present to the committee. I have with me here today Matt Carrick, the Secretary of DJSIR; Danni Jarrett, the Deputy Secretary, Industry, Trade and Investment; and Julian Lyngcoln, Deputy Secretary, Economic Policy, Projects and Coordination.

Visual presentation.

Colin BROOKS: We might move on to the next slide. Chair, the Victorian government is backing our advanced manufacturing sector, and I have had the privilege to visit many businesses to see businesses in operation and workers in action. Some of the more recent visits have been out to the new Arnott's factory at Rowville – the first time Arnott's has been manufacturing in Victoria in a long time; Mr Galea was there and Mr Tarlamis and Mr Wells from Rowville – S&A Stairs in Braeside and Walkinshaw automotive factory in Clayton.

Nick McGOWAN: Monte Carlos, Minister?

Colin BROOKS: I will come to the products.

Nick McGOWAN: I cannot wait.

Michael GALEA: Keep going, Minister. Do not be distracted.

Nick McGOWAN: You are tempting me.

Michael GALEA: They are trying to waste your time.

Colin BROOKS: It is a topic of much conversation. We also visited Mars Petcare in Wodonga, who do a fantastic job. They are employing lots of people. That is just to name a few. I am proud to say that Victoria is the leading state for advanced manufacturing. Overall, our manufacturing sector contributes some \$37 billion in gross value add, with 23,000 businesses supporting more than 280,000 jobs – 30,000 more than in New South Wales – and exporting goods worth some \$25.6 billion. Since the release of the *Economic Growth Statement* we have been getting on with delivering initiatives that will provide industry with confidence to invest and create jobs, including a 10-year plan to unlock industrial land; addressing skills gaps through the skills solutions partnerships program; boosting exports through a \$10.9 million package to help Victorian small and medium-sized businesses; establishing the investment coordinator-general; reducing business regulation; and simplifying government processes, including a commitment to halve the number of business regulators by 2030. The new Victorian industry policy strengthens this by delivering a policy framework in targeted areas, leveraging our many strengths while seizing emerging opportunities. Chair, this policy highlights segments in manufacturing, health technologies, renewables, critical minerals, agriculture and circular and low-carbon production as areas of emerging or existing comparative advantage for Victoria.

In terms of budget initiatives, some of the key highlights for the portfolio are the \$150 million Victorian Investment Fund, which I think this committee has already considered or heard about, which will drive priority sector businesses to expand, invest and create jobs and cement Victoria as a place to do business; a total of \$7.6 million over four years for the Victorian defence vision to secure major defence contracts through advocacy, advisory and capability; and \$6.3 million for the continued delivery of Local Jobs First, ensuring local workers and businesses continue to benefit from the investment in infrastructure, goods and services – all of these key components of our industry policy.

In terms of achievements, the department is on track to deliver its 2024–25 BP 3 targets of 900 jobs and \$300 million in capital investment from industry growth programs. A key investment we made over the past year was, as I said before, Good Food Partners – sorry, it was not an investment. A good facilitation we did this year was Good Food Partners or Arnott's out in Rowville. As I said, Mr Galea, Mr Tarlamis and Mr Wells from Rowville were there on the day that we celebrated the opening of that facility, which produces 300 million bowls of muesli, 40 million oat sachets and 180 million muesli bars each year –

Nick McGOWAN: It is all too healthy, Minister. I am not impressed. I am not impressed by any of that at all.

Colin BROOKS: but unfortunately, to the disappointment of all of us MPs, no Tim Tams.

Nick McGOWAN: No biscuits?

Colin BROOKS: No biscuits, just healthy stuff.

Further on achievements, as part of our major events calendar last year we hosted Land Forces 2024, the largest international land defence conference held in Australia. At the Avalon air show this year I launched the *Victorian Defence Vision Statement*. In a Victorian first, the statement outlines how we can continue to secure defence-related opportunities and our strength and supply chain capability.

To deliver our commitments in the housing statement we released the *Victorian Prefabricated Construction Directory*, which showcases the amazing capabilities of 24 innovative businesses that use modern methods of construction like prefab and modular.

The CHAIR: Thank you very much, Minister. The first 13 minutes is going to go to Mr Welch.

Richard WELCH: Thank you, Chair. Thank you, Minister and officials. As a proud Victorian, I am very pleased about today's digital announcement. It is good we are adding to that stock, and I think that you would be the first to agree there is much more work that needs to be done.

In that vein, no less than 31 of the 32 initiatives announced today have already been announced – 27 were cut-and-pastes from last year's *Economic Growth Statement* and four were already announced in the budget. The

one that was not is simply looking at skills, which it would be alarming if you were not already. So Minister, can you outline if there are any new policy initiatives at all in today's Victorian industry policy announcement?

Colin BROOKS: Yes. Thank you for the question. I want to say at the outset that I do agree that whilst the Victorian economy is moving along strongly – there is strong business investment and exports have been growing at a faster rate than other parts of the country – when you move around and talk to industry and talk to businesses there are definitely issues that businesses raise with you, and they raise concerns. But there is also an amazing level of confidence and positivity around the settings in Victoria and the business environment in Victoria more broadly.

The industry policy that you referred to in the question was developed with an extensive amount of consultation with industry to develop that policy –

Richard WELCH: But 27 were announced last year and four were already announced in the budget measures. What has happened in the last six months?

Colin BROOKS: One example would be the new round of skills solutions partnerships. That is out for application at the moment. As I said, I will just come back to my point –

Richard WELCH: Weren't you doing that already? Weren't you already consulting on skills? It is a pretty fundamental –

Colin BROOKS: We have been consulting.

Richard WELCH: So it is not exactly new, is it?

Colin BROOKS: We have been consulting on the *Economic Growth Statement*, which led to a range of initiatives, including the commitment to release the industry policy.

Richard WELCH: But can you say anything apart from that was new in today's announcement that had not already been announced?

Colin BROOKS: It does not surprise me that when you consult with industry closely – and in this regard I commend my predecessor, who did a lot of that consultation before I took over the role in December. The department have been consulting closely with industry. It is no surprise that if you consult closely and you deliver the things that industry is talking about, there is a consistency from the *Economic Growth Statement*, which was released at the end of last year –

Richard WELCH: So there is nothing new? There is nothing new in this statement?

Colin BROOKS: right through to what we have seen announced today in the industry policy. If you look at –

Richard WELCH: I will move on from there. Thank you.

Colin BROOKS: Well, I am happy to keep going. I want to talk a bit about some of –

Richard WELCH: No, that is okay. I am happy with that answer, thank you.

Secretary, did the department undertake modelling to advise and support the development of the new industry policy?

Matt CARRICK: Thanks for the question, Mr Welch. I must admit I have only been in the role for three months, and the genesis of this policy goes back many, many months, as the minister talked about. There was extensive consultation, so I might just hand to the Deputy Secretary in a second, who might be able to talk to that issue, as she was around at the time. What I would say, though, in terms of general context, is that when policy statements are released it is not necessarily standard practice for modelling to be done on particular initiatives which might be contained –

Richard WELCH: Well, I would think in the context of an economic statement – an industry statement – the measurable outputs are going to be things of economic growth, productivity growth, job creation and investment. Surely you modelled on those things in coming up with this policy.

Matt CARRICK: I think I am talking in general terms.

Richard WELCH: I would like to ask in specific terms. In specific terms, what modelling did you do?

Matt CARRICK: As I was about to say – and I will confirm whether any modelling took place – what I am drawing on is –

Richard WELCH: No, can we go just directly to that, please?

Matt CARRICK: No, it is really important for me to give the distinction.

Richard WELCH: No, it is not. What is important: I would like to understand what parameters you modelled in supporting this policy.

Matt CARRICK: In terms of the difference between policy development work and particular initiatives and their impact, there is a difference in terms of the policy settings. What has been released today is a broad policy around the approach to industry going forward. As I say, I am not aware that there was particular modelling done. I will confirm that with my Deputy Secretary. But the point I am making is it is not necessarily par for the course that it would be done in something like this.

Richard WELCH: Can you clarify: my understanding is there was no specific modelling done.

Matt CARRICK: That is my understanding, but I will just confirm that. Ms Jarrett?

Richard WELCH: The plan is hope again.

Danni JARRETT: Thank you, Secretary. To answer the specific question around modelling, modelling as such was not done specifically on the industry policy. There was, as the minister said, extensive consultation with industry to understand where their priorities were and also to provide the framework for where government priorities –

Richard WELCH: Did you come up with any measurable outputs from this policy, then?

Danni JARRETT: There are a number of initiatives, as you say -

Richard WELCH: No – outputs, like outcomes.

Danni JARRETT: There are outcomes or targets attached to many of the initiatives.

Richard WELCH: But they are not models.

Danni JARRETT: The outcomes to those initiatives are not specifically modelled as such.

Richard WELCH: Then how do you know the policy is going to achieve them?

Danni JARRETT: Again, in shaping up and developing the initiatives that are contained in the policy, we will have outcomes attached to each of those initiatives that then we would monitor and evaluate.

Richard WELCH: But they are unmodelled.

Danni JARRETT: Well, we have outcomes that are attached to each of those initiatives; they are not specifically modelled.

Richard WELCH: Okay. Secretary, during the consultation with industry as part of the policy, which you have talked about, has Victoria's tax burden been raised as an inhibitor to economic growth and to industry?

Matt CARRICK: Well, to my point, I was not part of those consultations; I was in a different role inside government.

Richard WELCH: But it would be in the records, I presume? It would be in the records of the consultations.

Matt CARRICK: I will be honest, I have not gone back over the minutes of all the consultations which took place, Mr Welch. What I would say, though, is that this was very much around the industry policy settings and the feedback that was there. Second, I will hand over to Ms Jarrett, who may have been part of some of those consultations which took place about it. But in terms of –

Richard WELCH: Could we just get to that? Because I have only got limited time.

Matt CARRICK: Sure. Okay. Ms Jarrett, if I can –

Danni JARRETT: Sure. Thank you. In relation to the initiatives that are contained in both the *Economic Growth Statement* and the industry policy and the feedback that we have taken on board from our consultation in understanding how we can make it easier for businesses to conduct their business, a number of the initiatives that are contained, such as the investment front door –

Richard WELCH: But did it include tax? The question was tax – the tax burden on Victorians. Was that raised?

Danni JARRETT: In relation to tax, that is really something that is within the purview of the Department of Treasury and Finance.

Richard WELCH: So you are telling me that in your consultation with industry no-one raised tax to you?

Colin BROOKS: Can I jump in? Mr Welch, I think I indicated earlier on, maybe not specifically enough, and it is not specifically in relation to consultation for this document but in consultation with industry, definitely when you move around businesses, as anyone here would when they go to a local business or a factory, people will talk to you about energy costs and tax. It is something consistent right across the country that comes up. But also there is a great level of optimism about business investment growth and economic growth here in Victoria, and this –

Richard WELCH: But how could you consider an industry policy without considering the tax environment that underpins it?

Colin BROOKS: You consult with industry and understand what the things are that we can do – that I can do as an industry minister and that this department can do. I think the first test of that is the reaction from industry itself, and today the Victorian Chamber of Commerce and Industry have been supportive in their comments on the industry policy put out. I am happy to refer to some of the comments that were made today.

Richard WELCH: No, I would just like to focus on this point. In your consultation with business the issue of tax is not a material issue for you?

Colin BROOKS: It is. I just acknowledged it.

Richard WELCH: No, it is a question.

Colin BROOKS: I just acknowledged your comments.

Richard WELCH: But not one that you can address or are addressing.

Colin BROOKS: Tax settings are a matter for the Treasurer.

Richard WELCH: But surely you have an input into that. You do not work in complete silos, do you?

Colin BROOKS: Well, these are questions I would imagine you would have asked the Treasurer when she was here.

Richard WELCH: But have you given any input to the Treasurer on tax for industry?

Colin BROOKS: I am not going to go into cabinet discussions and the way we run the government.

Richard WELCH: I am not asking for the detail, just the mere fact: did you provide any input to the Treasurer on the impact of tax to industry?

Colin BROOKS: I am not sure how this relates to the budget papers, to be honest, Chair. We are heading off in a direction that is a bit strange.

Richard WELCH: Sorry, the performance of industry I think is pretty material to the budget.

Colin BROOKS: It is an interesting conversation, but not probably one that is relevant to this committee.

The CHAIR: Mr Welch, you had the opportunity to put the question to the Treasurer on day one. Did you have another question you wish to ask the minister?

Richard WELCH: I do, Chair. The 2025–26 budget includes \$240 million to fully fund the *Economic Growth Statement*. How much of that has been allocated to the new industry policy?

Colin BROOKS: I will indicate that I will just hand over in a moment to Ms Jarrett. One of the initiatives that I will talk to in terms of the industry –

Richard WELCH: I just would like to know the quantum, if I may.

Colin BROOKS: Okay.

Danni JARRETT: There are a number of initiatives, Mr Welch, that relate specifically to the industry and advanced manufacturing portfolio within the *Economic Growth Statement*. There is the industry policy that –

Richard WELCH: I would prefer not to have a list. I just would like to know the total.

Danni JARRETT: With the skills solutions partnerships initiative that sits within the *Economic Growth Statement*, there was \$4.75 million attached to the *Economic Growth Statement*. A defence supply chain program was also included in the *Economic Growth Statement*, and that allowed for \$4 million towards supporting defence.

Richard WELCH: Roughly \$8 million in total?

Danni JARRETT: In addition – there is also the investment.

Richard WELCH: Has anything been allocated for AUKUS?

Colin BROOKS: There is funding in the budget for defence, yes.

Richard WELCH: But I mean from an industry perspective – supply chain into AUKUS et cetera.

Colin BROOKS: It would be a budget item that relates to defence and trying to win work for AUKUS.

Richard WELCH: But it is not part of your remit?

Colin BROOKS: No, it is. Defence industry is my remit, yes.

Richard WELCH: So how much has been allocated for AUKUS?

Colin BROOKS: I will find that for you. Can I just say, while that figure is being provided, it is important to recognise in the industry policy as well, just to your previous question, that a number of the initiatives are across government. It is not an industry policy that is driven only by the industry minister. If you go to the industry policy, the four key areas, skills for an evolving economy – there are a number of initiatives there that sit with Minister Tierney, and they are funded projects that are important to industry.

Richard WELCH: Actually, on that, Minister, on page 22 of the questionnaire the department says it is delivering components of the *Economic Growth Statement* to open doors for businesses, cut red tape and build new skills across the Victorian economy.

The CHAIR: Thank you, Mr Welch. We are going to go to Mr Galea.

Michael GALEA: Thank you, Chair. Good afternoon, Minister and Secretary and officials. Minister, as much as I would love to spend my time talking to you about the terrific Arnott's factory in Rowville – it was great to see more industry such as that opening up in the south-east – I would like to ask you about the skills solutions partnerships, which is in budget paper 3, page 10. Could you give me a bit of a quick run-through about how this is encouraging that collaboration between industry and education providers, and specifically how it is being used to target areas that industry have singled out that need attention?

Colin BROOKS: Yes. This is a really important program that we are currently looking at the second round of. The first round has been really successful. It addresses a gap, if you like, or gaps, where the existing training system might not be meeting the needs of particular sections of industry, and this is probably understandable when you have got emerging technologies and a dynamic economy like that in Victoria. The program was launched in 2023. It had strong interest from industry – 74 expression-of-interest applications were received and six projects are currently underway, including a partnership between RMIT, Grampians Health and Cisco to build workforce capability in digital health. I had the opportunity to visit the Ballarat hospital with the local member of Parliament up there Juliana Addison to see the value that that project was providing the health workforce in that particular setting. I would also like to take the opportunity to point out that the skills solutions partnerships features in the Victorian industry policy I just mentioned before in relation to a question from Mr Welch, and the industry policy actually provides a framework for us to be able to drive industry competitiveness, productivity and economic resilience. The industry policy will be driven by \$150 million from the Victorian investment fund, which was announced in the budget to grow priority industries and capitalise on our state's strengths. It complements the *Economic Growth Statement* that I talked about in response to that previous question. Skills solutions partnerships contributes in varying degrees to all four of these principles, and that is one of the reasons I am really pleased to be talking about it today and also talking about the second tranche, which is hopefully coming soon.

Michael GALEA: Minister, how exactly does the program work? What steps do participants need to take in order to complete their project?

Colin BROOKS: Thank you. skills solutions partnerships runs on a three-stage process: expressions of interest in co-design, grant application and assessment and project delivery. As I was saying, using the example of Grampians Health, RMIT and Cisco, it involves an industry body and a dual sector university or TAFE being involved. Expressions of interest are submitted and assessed, successful EOIs are then undertaken, the co-design process strengthens their shared understanding of the training gap and they agree on a training solution and scope a rapid pilot project that could be delivered to test the proposed solution, and then there is the grant assessment of the application. Partnerships that successfully get through that co-design process are invited to apply for a grant, and successful grant applicants are awarded a grant of up to \$500,000, with funding needing to be matched by the project partners on a one-to-one basis. Detailed design of the training project is completed and the curriculum is delivered to industry participants.

Michael GALEA: Thank you, Minister. You just started to go towards an example there, but I would be curious to know about any examples that you have of successful SSPs.

Colin BROOKS: Yes. There are some really good examples out of the six that we have already funded. The first one I will provide is upskilling automotive technicians for hydrogen vehicles. The transition to hydrogen vehicles, particularly in trucks and buses, could play a key role in supporting Victoria's net zero targets. But to more confidently invest in hydrogen-powered heavy vehicles industry requires automotive technicians with the skills to safely work with and service and maintain hydrogen fuel cell electric vehicles. The partners in this project included Bendigo Kangan Institute Automotive Centre of Excellence and Foton Mobility Distribution, a manufacturer and importer of heavy vehicles. The project team is collaborating with the national automotive and mining jobs and skills council as part of a national effort to prepare the workforce for those vehicles.

The project partners have developed a new course to upskill Victoria's auto technicians to safely work with, service and maintain those vehicles, incorporating practical training on a track that is housed at Bendigo Kangan's Automotive Centre of Excellence in Docklands. They are also developing training for automotive workshop business owners on how to safely set up a workshop for these vehicles.

The other example that I mentioned was in relation to Grampians Health, Cisco and RMIT. I had the opportunity to see the benefits of that project at Ballarat hospital. We plan to deliver this training to Grampians

Health's broader workforce of over 7000 across 11 LGAs in Victoria's north-west, and my department is assessing the applicability of the training for other healthcare providers, which have a collective workforce of some 340,000, with nearly one-quarter based in regional and rural locations. The value there, Mr Galea, in answer to that question, is not just for the particular organisations that are involved in the project but the ability to roll out those learnings and that training across a broader workforce, so it is really valuable, particularly in that health IT setting.

The third example I would give would be that while Australia is ranked ninth out of 36 OECD countries for medical research, we are currently ranked 32nd for research translation and 25th for commercialisation of medical research, something I am sure my colleague Mr Pearson probably talked about when he was here, as a keen supporter of medical research in his portfolio. Our medical researchers' knowledge of how to translate their research into commercial outcomes is identified as the number one skill gap limiting Victoria's med tech sector. These skills are not generally taught at tertiary institutions, and Victorian research is more likely to be commercialised overseas. Industry-linked training is needed to help drive innovation and viable commercial outcomes from research to grow local business and exports. Partners in this project include the Association of Australian Medical Research Institutes, the AAMRI, which includes 12 Victorian medical research institutes, and Swinburne University's MedTechVic and MTPConnect. The project team has developed micro-credential courses to upskill early and mid-career researchers, with a focus on deeper understanding the customer base, the industry requirements, commercialisation pathways and pitching to investors. Funding over the long term will be provided by medical research institutes and venture capital firms. Longer term, the plan is to roll the training out to workers across AAMRI's 12 Victorian medical research institutes, which employ some 3600 researchers. Again, it is a good example of that initial project being rolled out to more people across the board.

Michael GALEA: Thank you, Minister. You were discussing just before with Mr Welch about the next round of the SSPs. Are there any particular differences between the two rounds? And if you can, talk to me a little bit about the funding as well.

Colin BROOKS: Thanks. There is \$4.75 million that has been announced in the *Economic Growth Statement* that extends the program. Round 2 of the skills solutions partnerships will support the training solutions for priority areas that have been identified in the *Economic Growth Statement* – sectors of advanced manufacturing, defence, circular economy and agribusiness. Round 2 caters for short training courses and will upskill, reskill or develop new workers.

I am right, thanks, Nick.

Nick McGowan interjected.

Colin BROOKS: I have had enough coffee. It will include an on-the-job learning model such as a placement or a work-integrated learning component and offer a new training solution or an innovative new approach to an existing course where the current course is either not offered or adequate for the needs of the employer.

Nick McGOWAN: Would you like mine, Minister?

Colin BROOKS: No, no. I have had enough coffee today. Thank you.

Michael GALEA: More than enough. Thank you, Minister. If I can turn as well to the defence industry now, and I know that is a very important part of your portfolio. Budget paper 3, page 64, outlines the funding to support defence industry supply chains to secure some of those major defence contracts. Obviously I know we have had the Avalon airshow again recently, a very big event for the defence industry. Can you provide some examples of these sorts of events and what sorts of other trade shows the government has supported businesses to attend and what benefits these bring to industry and to Victoria?

Colin BROOKS: Yes. Thanks very much. I might talk a little bit for a moment at the start of this question around examples of our land systems fund, which provides support to this sector. This is the fund that helps to secure and support local jobs by investing in capability to win contracts for local businesses with tier 1 primes. Here in Victoria we have a really strong defence supply chain sector – around 2500 Victorian businesses – and people might be aware of the Hanwha Defence Australia establishment in Avalon, just outside of Geelong.

They are delivering, I think, two government contracts, the Redback infantry fighting vehicle and the self-propelled howitzer for the Australian Defence Force. We established the \$10 million Victorian Land Systems Fund to support local businesses to join Hanwha's supply chain, so it helps to build capacity and effectively create jobs.

A component of the land systems fund is the supply chain uplift program, with grants of up to \$100,000. Under that program grants are available to help uplift capability. This grant is now in its fourth round of funding, and as of 10 April this year over \$1.3 million has been approved across 22 supply chain uplift projects. I recently visited some of the recipients of funding to have a look at their impressive work in action: Total Precision, down in Bayswater and Sutton Tools in Thomastown. It is really good to see the impact of what in the scheme of those big defence contracts are small amounts of grant funding from the Victorian government, helping to form a gateway for really good local Victorian businesses – in these cases two precision engineering firms – to get into that work and to be able to get contracts. As I said, these contracts supply work, in this case in the northern suburbs and the south-eastern suburbs of Melbourne, and of course these sorts of businesses employ apprentices and help to upskill people. So it is really important work.

Michael GALEA: Thank you, Minister. Indeed it is that. To think of an industry – you see the big names, the big brands, but really most of the jobs are in smaller firms such as the one you mentioned in Bayswater in the outer east. That really drives those apprenticeships, as you said, in those other roles in the region. If I can also ask you in relation to AUKUS – and I feel like I am just copying Mr Welch's questions here, but I do want to also ask you about AUKUS – can you tell me about how the Victorian government is supporting businesses involved in the supply process for AUKUS?

Colin BROOKS: Yes. The first thing I should note is that I think people have probably seen today there has been an announcement made in the US that there is a review of AUKUS and that the federal defence minister has said that Australia has been aware of this review for some time. So we will wait and see how that plays out. The key thing for me is that it is very clear from both the Australian government's perspective and the Americans that there is an uplift in defence spending, so regardless of whether it is AUKUS or another program, we are very confident that there will still be a really strong market for the defence industry here in Victoria.

Michael GALEA: Because irrespective of what the Americans decide to do, the significant part in terms of industry is also that relationship with the UK in terms of the next generation, isn't it?

Colin BROOKS: Absolutely correct. There is the relationship with the UK, and there is also the significant investment of the Australian government. The Hanwha example I gave before is around the Australian Defence Force procuring equipment from that company, which is manufacturing in Avalon, just outside of Geelong.

It is also important to recognise that companies that have been involved in AUKUS have incredible capabilities, like Babcock Australasia. I had the opportunity to visit there last week. They have launched a new \$3.5 million international engineering and technology hub in Victoria, so they are expanding here in Melbourne. Now, that is there to support AUKUS but a whole range of different – not just defence but also maritime and emergency services – applications as well. The hub has been designed with future defence needs in mind. It is strategically located in Victoria because of the extensive supply chain network. Something that you get when you talk to the defence industry more broadly – and certainly at Babcock last week, everyone from senior management through to graduates who are part of a grad program – is that that sector values the quality of the graduates coming out of Victoria's world-class university sector, so young engineering graduates, people who are able to move straight into those roles and pick up the learning there as well.

I think you mentioned in your previous question, Mr Galea, some of those large opportunities to link Victorian businesses with some of the big contractors doing this defence work for the Australian Defence Force. Those big opportunities are things like the Avalon air show. There is the great air show itself – the aspect of the flights – but also the big trade days there at Avalon, which of course the Victorian government supports, and we are able to foster great opportunities for Victorian businesses to showcase what they can do and to win work, so that is a really big opportunity. We had companies like SYPAQ and Corvus Technology down there exhibiting some of their work, BAE Systems and I mentioned Hanwha.

Of course Land Forces as well was another opportunity last year for local businesses to be able to find ways to connect with that work, when you have got big companies that are looking to invest as part of the Australian government's investment in defence. That exposition saw 61 Victorian small to medium enterprises exhibiting at the government stand, with a reported 512 business leads. We saw 995 companies exhibiting, and we had the major primes but also smaller companies as well.

Michael GALEA: Thank you, Minister. The same budget reference, page 64 of BP3, it also says under the output of Victoria's defence vision that the funding will be delivered in partnership with the Defence Council Victoria. Can you tell me a bit about the work that they do and how they will be supporting those defence opportunities that you have just mentioned?

Colin BROOKS: Yes. The Defence Council Victoria consists of some incredibly experienced and talented people with connections in the defence industry and the defence sector more broadly. The defence industry advocate, who chairs the council, is Professor Regina Crameri – she does a great job. The council brings experience from a whole range of areas, from defence operations, commercial, space strategy, equipment acquisitions, right through to commercial practice. Their expertise helped to build the *Victorian Defence Vision Statement*, which was really well received. It was launched just before the Avalon air show, and it has really been a great policy document for us to launch off into more work for Victorian businesses. The defence vision statement targets securing investment, so identifying and strengthening the pipeline.

Michael GALEA: Thank you, Minister.

The CHAIR: Apologies, Minister, Mr Galea. We are going to go to Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good afternoon. Staying in a similar area, in relation to budget paper 3, page 61, the output for 'Victorian Defence Vision'. Even looking at page 64, there is the detail provided that it provides funding 'for the administration of the Victorian Land Systems Fund, which supports the supply chain partners of Hanwha Defence Australia and the broader defence supply chain' in our state. Can you provide the committee with a list of the supply chain partners to Hanwha Defence Australia?

Colin BROOKS: Sorry, a list of the defence partners to Hanwha or in –

Aiv PUGLIELLI: The supply chain partners to Hanwha, yes.

Colin BROOKS: I do not know if we would have all of the supply chain – it is a private company. We can certainly endeavour to furnish you with the ones that we know of.

Matt CARRICK: I am not sure we are in a position right now to be able to provide the list for the Hanwha supply chain. What we do have is a directory – and I will just double check with Deputy Secretary Jarrett that it is a publicly available directory – of our defence supply chain. So that gives a really great snapshot in terms of the massive capability that we have here in our state, and it is important to note that when we think about the defence sector it is not necessarily purely the defence sector. Many of the companies that operate and have capabilities have capabilities across a broader range of manufacturing areas. So defence is part of what they might do, but it is not necessarily exclusively a defence focus.

Aiv PUGLIELLI: Yes, but in relation to Hanwha specifically, to get more of an exhaustive sense, irrespective to the directory, can you provide a list even on notice if necessary?

Colin BROOKS: I am not sure what we can provide, but we will take that on notice.

Aiv PUGLIELLI: Good. Yes, that is all right, thank you. When we are talking about the broader supply chain in Victoria that will receive support through this fund, again, is there more of an exhaustive list that can be provided to the committee?

Colin BROOKS: I think that goes to the directory that the Secretary –

Matt CARRICK: So effectively the directory gives a really great, all-encompassing snapshot of the companies in the sector that stand to benefit from the development.

Aiv PUGLIELLI: Is that an exhaustive sense?

Matt CARRICK: I would be loath to say it is exhaustive in the sense that there might be pockets of capability that we might not have come across, but I think it is a really good snapshot of the state of the industry as it is.

Aiv PUGLIELLI: Okay. Turning to page 8, the output initiatives in relation to funding the *Economic Growth Statement*, in the statement a key aim is to make Victoria the natural choice for defence-related contracts, and a part of this funding is for:

A dedicated specialist team to maintain consistent relationships with major defence primes and supply-chain providers.

Can you provide the committee with a list of the major defence primes that are being talked about here that we are maintaining relationships with?

Colin BROOKS: I think the primes that you are referring to would broadly be defined in the *Victorian Defence Vision Statement*. It is a public document. If there are others, I do not think there would be too many that are not mentioned in the *Victorian Defence Vision Statement*.

Aiv PUGLIELLI: Okay.

Colin BROOKS: Did you want to add to that?

Danni JARRETT: I think, as the Minister said, most of the primes are broadly well known companies; they are mainly multinational companies that have contracts not only in Australia but also internationally.

Aiv PUGLIELLI: Yes, but just to get a sense of the exhaustive list, if you can come back to me: is that possible?

Danni JARRETT: We can include that list of what is available in relation to the other lists that you have asked for on Hanwha's supply chain.

Aiv PUGLIELLI: Thank you. And that dedicated specialists team, how much is invested in that team and what is its FTE?

Matt CARRICK: In terms of broadly – and I will hand to Ms Jarrett in a second just to talk about the defence team that we have – there is money in the budget over the next couple of years for funding some of these initiatives. But as part of our defence team, Ms Jarrett, would we –

The CHAIR: Apologies, Mr Carrick. Minister, officials, our time together this afternoon has come to an end. 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 a short break before beginning its consideration of the portfolio for parliamentary departments at 3:30 pm. I declare this hearing adjourned.

Witnesses withdrew.