



The Hon Richard Dalla-Riva MLC

Minister for Employment and Industrial Relations
Minister for Manufacturing, Exports and Trade

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Ref: D2012/27151

Mr Philip Davis MP
Chair, Public Accounts and Estimates Committee
Parliament House
Spring Street
EAST MELBOURNE VIC 3002

Dear Mr Davis *PLi*

2012-13 BUDGET ESTIMATES PAEC RESPONSE TO FOLLOW-UP QUESTIONS

Thank you for your letter dated 7 June 2012 regarding questions on notice and other information that was agreed to be supplied at my 2012-13 Budget Estimates Hearings.

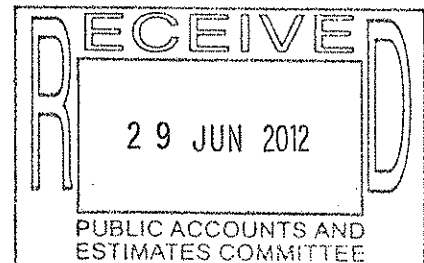
My response to your request for additional information is attached.

If you or your officers have any queries regarding the response, please contact Ms Deborrah Jepsen, Executive Director, Strategic Planning and Ministerial Services on 9651 9421.

Yours sincerely

[Signature]
THE HON RICHARD DALLA-RIVA MLC
Minister for Employment and Industrial Relations
Minister for Manufacturing, Exports and Trade

22 JUNE 2012



**Attachment: Questions taken on notice and further
information agreed to be supplied at the hearings**

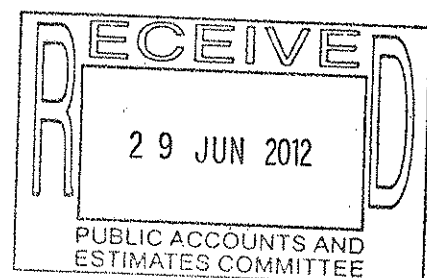
Employment and Industrial Relations

1. Please list the employment programs that have ceased/lapsed in 2011-12.

(Page 7 of portfolio transcript)

The following employment program lapsed in 2011-12:

- Improving the Lives of Indigenous Victorians – Youth Employment Program. Funding for this program in 2011-12 was \$0.5 million.



Manufacturing, Exports and Trade

1. Please list manufacturing programs or grants programs that ceased/lapsed in 2011-12, including all of the individual program names and the values attached to each.

Refer to the response provided for Question 2 (a) and (b)

2. Please provide the value of:
- new programs; and
 - ceasing lapsing programs

in the manufacturing and international engagement areas between 2011-12 and 2012-13.

(Pages 7-8 of portfolio transcript)

Values of new and lapsing programs in the **manufacturing** area between 2011-12 and 2012-13 are as follows:

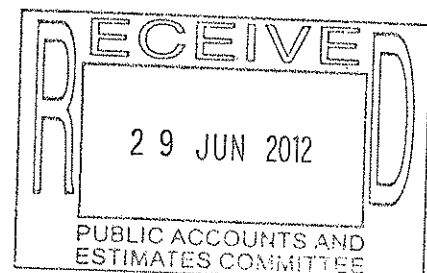
Programs	Lapsing or New	2011-12 funding (\$m)	2012-13 funding (\$m)
VIMS ¹ - Victorian Automotive Manufacturing Action Plan	Lapsing	2.2	-
VIMS ¹ - Defence Industries Acceleration Program	Lapsing	1.0	-
Manufacturing Strategy			
Specialist Manufacturing Service	New	-	3.0
Manufacturing Productivity Networks	New	-	1.2
Investing in Manufacturing Technology	New	-	5.8
Building Innovative Small Manufacturers	New	-	2.0
Managing Transition for Retrenched Workers	New	-	1.0

¹VIMS = Victorian Industry and Manufacturing Strategy

Values of new and lapsing programs in the **international engagement** area between 2011-12 and 2012-13 are as follows:

Programs	Lapsing or New	2011-12 funding (\$m)	2012-13 funding (\$m)
VIMS ¹ - Leveraging Global Opportunities	Lapsing	2.5	-
VIMS ¹ - Export Clusters	Lapsing	1.3	-
Victorian International Engagement Strategy	New	-	12.5

¹VIMS = Victorian Industry and Manufacturing Strategy



3. **Please detail why the target for the 'Value of exports facilitated and imports replaced' performance measure has been reduced in 2012-13 compared to the 2011-12 expected outcomes, and provide any further explanation for the deletion of the 'Companies provided with export assistance' and the new 'Businesses participating in export programs' measure. Please explain these in the context of Government plans to increase exports.**

(Page 9 of portfolio transcript)

Outcomes for the *value of exports facilitated and imports replaced* measure are predominantly drawn from three sources:

- trade missions (inbound and outbound);
- import replacement (through the Industry Capability Network which works to ensure local suppliers are embedded in the supply chain of major projects); and
- exports associated with new investment facilitated.

While it is expected that outcomes from trade missions will increase under the Victorian International Engagement Strategy (VIES), outcomes for the other two main contributors are uncertain in the current global economic climate (which includes a high Australian dollar – favourable to imports, and weak economic conditions in Europe and the USA, Victoria's largest inward investors).

Due to the ongoing uncertainty in the global economy, a cautious approach has been taken to setting the target in 2012-13 and it has been maintained at \$1 billion. The measure, along with other export and investment attraction measures, is being reviewed in 2012-13.

The *companies provided with export assistance* measure has been replaced by the new *businesses participating in export programs* measure which only counts businesses that DBI has worked with directly and supported into export initiatives. Previously, if a company telephoned the Department of Business & Innovation (DBI) and asked a question about exports or was sent a brochure this was counted. The new measure counts only those instances when DBI has made a difference.

Over 2,400 Victorian businesses will benefit each year from the Victorian Government's increased focus on international engagement. By adopting an integrated and long-term approach the VIES will ensure international engagement plays its part in securing the State's future economic prosperity.