

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

Portfolio:	Jobs, Innovation and Trade
Witness:	N/A
Committee member:	Mr R Riordan
Page/s of transcript:	N/A

Relevant text:

1. Page 23 of BP5 2019-20 regarding any dividend earned and Heyfield ASH Holding Pty Ltd. Does the government expect the mill to turn a profit in FY 2018-19 or 2019-20?

Answer: This question was partly answered during the hearing and the remainder was answered in response to a question taken on notice during the hearing. The Mill is forecast to turn a profit in 2018-19.

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2. Does the Government expect a dividend will be paid to shareholders in either of those years? And if so, how much? Will that dividend be reinvested into the Heyfield Community?

Answer: Details regarding dividends payable to the state are recorded in the State Budget Papers.

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3. If no profit, how much is the deficit this financial year?

Answer: The Mill is forecast to turn a profit in 2018-19.

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4. Given supply is critical to profitability for a timber mill, what assurances do you have with regard to the volume of timber supply to the Heyfield Mill this year and next?

Answer: ASH have a timber supply agreement with VicForests until June 2020.

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5. As of Jan 2019 there were 151 permanent employees. Can you guarantee these 151 permanent employees into the future?

Answer: The timber mill in Heyfield continues to be a major employer in the region and has a stable workforce.

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6. This is an unusual situation where the State Government buys a timber mill. Have any other mills been assessed for a potential buyout by the Government?

Answer: The Victorian Government has no plans to buy any other timber mills.

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7. Page 233 of BP3 2019-20 and the department's jobs output. How much of the \$200m committed in January 2017 will Alcoa receive in 2019-20?

Answer:

The agreement between the Victorian Government and the joint venture partners in the Portland Aluminium smelter is commercial in confidence information. The level of support paid by the Victorian Government relies upon the Government having full visibility of the smelter's financial performance on a quarterly basis. It is therefore not possible to state the level of support in advance that would be provided to the joint venture partners in the smelter under the support agreement for 2019-20.

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8. When the smelter was bailed out, the government stated this would save 650 direct employees and contractors. How many employees and contractors remain today?

Answer:

The Portland Aluminium smelter requires a certain level of employment including contractors, in order to function efficiently and maintain its production levels near its capacity. Employment levels at the smelter are reported to the Victorian Government on a quarterly basis under the support agreement and have not significantly changed since the beginning of the agreement.

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9. How many of those jobs are guaranteed until 2021, when the agreement concludes?

Answer:

The support agreement between the Victorian Government and the joint venture partners in the Portland smelter requires the smelter to operate at similar levels of production to what has been achieved historically, and to also retain its workforce, with a minimum level of employment nominated. Since the support agreement has been in place the smelter operator has reported that employment is being maintained as expected, to enable the smelter to continue to operate efficiently.

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10. Does the agreement allow the Portland plant to close before it expires in 2021?

Answer:

The support agreement is conditional on the plant remaining open.

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11. I refer you to page 20 of BP3 and the Victorian Jobs and Investment Fund. At the PAEC Budget Briefing, Secretary David Martine confirmed this fund replaces the Premier's Jobs and Investment Fund (PJIF) and the Investment Attraction and Assistance Fund (IAAP), which are essentially concluded. In 2018-19 those two funds distributed over \$170m to their respective goals and it was \$285m in 2017-18. Who's going to miss out on funding given there's now there's just \$90m on the table for Jobs and Investment Fund in 2019-20?

Answer:

The Victorian Jobs and Investment Fund is a Whole of Victorian Government initiative and the responsibility for this fund will lie with my colleague, the Hon Tim Pallas, in his capacity as Minister for Economic Development.

The Government considers all investment attraction proposals on their individual merits.

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12. Similarly the Future Industries Fund (FIF) has dropped has dropped from \$90m to \$70m in 2018-19 and again to \$26.6m in 2019-20. What activities or initiatives will no longer be funded as a result of this drop?

Answer:

The Future Industries Fund was established in the 2015-16 Budget, then bolstered in the 2016-17 Budget, to support the transition of the Victorian economy, through targeted strategies to grow Victoria. The Fund focussed on six high-growth sectors: medical technology and pharmaceuticals, new energy technology, food and fibre processing, transport, defence and construction technology, international education and professional services.

The phasing of funding reflects the timing of the delivery of the above-mentioned sector strategies.

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13. The 2018-19 Budget contained a line item “public transport concessions for international students” which was funded for 1 year. Is this program funded in 2019-20 and if so, how much?

Answer:

There is funding provided in 2019-20 for public transport concessions for international students.

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14. Minister Jennings said in committee on the Appropriations Bill that a line item no longer specified is likely to be funded from reprioritisations. What program(s) is no longer funded so that transport concessions for international students can be funded?

Answer:

Minister Jennings actually said that “it is quite possible for ongoing funding to be found through reprioritisation within departments”. He did not say that it is “likely”.

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15. Are the following programs funded in 2019-20 and if so what is their phasing:
- a. Defence Industry Advocate and Defence Council which was funded under the line item Growing defence manufacturing jobs for \$2.9m in 2018-19;
 - b. Hamer Scholarships funded under the line item Building International Networks for \$1m in 2018-19;
 - c. National Artificial Intelligence Centre - \$1m announced in April this year.

Answer:

- a. The Defence Industry Advocate and the Defence Council continue to be funded in 2019-20.
- b. Hamer Scholarships will be funded out of the Jobs output.
- c. Establishment of a National Artificial Intelligence Centre was Contingent upon the Federal Labor Opposition winning the 2019 Federal election. Given this didn't occur and given the re-elected Morrison Government has given no indication it intends to establish the Centre no funding is required.

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16. BP3, page 233 and Jobs Budget which includes funding for the Department to support businesses retrenching of staff. How many businesses has the department supported to retrench or layoff staff in the 2018-19 Financial Year?

Answer:

The Budget Paper reference in this question appears to be in error. The Government does not provide funding to support businesses to retrench or layoff staff. Any support is provided directly to retrenched workers.

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17. What is the total number of staff that were laid off in those businesses?

Answer:

No business received support to retrench or layoff staff.

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Relevant text:

18. How many businesses does the Department expect to support in 2019-20 Financial Year?

Answer:

The department does not support businesses to retrench or layoff staff.

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19. I refer you to page 233 of BP3 2019-20 and the Department's output summary. In 2018-19 the Jobs budget output was \$131.1m. Within this output group – what are the elements that are funded - please provide a breakdown of Departmental costs and the name and amount of each program or initiative.

Answer:

The Budget Paper reference in the second sentence of this question is incorrect. The 2018-19 budget figure for the Jobs output is not \$131.1m.

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20. For the Industry, Innovation and Small Business Budget of \$153.5m and the Trade and Global Engagement Budget of \$42.2m please also provide a breakdown of Departmental costs and the name and amount of each program or initiative.

Answer:

The 2019-20 Industry, Innovation and Small Business output budget is \$153.5m. The output includes:

- Future Industries Fund
- Advanced Manufacturing
- Industry Participation
- Small Business programs
- Other Industry and Innovation programs

The 2019-20 Trade and Global Engagement output budget is \$42.2m. The breakdown of this output is:

- VGTI Network
- Trade Missions
- International Education programs
- Other Trade programs