

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2016–17

Melbourne — 20 May 2016

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Witnesses

Ms Lily D'Ambrosio, Minister for Industry,

Mr Richard Bolt, Secretary,

Mr Matt Carrick, Acting Lead Deputy Secretary, Economic Development, Employment and Innovation,

Dr Amanda Caples, Deputy Secretary, Sector Development and Programs, Economic Development, and

Dr Michael Green, Executive Director, Sector Development, Department of Economic Development, Jobs, Transport and Resources.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2016–17 budget estimates. All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Industry, the Honourable Lily D’Ambrosio, MP; Mr Richard Bolt, Secretary of the Department of Economic Development, Jobs, Transport and Resources; Mr Matt Carrick, Acting Lead Deputy Secretary, Economic Development, Employment and Innovation; Dr Amanda Caples, Deputy Secretary, Sector Development and Programs, Economic Development; and Dr Michael Green, Executive Director, Sector Development. In the gallery is Ms Sue Eddy, lead deputy secretary, financial management and technology services.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege. Witnesses will not be sworn but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

Questions from the committee will be asked on a group basis, meaning that specific time has been allocated to members of the government, opposition and crossbench to ask a series of questions in a set amount of time before moving on to the next group. I will advise witnesses who will be asking questions at each segment.

All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee’s website as soon as possible.

All written communication to witnesses must be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee’s proceedings in any way and cannot photograph, audio record or videorecord any part of these proceedings. Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

I now invite the witness to make a very brief opening statement of no more than 10 minutes, and this will be followed by questions from the committee.

Ms D’AMBROSIO — Thank you very much, Chair, and hello to all of you again. The state budget is a very, very clear demonstration that Victoria has regained its economic momentum. Our economy grew strongly in 2015. The latest state final demand data shows Victoria is leading the country, rising by 4.6 per cent between December 2014 and December 2015. Gross state product is up by 2.5 per cent in 2014–15, the strongest of the non-mining states. Less than two years ago our unemployment level was 6.9 per cent. Today it is at 5.6 per cent, and more than 113 000 Victorians have found work in this time. Putting that in perspective, Chair, more Victorian jobs have been created in the first 18 months of this government than in the entirety of the preceding four years.

The lower Australian dollar has seen our exports become more competitive, which is terrific for manufacturing in particular but for other types of production. Across the state of course we can see that manufacturing is alive and well. Our government believes in manufacturing. We believe it has a very strong future, and we have a very clear agenda to help achieve that.

Victoria’s performance of manufacturing index increased by 0.5 points to 52.5 points in April. Anything above 50 means that manufacturing is expanding. Victoria’s PMI is the highest of all the states that are reported on, and as the Minister for industry, I certainly am very proud that we have been able to achieve that. Certainly as a whole of government we have done all we can and all that governments should be doing to grow our opportunities. Our industry capability is unique and something that we want to be able to fully capitalise on. The national PMI has been in expansion for the last 10 months, the longest continuous run of expansion since 2006.

Whilst we have had more strong progress after last year, of course, there are issues that are at hand that we need to be ready to address. We know that the three major car manufacturers are closing over the next 18 months. The situation certainly was completely avoidable, but our government, though not responsible for the decisions that have been made by the federal government, is committed to assisting businesses and workers to make the transition to new opportunities.

There is also some uneven growth across the economy. We know that the outstanding growth of one of our priority sectors, professional services, is driving incredible growth in jobs in and around Melbourne, but certainly there are challenges that present themselves in other parts of the state. We do not shy away from those. We acknowledge those, and importantly we take action to address those. We have packages in place to address these challenges — programs like the Local Industry Fund for Transition and the Latrobe Valley transition fund — which hopefully we will have some more opportunity to be able to discuss this afternoon.

I do want to touch briefly on the key challenges facing Victorian industry, articulating our government's policy response to those. We have not wasted any time in taking those actions since elected. Our government released the *Towards Future Industries — Victoria's Automotive Transition Plan*, delivering \$46.5 million of programs to help automotive businesses transition to new markets and workers to retrain and find sustainable jobs and to attract localised investment into communities that are impacted by the closure of car manufacturing.

This Local Industry Fund for Transition, more than \$33 million, will support communities in very targeted and localised ways: Melbourne's north, \$10.6 million; the south-east, \$10 million; the west of Melbourne, 5 million; and Geelong region, 7.5 million. We also have, importantly, established an automotive supply chain transition program of \$5 million. I can elaborate on that a little bit later. The South-East Automotive Transition skills program, \$8.4 million, will support automotive workers facing retrenchment in Melbourne's south-east, where half the supply chain is located, and give them the opportunities to re-skill and find new employment. Skills and jobs centres have been established across the TAFE network, and these provide one-stop shops to assist workers, including those in the auto industry, to access a range of services, like training, careers advice, referral to other job support services and skills assessment.

In this year's budget certainly we have seen the addition of \$10 million towards that automotive transition plan to expand support to automotive workers under the Back to Work scheme which the Treasurer has responsibility for. Can I add of course, importantly, that the Minister for Employment and the Minister for Training and Skills equally have been strong partners in this whole-of-government approach to being ready and prepared and mitigating the worst aspects of the automotive closure of the three OEMs. We have had the first meeting of the Victorian Automotive Transition Taskforce. That was held on 21 March. Local transition task forces have also begun meetings.

If I may perhaps move on to the Victorian Industry Participation Policy, we are putting local suppliers first when we are awarding government contracts. Since December 2014, when we were first elected, we have actually declared 21 strategic projects and set minimum local content targets for all of them. These projects are worth about \$8.4 billion and will create and retain more than 4500 local jobs. In contrast, and I think this is really a very telling point, in the previous four years the previous government only declared eight strategic projects. These are government dollars that are spent building things, infrastructure projects, buying services, without any real maximisation of value for the local supply chain and of course the jobs. We have delivered 21 strategic projects declared under the VIPP in the 18 months since we have been elected.

We are applying the policy to enable local manufacturers to tap into our substantial infrastructure investment program, and of course that pipeline of infrastructure projects is a record for our state. For example, we have committed to using 50 per cent of local content as a minimum of Victoria's new fleet of 65 high-capacity metropolitan trains. This kind of sensible policy will drive real change across our state and not just maintain our capability that has been built up over decades but actually extend and grow the capability in a way that is sustainable, driving us, preparing us for the new economy and the new types of industries that we will rely on to maintain the standard of living that we have become accustomed to. We want to sustain that and grow that, so we are currently undertaking work to ensure that local industry benefits even more from this very important policy.

What I would like to also now turn to are some of the highlights of the key budget initiatives that relate to or intersect with my portfolio. As you can see, they are the expansion of the Future Industries Fund, the Latrobe Valley transition program, investment attraction and assistance, expansion of the automotive transition, investing in the Victorian Industry Participation Policy and investing in vital infrastructure. These of course are designed to lead to significant growth in investment and creation of thousands of jobs. That is what our key objective is as a government, of course.

I think it is important to also reflect on how this budget has been received by the broad community that is relevant to the industry's portfolio. We have seen of course that the Australian Industry Group and many others

in-between them and the Victorian transport council have all been very, very supportive of this budget. They have also very, very strongly welcomed our automotive supply chain response, if you like, but also our automotive transition strategy. The Federation of Automotive Products Manufacturers has also been very pleased with this budget.

Chair, I will leave my comments at that, and I am very happy to take any questions.

The CHAIR — Thank you, Minister. Mr Dimopoulos, until 2.52 p.m.

Mr DIMOPOULOS — Welcome back, Minister and officers. You mentioned the VIPP in your presentation — it is also on BP3, page 25 — a boost of \$12 million to enhance that policy. Can you explain a bit more about what changes have already taken place? I think you described what was proposed with the 12 million.

Ms D'AMBROSIO — Thank you, Mr Dimopoulos. Yes, certainly the budget augments a lot of enhancement that we have already made to the VIPP scheme. More will come, but certainly our successes thus far have been driven by the very point that we want to use and we need to use Victoria's purchasing power to generate local jobs and boost economic activity. That is its single most important value, and it is a value that we hold very highly in our government. We had an election commitment to ensure that we could strengthen VIPP and to actually drive, if you like, our dollar further — I am using a slogan I think from advertising many years ago; I cannot remember which — but importantly using our spending power to actually get that investment beefed up and the jobs flowing.

Some of the things that we have already done: we have delivered on a commitment to actually lower the threshold for strategic projects to \$50 million. What happened before then was that with projects that were delivered strategically — and I can unpack a little bit about what that means — there was a figure of \$100 million. If a project that was put out to tender was worth \$100 million or more, there would be a need to assess the particular local content that could be derived or supported from that procurement and a minimum local content would be established, a percentage figure. We have now opened up more projects to a minimum local content figure, if you like. So projects of \$50 million or more are now subject to the need for tenderers to submit a plan of how to achieve a particular minimum local content target. That has really meant that we have been able to actually declare far more projects now.

Apart from the fact that we have actually got more projects happening, especially in infrastructure, we have actually now brought more projects into that. Again, it is about getting more investment for industry in this state and also more jobs that are created using the purchasing power of government. So that is one of the key reforms that we have done — —

Mr DIMOPOULOS — Minister, just on that, I mean, that is heartening to hear. Have you found in the 21 strategic projects or do you anticipate that it also deepens the players in the market that bid for government contracts? Does it allow smaller businesses to bid? Because that is an issue that I raised in my inaugural speech about small businesses actually benefiting from Victorian purchasing, not just the big players.

Ms D'AMBROSIO — Mr Dimopoulos, you are spot on; you are absolutely right. In the review process that we have undertaken in consultation with a lot of businesses right across the state, we have heard that that is an issue for some small businesses, which feel perhaps not able to overcome some of the — as they see it — barriers to being able to engage and look for opportunities and obtain opportunities for projects that are put out to tender.

We are very committed to addressing that issue. The small businesses and the importance of them in terms of the development of capability and skills is so vital for us in ensuring that we have the workforce that is able to deliver high-paying jobs. Part of that of course is ensuring that we have got large businesses that are able to work together in collaboration with smaller businesses so that there is an understanding about the types of capabilities that need to be available in a workforce to be able to deliver big projects.

Those are issues that we are alive to, and we are certainly doing more work to understand where we can improve the opportunities for businesses. One of the things that we have done is to make available online the pipeline of projects that are subject to the VIPP policy, so that businesses can look at that website and understand that over a period of time they can see the opportunities that may be presented to them. We know —

and that is something that they have actually asked us to be able to make available to them — that is one way that we have been able to assist them in that regard.

Mr DIMOPOULOS — That is through the VIPP, is it?

Ms D'AMBROSIO — Yes, the Victorian Industry Participation Policy. That policy is delivering on a number of key projects, and we know that the minimum local content standards that we have put in place, having more projects available, smaller projects, will mean that more smaller businesses will be able to take part in those projects and get the investment coming to them, the benefits of that, and of course growing the jobs that are important for us.

Mr DIMOPOULOS — Thank you, Minister. Just in relation to the 21 strategic projects that you have mentioned in your presentation, I imagine the level crossings in my community and, again in my community but also more broadly, the rolling stock order would be among the 21. What are the others, just to get a flavour of the kinds of projects?

Ms D'AMBROSIO — Thank you, Mr Dimopoulos. Yes, with the rolling stock strategy we have a minimum local content of 50 per cent on that, and that is very important certainly. We also have a 100 per cent local steel commitment for our level crossings, and that has been a particular boon for the steel industry.

But there are a number of other projects which I think are important, because sometimes they are not necessarily seen through the prism of VIPP projects — often they are about the big infrastructure, the roads and the like. But on the Latrobe Regional Hospital we have had an 85 per cent local content commitment there. The value of that project is \$85 million. With the reduced threshold for strategic projects, we can start to see already that with that change in policy we have been able to add 109 new jobs that have benefited from that particular project.

I have got a few others here which I will go to. On the new schools public-private partnership, a 90 per cent minimum local content there; that has been able to drive 890 jobs; that is a \$291 million investment there. We have also seen the Princes Highway duplication, Winchelsea to Armytage Road, Colac; \$80 million worth of project, with 95 per cent minimum local content. There are many other projects, of course — 21, as I indicated earlier.

Mr DIMOPOULOS — Thank you, Minister. That gives me a deeper understanding in terms of the range of projects. The VIPP existed under both the previous government and under our government, and obviously I am going to say it is a far better model under our government. I just want to get a sense of where it sits in relation to any free trade obligations we may have as a jurisdiction.

Ms D'AMBROSIO — I will probably take that as two parts to the question. We have declared 21 in 18 months. Under the previous government only eight were declared. In terms of our free trade obligations, that is an important question, and it is as important today as it was when the Victorian Industry Participation Policy was first crafted by the previous Brumby government. The VIPP policy certainly fits fine within the parameters, if you like, of free trade agreements, and there are no problems with respect to our compliance or our respect for those free trade agreements. So the VIPP is a very cleverly designed policy in that regard.

For example, with free trade agreements there is a small–medium enterprise carve-out, if you like, to which governments, subnational jurisdictions, are able to apply policies such as the VIPP without being in breach at all of their free trade agreement obligations. So that is something that we are very mindful of, of course, but we are absolutely confident and we know for a fact that we are very respectful of free trade agreements — they are very important to us — and this policy is able to work very well within those limitations, if you like.

Mr DIMOPOULOS — Thank you, Minister. Just in the last 35 seconds, your feedback, I imagine, so far would be quite positive from industry in terms of the changes in participation. What arrangements do we have to ensure continuing ingenuity in this or developments?

Ms D'AMBROSIO — Thank you. We certainly had the first tranche of improvements to the VIPP scheme which has produced some of the outcomes that I have described. I am now moving towards the second part of our review of the Victorian Industry Participation Policy — —

The CHAIR — Order! The Deputy Chair, until 3.02 p.m.

Mr MORRIS — Can I refer to budget paper 3, pages 1 and 28, and the reference to the Future Industries Fund? This was of course a feature of last year as well. I think it was some 50.5 million provided in the budget for 15–16. I am wondering how much, if any, remains to be expended this financial year.

Ms D'AMBROSIO — Just let me get my page.

The CHAIR — Sorry, Deputy Chair. Could you repeat the reference again? Budget paper 3 — —

Mr MORRIS — Pages 1 and 28. It is ironic it has taken us until the last hearing to get to page 1.

Ms D'AMBROSIO — Okay, so 1 and 28.

Mr MORRIS — It is the Future Industries Fund.

Ms D'AMBROSIO — Yes, I understand. Members will be aware of the Future Industries Fund that we introduced as a government. We have thus far released a number of programs under that fund. Let us have a look here. We have got the manufacturing program, which has a fund of, I think it was, \$5 million that was opened up for applications late last year. We have the — —

Mr MORRIS — Without wishing to interrupt you, Minister, I am interested in the funds that have actually been expended, not — —

Ms D'AMBROSIO — Actual funds expended.

Mr MORRIS — Actually expended.

Ms D'AMBROSIO — Yes, well, we have received significant numbers — I am just giving you the context of when the funds were opened, because that gives you an indication of funds expended thus far. So the New Energy Jobs Fund was also released late last year, and the manufacturing program. Earlier this year we opened up the sector growth program — a \$20 million fund. What we did as a government when we came into government was consult with industry, who told us very clearly that they wanted to be consulted about how the Future Industries Fund could best be maximised, could best be spent. So what we did was engage with more than 1000 businesses, industry associations, research and academic associations about the need to develop up sector strategies — inter-sector strategies — which would guide the way that the fund would be spent. Therefore — —

Mr MORRIS — Minister, I am simply after — and I am happy for the department to take it on notice if that helps — how much has been expended from the fund, and in particular how much has been expended with regard to medical technology and pharmaceuticals, new energy technology, food and fibre processing, transport, defence and construction technology, international education, and professional services — so six different sectors.

Ms D'AMBROSIO — Yes, I understand what you are saying.

Mr MORRIS — So could we have the expended figures on those and the total?

Ms D'AMBROSIO — We are in the process of actually considering significant numbers of applications that have come in — hundreds of applications that have come in for those programs. We have announced a handful of those thus far. In terms of the actual value of that, I am happy to — —

Mr MORRIS — I am happy to move on, but if we could have on notice the amount expended as of today in total and in those sectors.

Ms D'AMBROSIO — Yes. Whatever is available, I am happy to provide that.

Mr MORRIS — Moving on, at this hearing last year you were asked how many jobs would be created by this fund, and the response was 'as many as possible'. Can you tell me how many jobs have been created?

Ms D'AMBROSIO — My recollection, without looking at my notes, is that I think the question was, 'How many do you intend to be created from this fund?'. And, yes, as many as possible. Now what I will say to you — —

Mr MORRIS — So we are now a year later. How many have been created?

Ms D'AMBROSIO — Yes, that is right. What I will say to you is quite clearly this: we took advice from all of the industries, who have been ecstatic that finally they have a government that will listen to them, understand their needs and develop up strategies —

Mr MORRIS — Minister, it was a fairly simple question about how many jobs have been created.

Ms D'AMBROSIO — that would guide the expenditure of these funds. We anticipate — —

Mr MORRIS — If there is not a figure, that is fine, let us just move on. We are asking about jobs actually created, the \$50.5 million that was appropriated last year for this purpose.

Ms D'AMBROSIO — Yes, as I have said, we anticipate that future industries and the support of these funds have the potential to create 400 000 jobs over the next few years, and we are committed to doing this. We have had many other expenses.

Mr MORRIS — How many jobs has it created this year?

Ms D'AMBROSIO — Well, that is what I have said to you. The programs have been opened up recently. We have significant numbers of applications that are before us to be considered, and they will be created in consultation. These programs have been designed in consultation with industry. We have taken the time to develop those programs so they are actually well targeted and we do not have money that is wasted on projects that otherwise should not be able to make the cut.

Mr MORRIS — Minister, you have talked about the applications that are rolling in — my words, I think, not yours. Can you tell us how the applications will be considered, what criteria will be applied, what are the KPIs attached, those sorts of things? And is there documented criteria?

Ms D'AMBROSIO — Absolutely, there are documented criteria. They are all available on the departmental website, as are guidelines for all of the programs and funds that we make available, whether it is the automotive transition programs, the LIFT programs, whether it is the manufacturing program under the FIF, whether it is the New Energy Jobs Fund, whether it is the sector growth fund. All of the funding eligibility criteria are available. The assessments are all made by — —

Mr MORRIS — Sorry, I am making a distinction there.

Ms D'AMBROSIO — Between?

Mr MORRIS — Not the eligibility criteria to apply. I am asking about the manner in which the applications are determined for funding, which is a different thing altogether.

Ms D'AMBROSIO — So you are asking about the process for consideration.

Mr MORRIS — The process for deciding you will fund this application versus that application.

Ms D'AMBROSIO — Well, these are competitive grants, these programs. I will ask the department to perhaps just talk through the detail of the processes involved. But certainly they are competitive processes done by the department. Sometimes independent advice is also sought, and then recommendations are made from that point. So perhaps if I can ask Michael Green to elaborate further on some of those details that you are seeking.

Dr GREEN — Thank you, Minister. I am happy to comment just briefly. So the programs under the Future Industries Fund run under an expression-of-interest process where people can put in a relatively low documentation expression of interest in the program. Those get assessed by a departmental committee, following which an invitation to apply is issued to those who are regarded as eligible against the eligibility criteria. The department also undertakes further work and feedback with those who are not, to assist them to work up their application should they wish to submit again. Those invitations to apply go out to those applicants. They have 90 days to apply and put in an application, which is then assessed against the merit

criteria that are published in the guidelines. We have a panel to look at those applications and they are recommended then through to the minister for final decision.

Mr MORRIS — Okay. I am interested in two things, and I am mindful that we have got about 90 seconds left. I would be interested to know of an example of any company that got funding from this fund and how many jobs came out of that, but I would also be interested to know what basis is applied by the department in that initial assessment.

Ms D'AMBROSIO — Are you asking me or — —

Mr MORRIS — I am happy to ask Dr Green, if that is — —

Ms D'AMBROSIO — I do not mind; I am happy to — —

Mr MORRIS — I will ask Dr Green.

Dr GREEN — Just in terms of the second question, which was about the criteria, those are in the published guidelines and they go to issues about the capability of the applicant to undertake the project, financial — matching funding — —

Mr MORRIS — So is it your evidence that there is no further process for assessing the guidelines other than, 'Yes, you are eligible to apply'? But beyond that there is not a documented process for — —

Dr GREEN — No, there are merit criteria in the guidelines. So they go to the economic benefit — the direct economic benefit and the indirect economic benefit. They go to the capability of the applicant, they go to the financials of the company, they go to whether the project is consistent with the aims of the program.

Mr MORRIS — Okay, and can you give me an example of a successful applicant?

Dr GREEN — Well, I think the minister has just referred to a number that she has recently — —

Ms D'AMBROSIO — I am happy to provide that information to you.

Dr CARLING-JENKINS — Welcome back, Minister, for our last session. I wish to commend you for your procurement strategies for locally sourced material particularly. I know that you mentioned in your presentation and also in your answer to Mr Dimopoulos's questions earlier about the local steel, for example, for level crossing construction and your commitment to the local content element. I also commend your commitment to small businesses and to sourcing from local businesses, which you also covered in part earlier. I note for example the Sector Growth program that is mentioned in budget paper 3, page 28. I had a bit of a look at that program and I noted that it directs its grants to consortiums where at least one had to be a small to medium business. I would be interested if you could unpack that a little bit around the rationale for that, because I thought it was a very interesting program and a very interesting approach to the funding.

Ms D'AMBROSIO — Yes, thank you; absolutely. Can I say that this is one of the critical outcomes of the consultations that we undertook in developing our FIF sector strategies ahead of releasing some of the programs that we have released thus far to ensure that we actually were able to utilise the Future Industries Fund in a way that maximised the outcomes possible in terms of developing up further capability of our workforce; understanding the supply chain needs and associations between the supply chain; strengthening the links between the supply chain business, many of whom are very small businesses, together with the key business that is perhaps looking at tenders or growing capacity and investment.

We were told very clearly by industry, by research institutions, by the small business operators that we needed a program that actually helped to grow — not just give money over — a particular project and drive investment and jobs growth but to create better value through associations with the supply chain. Therefore, within this very important Sector Growth program, one of the key programs that is in there is to promote and support collaborative applications for support from government, because we know that the supply chain is so vitally important to maintain capability and grow capability and to actually maximise the outcomes of the investment that occurs and the jobs that are grown and have the workforce right throughout the supply chain actually ready and able to fit into new opportunities that come.

Dr CARLING-JENKINS — Sure. Thank you, Minister. It was, to be quite honest, an honest question. I wondered what the rationale was to that program. That sounds really interesting. Can I have a look at the manufacturing program within that same fund. You talked about maximising possibilities so I am expecting that you are going to have similar answers to the \$5 million manufacturing program — the same budget paper reference — that is supported through the Future Industries Fund. You have also spoken to the manufacturing sector as one that has experienced some long-term declines, not just in this state but across Australia, particularly in terms of the proportion of the workforce that is now employed. So I wonder if you can give me some more detail about the content of this investment that the government is making.

Ms D'AMBROSIO — Thank you very much. Manufacturing will remain a critical part of our economy as a state. Manufacturing has created Victoria as the hub of the nation's manufacturing — that means the capability that is there. We are moving to a new type of manufacturing; a manufacturing that is going to look very different and behave differently to what it has been over the decades. But one thing that is for sure is that we cannot afford as a state to lose the capability of our workforce, of our people, that has been developed over many, many decades, and we are at risk of that unless you have governments that understand the value of capability and manufacturing.

Manufacturing will continue to exist in this state. Our government will continue to support it. It will be a new type of manufacturing — an advanced manufacturing with businesses that have a global outlook, that are outward looking and are confident. They are confident because government will back them and facilitate investment and growth, using not the actual dollar value of the labour that is involved but the actual smarts and the capability and the expertise that we are renowned for. This is something that we have got to talk more about, not less about. It is something that we are proud to do. There are still 20 000 manufacturers in this state employing a quarter of a million people. That is a significant manufacturing presence. The opportunities for us are second to none.

We can compete globally; we are doing that. And our state will ensure that we work alongside those people who still believe in manufacturing, because it is real, it is producing great outcomes, it is an advanced manufacturing, and we look forward to growing this sector to ensure that Victoria remains the engine of this nation in terms of manufacturing and capability, and the jobs that come with it — absolutely. It is a new manufacturing that requires us to work very closely and encourage industry to work alongside with research institutions, because that will be the way of the future. We will not have siloed arrangements anymore. We cannot sustain an economy that way.

Ms SHING — Thank you, Minister. I would like to pick up on a number of the themes that Dr Carling-Jenkins has just raised in relation to the way in which we drive innovation and the way in which we break down silos. You have referred to that in your presentation and also in the course of providing answers, and I note that at the back of the presentation the director of the AI Group, Mr Tim Piper, has referred to the importance of innovation across the SME through to the larger, corporate sector spectrum, as well as the need to strengthen the VIPP and to provide a future for manufacturing which goes beyond existing arrangements, which invests in R and D and which provides for a long-play strategy around attracting and retaining new growth to the state.

The presentation contained figures around expansion of manufacturing over the last 12 months in the state. What I would be keen to do is to drill into those figures that you have provided. What is underpinning this strong growth? How is it that we are bucking trends around negative or plateauing in comparison to other jurisdictions, in your view? And how does the future of manufacturing look in this state? I know that there are a few overlaps there with what Dr Carling-Jenkins has asked, but I think it warrants further discussion.

Ms D'AMBROSIO — Thank you, Ms Shing. Look, there is a whole range of issues that need to line up to get the results that you have referred to. None of them are more important necessarily than others, but understanding where each fits into the other is very important in terms of ensuring that we have an ecosystem, if you like, that helps to promote growth in manufacturing rather than discourage that.

Government investment is by far the single most important thing that a government can do — investment in terms of procurement and infrastructure build. The pipeline of investment that is occurring under this government is second to none, and proudly so. Other ministers have done a fantastic job, whether it is in roads or public transport or schools, in actually delivering a very strong and very long pipeline of investment that will help sustain manufacturing and help them innovate. When you do not have that, when you fail to provide

investment and a long pipeline of work that is supported by government in terms of our own spend, you cannot allow businesses to invest for the long term — invest in capability — —

Ms SHING — It is not just about the spend, though is it? It is about the operational assistance, it is about the administrative arrangements. We have heard about everything from the way in which payroll tax relief will assist right through to the way in which we can attract new investment to the state. How do these things work in conjunction with each other, though, in a preferably non-siloed arrangement and economic environment to get us to where we need to go?

Ms D'AMBROSIO — If you have a look at the way that our government is arranged, we have got a department that brings together all of the key economic portfolios. I do not want to embarrass Richard Bolt, but certainly it is reflective of an understanding that as a government we need to understand what are all of the economic levers that governments do hold and how do we maximise the opportunities that are available to us. So bringing the department together into all of those portfolios that have key economic roles, if you like, actually helps us to produce better outcomes in terms of the way that investment occurs — understanding the workforce needs, understanding the timeliness of investment projects, understanding the skills that need to be available and also how we can maximise the spend by having a strong local content policy, for example.

That is one way. We do have a low Australian dollar, which is very important. But can I say to you: that is one thing, but you actually have to understand the opportunity when it presents itself, and when you do not understand and see it and you do not take advantage of it, that is when you do the community and industry a great disservice.

Ms SHING — That is the point of innovation.

Ms D'AMBROSIO — Absolutely, and that is the point of innovation — of knowing that you have got a government that understands it, promotes it and helps facilitate it, and I know that Minister Dalidakis is doing a fantastic job in delivering the government's innovation strategy to that end.

Ms SHING — How do we get that spread as evenly as possible across the economy, given the split between metropolitan concentrations of those economic levers and those returns and the way in which that works differently at a peri-urban and regional level?

Ms D'AMBROSIO — There is innovation that presents itself almost every day to me, and I am sure other ministers are getting this also. I had a conversation last night at a PACIA event, which is the Plastics and Chemicals Industries Association, and they were talking to me then — I will not mention names — about an almond manufacturer who is coming up with an idea of being up to do something with the waste product of the shell of almonds and is really excited about being able to look at a new technology which is able to utilise that waste into a return in terms of fertiliser potentially for their business. So there is innovation that is happening everywhere — and innovation is not new to this century. It has existed always.

Ms SHING — Nor to the city.

Ms D'AMBROSIO — What is important is that you actually have a framework for being able to understand and facilitate innovation and drive innovation in an environment that is conducive and actually encourages it, and that is why our government committed considerable effort to working with those businesses that want to innovate and work on a world stage to develop up our industry sector strategies, that informs the way the way that we spend our Future Industries Fund to maximise outcomes for those very businesses that want to innovate and grow.

Ms SHING — That is, I suppose, the perfect segue into what I was going to ask around the Future Industries Fund. It is something that we have touched on in relation to the energy and resources portfolio amongst other things, given whole-of-government investment in the way in which we create and drive new industries, but from a decentralised perspective and from looking at the way in which population growth is going to really challenge what we do in regional Victoria, how does the Future Industries Fund intend to be able to not just fill gaps but create momentum for growth that can sustain economic health for our regions into the future?

Ms D'AMBROSIO — Absolutely. Ms Shing, my mantra is this: future industry is as relevant to any part of regional Victoria as it is to metropolitan Melbourne. There is no distinction, and there ought to be no distinction,

because when you actually have a look at our sector strategies, they identify the capability and the particular capability by sector right across the state, whether it is food and fibre, which is shared — food production, food processing. Food production certainly is regional, but processing is both regional and metropolitan. And particular parts — —

Ms SHING — Supply chain, logistics, market export arrangements et cetera.

Ms D'AMBROSIO — The whole lot. That is exactly right.

Ms WARD — There is a lot of growth in metro north.

Ms D'AMBROSIO — Absolutely in metro north — my home, your home.

Ms WARD — Yes.

Ms D'AMBROSIO — Certainly. Once we understand what exists and the particular strengths of regions, whether it is Ballarat, Bendigo and others in between and across the state, we can then target more strategically our assistance to actually help those businesses in those areas to be able to innovate, create and attract more investment and create the jobs that those regional communities in particular really need.

Ms SHING — So what does success look like in relation to the implementation of the Future Industries Fund? It is a really expansive question, and it is something to perhaps bear in mind as we implement over the next couple of years: how do we measure the way in which the Future Industries Fund has delivered beyond raw data in relation to employment numbers?

Ms D'AMBROSIO — Well, it is capability, quality of life, communities feeling less vulnerable, no matter where they live, whether it is in Broadmeadows or whether it is somewhere else, feeling more confident about their future, and feeling like their kids actually have a future.

Ms SHING — So it is ownership, then, really, isn't it?

Ms D'AMBROSIO — Ownership and value, and other people valuing them as they value themselves. That is so critical to any policy that government ought to be involved in. It is absolutely the driver and the incentive for growing the investment that we need in this state and the jobs that go with it.

Ms SHING — And to equity of opportunity beyond that.

Ms D'AMBROSIO — Absolutely.

Ms SHING — Thank you very much, Minister. That is very helpful.

Mr MORRIS — Budget paper 3, page 25, which is the output initiatives, but also page 123, which of course is the department output summary. Minister, last year you said you would spend 5.1 million, I think it was, in 2016–17 for the Melbourne's North Innovation Investment Fund. Obviously that is not an initiative this year, but is the money still in the budget?

Ms D'AMBROSIO — Sorry, which line are you looking at?

Mr MORRIS — Last year in the initiatives there was 5.1 million in 2016–17, so the coming financial year. It is obviously not an initiative identified in this year's budget, because it was in last year's, but is the money still there?

Ms D'AMBROSIO — Right. I think this may be moneys that are left over from the previous joint arrangement, federal and state, I think, but certainly the money is still there. Absolutely.

Mr MORRIS — So the 5.1 is still there to be spent in the coming financial year?

Ms D'AMBROSIO — I will actually just get some advice about how much, if any, is still to be expended. Amanda?

Dr CAPLES — So the money is still there.

Mr MORRIS — Okay. Can I ask in respect to the same fund, the 5.5 million was proposed to be spent in 15–16. Can I ask: how much of that has been expended?

Dr CAPLES — I would have to take that on notice.

Mr MORRIS — Okay. I am also interested to know how many jobs were created, so if we can have that information on notice.

Dr CAPLES — Yes.

Mr MORRIS — And going back to page 25, the extension of the Premier's Jobs and Investment Fund, of course there were moneys allocated in last year's budget of 8 million and 170 million that would flow into this year. But with respect to the operation of the fund for 2015–16, again, how much has been expended from that fund?

Ms D'AMBROSIO — From the Future Industries Fund?

Mr BOLT — No, from the Premier's Jobs and Investment Fund.

Mr MORRIS — The Premier's Jobs and Investment Fund.

Ms D'AMBROSIO — The Premier's Jobs and Investment Fund. Deputy Chair, it is not something that I am responsible for as the Minister for Industry, so I am not able to provide you with that information.

Mr MORRIS — So the Premier's Jobs and Investment Fund and the Premier's Jobs and Investment Fund extension are not within your portfolio?

Ms D'AMBROSIO — Not the Premier's Jobs and Investment Fund, no.

Mr MORRIS — Not any portion of it?

Ms D'AMBROSIO — No.

Mr MORRIS — Thank you.

Mr DIMOPOULOS — That's why it's called the Premier's — —

The CHAIR — Order!

Mr MORRIS — It is actually not in the Premier's portfolio. I will move on to another matter, and I may come back to that.

Ms D'AMBROSIO — Sure.

Mr MORRIS — With regard to the automotive transition plan — and the budget paper reference is BP2, pages 4 and 21 — it is obviously not news to anyone that in the coming financial year Ford will close production in Victoria, Holden will close down the Port Melbourne engine plant and Toyota will finish up production next year. In December last year, Minister, you announced a \$47 million program to deliver *Victoria's Automotive Transition Plan*, which included a 5 million automotive supply chain transition program. Can you tell us how many applications you have had for funding support from that program and how many companies have been successful in their applications and have benefited from that funding to date?

Ms D'AMBROSIO — Sure. That transition fund is very, very important to us, and I think what is important to reflect on is the fact that the 5 million auto supply chain transition program is to provide tailored support to help supply chain businesses transition to a global supply chain or diversify to non-automotive domestic sectors. And this is important. It has actually been really the missing piece of any government support for the supply chain. We have got to remember that when we think about the supply chain 50 per cent of auto workers are very much in the supply chain. Yet we really had no government responses from the previous state government — in fact none from the federal government, and that is still a gap. So we were very keen to ensure that — —

Mr MORRIS — Minister, I appreciate the background, but the question related to how many applications have been received and how many companies have enjoyed support from this fund.

Ms D'AMBROSIO — Yes, sure. We have worked very closely with the supply chain businesses. I will just have a look at some of the figures that I have got here. To date we have got around 19 that have applied for the funding, but that figure changes almost on a daily basis. There is a lot of engagement that needs to occur with the supply chain businesses. They have really been knocked about, frankly, because no-one has bothered to care too much about what their futures are and the future of their workforces. So we have actually done a lot of work — the department and myself personally — in engaging with them, holding a lot of workshops and one-on-one meetings in their workplaces to actually work through the assistance that we could possibly provide to help them mitigate the worst aspects of the downturn which is hitting.

Mr MORRIS — So there have been 19 applications.

Ms D'AMBROSIO — Yes.

Mr MORRIS — How many have been successful so far?

Ms D'AMBROSIO — We have already had a number. Some are pending in terms of consideration. I am not in a position to tell you exactly how many have been successful yet, but I am happy to provide you with further details if that is available for me to be able to give to you. But this is a very sensitive area and I do want to stress — —

Mr MORRIS — That is fine, if you can — —

Ms D'AMBROSIO — No, what is important to remember is that governments should have acted sooner to support the supply chain. We are working very hard to give them the best outcomes possible.

Mr MORRIS — We are concerned with your announcement and the moneys that have been disbursed from your announcement.

Ms D'AMBROSIO — And they will be disbursed in the way that they have been intended.

Mr MORRIS — So you can tell us you have got 19 applications; you cannot tell us how many companies have benefited from this, but you will provide it on notice; is that correct?

Ms D'AMBROSIO — Some have already been announced, and I will give you those figures.

Mr MORRIS — But you cannot tell us how many in total?

Ms D'AMBROSIO — No, I will provide you with those figures.

The CHAIR — Take it on notice, Deputy Chair.

Mr MORRIS — You will provide it on notice?

Ms D'AMBROSIO — I will provide you with those figures.

Mr MORRIS — Okay. The automotive transition plan also includes —

Ms D'AMBROSIO — But I think it is a bit rich coming from a government that has failed to actually recognise that they existed under the previous government.

Mr MORRIS — \$33 million for, and I quote:

Communities hit the hardest by departing automotive companies will be supported to attract investment and create new jobs for local workers.

Minister, can you tell us how much investment and how many new jobs have been created in Melbourne's north, south, east and west, and the Geelong region to support automotive workers in transition?

Ms D'AMBROSIO — As you know, Deputy Chair, our transition plan was released late last year by myself and the Premier. It is a significant amount of money. The grant programs have been opened up. We have received significant numbers of applications for each of those programs, including from Melbourne's north. They are being considered as we speak. And can I just say that it is a bit rich from a party that in government failed to acknowledge the supply chain at all or any of these communities.

Mr MORRIS — We are actually here to ask questions and receive answers, not for you to provide commentary.

Ms D'AMBROSIO — We are actually taking steps to address that and actually give them a fair go.

Mr MORRIS — So I gather the answer to that question is none at this point.

Ms WARD — Are you verballing the minister again, Mr Morris?

Ms D'AMBROSIO — What I have said to you — —

The CHAIR — Order! Ms Ward!

Mr MORRIS — But it is obviously an area where something is occurring. Minister, the budget papers state that the new \$53 million body Jobs Victoria will provide amongst other things support to industries in transition. Can you unpick that statement a bit for the committee and provide us with details of exactly how Jobs Victoria will assist those industries in transition?

Ms D'AMBROSIO — Thank you for that question. Certainly in the context of a government that is very committed to helping workers be able to move from one job to another in a way that supports them and gives them hope for the future — which by the way failed to occur under previous governments — this is a very important initiative. It is one that is the responsibility of Minister Allan, who is the Minister for Employment, and I do commend the very important and significant outcome that she has managed to achieve for workers who otherwise would not have had much help to be able to transition and look for new work. That is very important. It is a significant boost. It is a significant addition to the automotive transition plan, a plan that no-one else has actually been able to deliver and — —

The CHAIR — Order! Ms Pennicuik, until 3.35 p.m.

Ms PENNICUIK — Thank you, Minister. Welcome, everybody, to the last stretch. Minister, if I could just follow on a little bit from the area that Mr Morris was exploring, he raised the issue of the Premier's jobs fund. I wanted to talk a little bit about the additional \$10 million that is going to the Back to Work scheme. You have been talking about ecosystems and whole of government, et cetera. So what I wanted to really unpack is how do those things — because they are about jobs, which have got to clearly be linked to industry. Industry and jobs are linked, as are employment and jobs. And how do the things that you have listed on page — no page number - towards the automotive transition plan you have got the local industry fund, the \$5 million automotive supply chain transition plan, and the \$8.4 million for the south-east skills program. How do they all interact, because you were talking about silos, and then when people try to ask how they are interacting, you say — and not only you, Minister. I have taken this up with other ministers who say, 'It's not my responsibility', but they seem to be interwoven.

Ms D'AMBROSIO — Thank you for the question, Ms Pennicuik. It is a very important question and that is why it is a plan, because the elements actually speak to each other and it is integrated. If I may answer that by way of example, a business that I visited this year, where I was able to announce one of our LIFT program grants that was awarded a couple of days ago, indicated that they were looking at sourcing new employees from the skills centre in the south-east that is also being funded from the auto transition plan.

That is because we have crafted the LIFT program, the LIFT funds, to encourage and, I suppose, favour those businesses that have an intention to actually bring in ex-automotive workers into their workforce as a result of the grant being given. What they are doing — and our department is helping to facilitate contact between those applicants who are seeking funds from our LIFT program to be able to look for employees because businesses will expand as a result of these funds that we are making available, so new jobs will be created — is to actually go to these skills centres and look for employees who have come out of the automotive industry and see if they are able, with the capabilities that they have, to be matched to those new jobs that have been created.

So this is a plan that is actually very well integrated. The grants have been designed to target and provide the most opportunities that we possibly can to those employees who are coming out of the auto industry so that they can go into those new jobs that have been created in different industries that are supported by the programs that are coming out of the auto transition plan. I am hoping that helps you with — —

Ms PENNICUIK — Sort of. Yes, it goes some way.

Ms D'AMBROSIO — Sorry, I am happy to — —

Ms PENNICUIK — It would take a lot longer than we have, which is about another 3 minutes. Half of the automotive components companies, for example, are in the south-east area. You mentioned 19 companies. I do not know how many companies are there, but I think there are a lot — —

Ms D'AMBROSIO — More than that, yes.

Ms PENNICUIK — A lot more than 19. And you mentioned some engagement. But what sort of a target are you going to measure yourself on in terms of this year and the funding for this year to engage in that particular area, for example?

Ms D'AMBROSIO — Sure. There are about 134 automotive supply chain companies in Victoria and 64 per cent of those are in the south-east of Melbourne — 64 per cent employing 50 per cent of the auto workers. This is an area that was totally ignored by the previous government. They got zero. They got left out — frozen out.

The funds that we put aside, the programs that we put aside, specifically go to the support that is needed for those supply chains to diversify. But can I tell you some good news? Apart from the support that the state government is providing to the auto workforce and the businesses that have been reliant on auto, the latest information that we have is that 79 supply chain companies are actually diversifying or have already diversified. So of the 134 auto supply chain businesses that exist in this state, 79 are already on their way or have already diversified. That is a fantastic success story. It is a really strong, positive sign. I am not saying it is easy, but it is a very important figure — definitely. We want to see more of them being able to diversify and survive. Survival is the first thing. Secondly, it is to be able to maintain as many of the workforce that they currently have as possible and then, of course, it is to get them on a sustainable, long-term footing so they can actually start to grow into new opportunities and create more jobs.

Ms PENNICUIK — Thank you, Minister, obviously this is a longer conversation — —

The CHAIR — Order! One minute.

Ms PENNICUIK — Thank you, Chair — —

The CHAIR — Order! You can take it on notice, if you like, Ms Pennicuik.

Ms PENNICUIK — In terms of the automotive task force overseeing the implementation of the plan, what I am really getting out very quickly is that with all these different initiatives — this program funded here, this one here, that one here, the jobs program here — it can be confusing to people. Is that what this task force is meant to be doing: making sure that people know how to navigate the system?

Ms D'AMBROSIO — The task force is very important in that these types of significant wholesale changes to our economic foundation in this state are very significantly structural changes. You cannot just set and forget as a government. We have got a plan that is in place. But can I say to you that we have got to be agile, we have got to be dynamic in the way that we look for the new — —

The CHAIR — Order! Ms Ward, until 3.40 p.m.

Ms D'AMBROSIO — I will tell you later.

Ms PENNICUIK — You can tell me later.

Ms WARD — Minister, I will continue on the conversation of car manufacturing, because it is pretty important to this state and how we have been going. It is great to hear the figure that you gave of the 79 of the

134 supply companies actually changing what they are working towards and what they are creating, and you saw yourself when you went out to Lovitt Technologies in my electorate last year how someone who was originally making screwdrivers was no longer competitive in that space and is now making pieces for Boeing. So that transition is possible, especially when you do have proper assistance and help. What we have not covered yet is what the government is doing in assisting companies to diversify and seeking those opportunities. So the 79 you have as successful, how are you helping to stimulate the rest of them and help them transform themselves into new enterprises?

Ms D'AMBROSIO — Thank you. With the transition program that we have in place, the 79 doing relatively well. They are not quite there yet. Some of them are. Some of them are on a very positive trajectory. With the remaining ones it is going to be a challenge. No-one is suggesting-and I am not suggesting-that this is an easy row to hoe.

Ideally help should have come years ago; government assistance should have come years ago. It did not. Those companies that diversified or started to diversify a number of years ago are the ones that have done fantastically well now. If you have a look at Morand systems, Morand used to be in automotive years ago. They are now doing components for jet strike force aeroplanes — an American military aeroplane. The technology is just amazing. They have left auto well and truly behind, but they started early. So what we are doing is we are making available through the transition program for them, as a supply chain, business expertise advice. The basics of a lot of these businesses have been that some of them — not all of them — have been very heavily reliant on auto, and they have been for years.

Some of them have never needed to look for other customers or develop up a marketing strategy. Some of that is very, very basic to actually get them to think through, no. 1, do they see themselves as having a future? That is an important question, and some of them have basically said, 'No, there is no future for us. We're going to just pack up and do other things'. Others will say, 'We want to make a go of this. We want to look for new opportunities, but we don't know how'. The fund is strategically designed to give them what they have been seeking.

This is what they told us in all the consultations that we had last year: 'We need that expert advice. We need someone who has walked this path before to come and tell us exactly how do we develop up a business case if we want to survive; what does that look like; how do we market ourselves; how do we change our work systems; do we need new plant and equipment?', and actually work out a plan and a map for how to get from A to B to survive. It is the basics that they need, and that is what we are providing. That is what they asked for, and that is what we are providing. Some of them are doing really well at that. Some have already taken up the opportunity of the fund. Others of course are still considering the options, and we are working through with them to actually be able to demonstrate to them how valuable this can actually be, and many of them have now taken up the opportunity to seek support from us.

Ms WARD — Thanks, Minister. That is great news around the supply chain, but what I am also interested in is what is happening to people who are on the factory floor who are at places like Ford. What is happening to them and what is their experience and how are they finding new work?

Ms D'AMBROSIO — Yes. Thank you. Yesterday I actually met with Ford — I meet with Toyota, Ford, Holden on a regular basis. Ford have got a really terrific program, and they had started a program a long time ago. This is just an example of working through and one-on-one case management with each of their workers over many, many months to actually work out what they want to do, the types of things they would like to do, explore with them new opportunities, develop up their CVs — a whole range of things — identify other training that they may need. That is a journey that they are on.

The businesses have all done that to varying degrees of involvement. Of course for us in our auto transition plan we have some significant assistance that is available for those that are seeking that support once they leave. We have got an \$8.4 million skills package that will support these automotive workers so that they can — —

The CHAIR — Order! The Deputy Chair, until 3.45 p.m.

Mr MORRIS — Minister, during the last opportunity to ask questions I was asking you questions about the Premier's Jobs and Investment Fund, and your evidence was that it is not part of your responsibilities. In your presentation to the committee on 22 May last year, page 3 of that presentation, the second item identified

508 million Premier's Jobs and Investment Fund — in your presentation. I have got the front page here and the relevant page.

Ms D'AMBROSIO — Sure.

Mr MORRIS — Then in August there was a release from the Premier, headed 'Premier's Jobs and Investment panel to drive economic growth and job creation in Victoria', which indicates that — along with the Premier, the Treasurer and the minister for small business — you joined the panel at their first meeting. Given your clear identification of the fund in your presentation last year and your attendance at the inaugural meeting, how can you say it is not part of your responsibilities?

Ms D'AMBROSIO — My understanding of the question was that it was in terms of a formal responsibility for the management of the fund, and my answer remains the same, we work as an — —

Mr MORRIS — What is precisely your role with regard to that fund?

Ms D'AMBROSIO — I will explain that to you. For the reasons that I pointed out earlier, we operate as an integrated team in terms of the economic portfolios. Very importantly, the Premier's Jobs and Investment Fund is exactly that: it is the Premier's Jobs and Investment Fund. The Minister for Employment, Ms Allan, has a management role of that, and that sits within the department. The fund certainly is available to drive a lot of the agenda that the Premier is dedicated to, and of course significantly a number of those are about future industries, absolutely. But governments do not work in silos. Portfolios and ministers do not work in silos.

If you are asking me about who is responsible for the fund, my answer remains the same, and it is as equally valid now as it was last year or the question before that you asked me today. As an integrated government with portfolios — —

Mr MORRIS — I guess the question, Minister, is you were happy to talk about it in your presentation last year, you are identified in a press release from the Premier as being involved with the fund, but when I ask you questions about it, you refuse to answer?

Ms D'AMBROSIO — No, I do not refuse to answer at all. Your question, if you want to look back on it, was about responsibility for the fund.

Mr MORRIS — It was actually about expenditure from the fund.

Ms D'AMBROSIO — That is not determined by me.

Mr MORRIS — Why would you come into the committee last year and identify 508 million as being an initiative with which you and your portfolio are associated?

Ms D'AMBROSIO — I am happy to answer that.

Members interjected.

The CHAIR — Order!

Mr MORRIS — You came in last year and said, 'Yes, I am associated with this initiative'.

Ms D'AMBROSIO — Yes, that is right.

Mr MORRIS — And you came in this year and you say, 'No, I'm not going to answer questions on it'.

Ms D'AMBROSIO — This may come as a surprise, but we actually like to engage with community and industry stakeholders. That is why there is a panel — —

Mr MORRIS — But you also have a duty — —

Ms D'AMBROSIO — No. Let me explain.

Members interjecting.

The CHAIR — Deputy Chair, the minister is seeking to answer the question in the limited time we have got available.

Members interjecting.

The CHAIR — Order! The minister, to continue.

Mr MORRIS — There has been no machinery of government changes as far as I am aware.

The CHAIR — Order! The Deputy Chair.

Ms D'AMBROSIO — Do you want me to answer the question?

Members interjecting.

The CHAIR — Order!

Ms D'AMBROSIO — So how many seconds have we got?

The CHAIR — One minute.

Ms D'AMBROSIO — Very clearly, we engage with a lot of important people, the portfolios interrelate and — —

Mr MORRIS — I am asking you why on the one hand you claimed the fund as an initiative in your portfolio last year, there has been no machinery of government changes and this year you come in and say to the committee, 'No, I can't answer those questions'.

Ms D'AMBROSIO — I just do not think you understand the way that the funds operate.

Mr MORRIS — When you come in one year and say, 'This is mine', and you come in the next year and say, 'No, no, no. That's someone else's problem'. I will tell you what. I do not understand that. I expect you to be consistent.

Ms D'AMBROSIO — But you do not want to hear the answer. There is nothing I can say if you do not let me talk.

Mr MORRIS — I am seeking consistency.

Ms D'AMBROSIO — Well, the consistency is quite clear. We engage all portfolios in the economic departments — —

Mr MORRIS — Fantastic, so we ask questions about anything in all portfolios. Is that what we are supposed to do?

Members interjecting.

The CHAIR — Order! It is 3.45; the hearing has ended. Before I thank the witnesses I do want to make a couple of comments. I would like to thank all members of the Public Accounts and Estimates Committee for their dedication and service over the last two weeks. As many would know, this is a new format, a new style, and all members have used their best endeavours to make this work. Before handing to the Deputy Chair I also want to thank the PAEC secretariat staff, Leah, Amber and Mel, who have worked tirelessly over the last two weeks; so thank you for your labours and endeavours. Before thanking the witnesses I might just hand to the Deputy Chair.

Ms SHING — Sorry — staff who assisted as well, the parliamentary staff.

Mr MORRIS — Thanks, Chair. I will very briefly support your comments. I think it has been an interesting year. Of course it did not in any way acquit the government's commitment to make changes to PAEC, but it has been an interesting transitional step, at the initiative of the committee — I hesitate to emphasise — not of the government. But I concur with your comments. I think it has worked well.

Can I also acknowledge the work of all our colleagues. I also want to acknowledge the work of the secretariat staff. I know it has been a particularly tough year. It is always tough at estimates, but it has been a particularly tough year. I also want to acknowledge, obviously, Hansard, the audio people who have to sit through all this, and I also want to acknowledge the work of the broader parliamentary staff, because estimates does put quite a load on the house itself, or the building itself, above and beyond the normal traffic through. I want to acknowledge all those people and wish you all a good evening.

The CHAIR — I thank the witnesses for their attendance: the Minister for Industry, the Honourable Lily D'Ambrosio, MP, Mr Bolt, Mr Carrick, Dr Caples, Dr Green and Ms Eddy. The committee will follow up on any questions taken on notice in writing. A written response should be provided within 14 calendar days of that request.

Committee adjourned.