

Public Accounts and Estimates Committee | Into the Inquiry of 2023-24 Budget Estimates

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

Portfolio:	Industry and Innovation
Witness:	The Hon. Ben Carroll MP
Committee Member:	Ms Bev McArthur MP
Page/s of transcript:	4

Relevant text:

Bev McARTHUR: Thank you very much. How much is forecast to be generated over the forward estimates? Maybe you need to take that on notice.

Tim ADA: I would have to take that on notice too, Mrs McArthur.

Answer:

Breakthrough Victoria's financial performance is reported in its Annual Report. As a State-owned company undertaking investment transactions, Breakthrough Victoria's forward financial forecasts are not publicly reported.

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Relevant text:

Bev McARTHUR: Thank you very much, Mr Ada. Labor Premier John Brumby is chair of Breakthrough Victoria. Is he remunerated or is he a volunteer?

Tim ADA: Mr Brumby is remunerated as the chair of the board. The board has eight directors that were selected through an open EOI process.

Bev McARTHUR: Can you tell us what his remuneration is?

Tim ADA: I would have to take that question on notice.

Answer:

Breakthrough Victoria reports on remuneration of Board directors in its Annual Report. The Breakthrough Victoria Chair's remuneration range is \$77,974 to \$146,268 (1 July 2022). This is in accordance with the Department of Premier and Cabinet's (DPC) Appointment and Remuneration Guidelines.

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Relevant text:

Bev McARTHUR: Mr Ada, at budget paper 2, page 72, the breakthrough fund is described as a public financial corporation that generates revenue for the state similar to the Transport Accident Commission. How much revenue has the breakthrough fund generated for the state through its investments since its inception?

Tim ADA: Thanks for the question, Mrs McArthur. It is obviously only early in its maturity. It has made a series of investments, some 20-odd investments –

Bev McARTHUR: How much?

Tim ADA: It has made about 20 or so investments. I do not know how much revenue has yet been made by the company.

Bev McARTHUR: Can you find that out?

Tim ADA: I would have to take that on notice.

Answer:

Breakthrough Victoria's mission is to increase commercialisation activity and have a positive impact on the state by investing in innovative companies across the funding cycle from pre-seed to growth capital.

Investment returns are a key element of Breakthrough Victoria's investment strategy, with the company expected to be self-sustaining beyond its first ten years of operation, with returns to be reinvested.

Breakthrough Victoria anticipates that each investment achieves realised returns generating revenue in different timeframes, reflecting its diverse investment approach. For example, a typical pre-seed investment may take 10 years to mature to the point where Breakthrough Victoria can exit and realise the return on its investment. A growth capital investment may take around 5 years to get to this point. As expected, given that Breakthrough Victoria was only incorporated in March 2021, the first investments have not yet yielded reportable revenue.

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Relevant text:

Bev McARTHUR: Great. And of the \$2 billion allocated to the breakthrough fund, how much has actually been spent to date?

Tim ADA: I would have to take that question on notice, but to give you a sense of magnitude, several hundred million dollars have been committed by Breakthrough Victoria from that \$2 billion fund. But I will take the question on notice to come back to you with specifics.

Answer:

As an independent company, Breakthrough Victoria reports annually on its financial performance. The inaugural Breakthrough Victoria Annual Report states the Board approved \$55million in investments from inception to June 2022. Other significant investments have been made in 2022/23 and the company's 2022/23 Annual Report will be prepared and tabled following the conclusion of the financial year.