



**OFFICIAL MINISTERIAL OVERSEAS TRAVEL
Outcomes Report**

The provision of the information below is consistent with the *Guidelines for Official Ministerial Overseas Travel*. This report must be sent to the Premier within 40 working days of return, and published on the relevant department website within 60 working days of the Minister's return. The published version of the report does not need to include the 'next steps / follow up' section or the Premier's signature.

Name of Department / Agency	Department of Treasury and Finance	
Departmental / Agency Contact	Rebecca Spiteri	
Telephone Number	9651 5209	
TRAVEL DETAILS		
Minister's Name	Tim Pallas, MP	
Portfolio/s	Treasury	
Did the Minister's spouse accompany the Minister in an official capacity? If Yes – please outline the role of the spouse in achieving the outcomes of the visit	YES (official capacity) <input type="checkbox"/> YES (private capacity) <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Accompanying Ministerial staff	Deputy Chief of Staff	
Countries visited	Seoul, Korea Jakarta, Indonesia Kuala Lumpur, Malaysia Singapore, Singapore Frankfurt, Germany Warsaw, Poland Paris, France London, UK	

Date of travel	24 September 2016	
Number of official travel days (include day of departure and day of return)	14	
Funding source (list Department/s or Agency)	Office of the Treasurer	
EXPENSES <i>Include combined expenses for Minister, accompanying staff and spouse (if accompanying in an official capacity)</i>	\$	
Air fares (including taxes and fees)	\$44,020.58	
Accommodation (including taxes and fees)	\$9,556.66	
Other expenses (including surface travel and travel allowances)	\$3105.06	
Travel cost for Minister and ministerial staff (<i>and spouse or de facto partner if applicable</i>)	\$56,682.30	
Are the above costs final and complete?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

Purpose of travel

The program was run in support of the Treasury Corporation of Victoria (TCV) International Investor program and the Victorian Government Business Offices relationship development efforts. The program had a number of core objectives:

- provide the international investment community, and individual existing and potential investors, with an update on: the Victorian Budget; infrastructure spending and fiscal management plans of the Government; and the TCV annual borrowing program;
- discuss Standard and Poor's ratings action placing Australia, and by default Victoria and TCV, on ratings watch;
- introduce the Treasurer to significant international relationships of the Victorian Government Business Offices;
- facilitate a broad understanding of the global economy; and
- promote Victoria in the international arena.

Benefits of travel to the State of Victoria

The Victorian Government has developed strong global networks through interaction with international financial, business and infrastructure investors. The program generated a great deal of interest from all parties, with each meeting positively received, and undertakings given for ongoing interaction.

The following regions were visited with positive outcomes:

Seoul

- Meetings were held to strengthen relationships with three key fixed income investors. Discussions centred on:
 - TCV's debt program in the context of the funds received through the long-term lease of the Port of Melbourne, and the Government's Fiscal program and long-term infrastructure program.
 - Standard and Poor's recent ratings action placing Australia, and by default Victoria and TCV, on negative ratings watch and the likely future impact of a rating decision.
 - Seoul based investors' general satisfaction with the state of the Victorian economy, and TCV's bond program. (Discussion with regard to potential ratings actions indicated the investors were aware of the decision, but that it would not influence their investment commitment).
- A meeting was also held with an investor in the Port of Melbourne.

Jakarta

- Meetings were held to strengthen relationships with two key fixed income investors. Discussions centred on:
 - debt programs and ratings actions.
 - Jakarta based investors' optimism despite the ratings downgrade, noting the underlying strength and diversity of the Victorian economy in comparison to other states.
- A roundtable event was hosted by the Australian Ambassador with individuals with interests in the Australian education, property and food industries. It included discussions on State taxation measures, particularly for foreign landlords, and comparisons to experiences with the system in Vancouver, Canada.

Kuala Lumpur

- Meetings were held to strengthen relationships with two recent fixed income investors. Discussions centred on TCV's issuance methodology, liquidity of the markets and the relative credit strength of Victoria.
- A roundtable event was hosted by the Victorian Government Business Office and attended by individuals with interests in the Australian education, property and food industries. Discussions included the strength of the Victorian higher education offerings and the resulting alumni network; and further strengthening contacts between regulatory and financial regulators (noted mostly Federal actions).

Singapore

- Meetings were held to strengthen the relationship with two key fixed income investors and a dealer on TCV's Benchmark Bond program. Discussions centred on:
 - TCV's debt program, the long-term lease of the Port of Melbourne, the Government's fiscal program and long-term infrastructure program.
 - an investor's decision to establish an office in Singapore, and their experience in that regional centre.
 - Regional economic issues.

- Impediments to the market offering longer debt maturities.
- A roundtable event was hosted by the Victorian Government Business Office and attended by individuals with interests in the Australian education, property and food industries.

Frankfurt

- Meetings were held to strengthen the relationship with three fixed income investors, and with the Deutsche Bundesbank (Federal bank), a significant investor and market Regulator. Discussions centred on:
 - TCV's debt program, the long-term lease of the Port of Melbourne, and the Government's fiscal program and long-term infrastructure program.
 - Standard and Poor's recent ratings action placing Australia, and by default Victoria and TCV, on negative ratings watch and the likely future impact of a rating decision.
 - Regional economic issues.
 - Solvency of the private Deutsche Bank and the associated risks.
 - Impact of Brexit on Europe, and more specifically Frankfurt.

Warsaw

- A meeting was held with a significant and potential new investment interest in TCV bonds. Discussions centred on:
 - Victoria's economic credentials.
 - TCV's debt program in the context of the funds received through the long-term lease of the Port of Melbourne, and the Government's ongoing fiscal program and long-term infrastructure program.
 - Standard and Poor's recent ratings action placing Australia, and by default Victoria and TCV, on negative ratings watch and the likely future impact of a rating decision.

Paris

- Meetings were held to strengthen the relationship with three fixed income investors. Discussions centred on:
 - TCV's debt program in the context of the funds received through the long term lease of the Port of Melbourne, the Government's fiscal program and long term infrastructure program.
 - Standard and Poor's recent ratings action placing Australia, and by default Victoria and TCV, on negative ratings watch and the likely future impact of a rating decision.
- A meeting was also held with Parisian company Engie to discuss its presence in Victoria, and the future of Hazelwood.



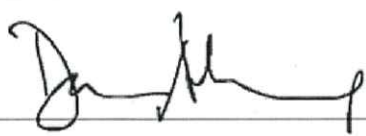
London

- Meetings were held to strengthen the long-standing relationship with a number of fixed income investors and a dealer on TCV's Benchmark Bond program. Discussions centred on:
 - TCV's debt program in the context of the funds received through the long-term lease of the Port of Melbourne, and the Government's fiscal program and long-term infrastructure program.
 - Standard and Poor's recent ratings, with the investors optimistic about Victoria's economy and intentions to maintain their investment profile.
 - Brexit and its impact on the UK.

- Meetings were also held with:
 - KPMG to discuss matters impacting the procurement and financing of infrastructure and the long-term future of the project pipeline. Detailed discussions were also held on technology disruption in the automotive space and impacts of driverless and electric cars in the future.
 - Rothschild and Co to discuss economic matters impacting the Eurozone (including Brexit and other activities), infrastructure financing in the UK and Victoria's infrastructure program.

Next Steps / Follow Up

Investor trips such as this create an opportunity to establish ongoing dialogue with investors both in financial markets and industry and trade. While ongoing dialogue with visited parties is undertaken by TCV and the VGBO office, the ability of the Treasurer to augment that dialogue is significant - a continued program of visits over future years will be valued by these investors. Further, a number of offers were made to meet with interested parties when they are next in Melbourne, and this action also supports the development of business relationships, and enhances the long term likelihood of investment by visited parties.

Noted by Department Secretary (Signature)	
Name	David Martine
Date	12/4/17
Approved by Minister (Signature)	
Name	The Hon Tim Pallas MP
Date	15/5/17
Approved by Premier (Signature)	
Name	The Hon Daniel Andrews MP
Date	/ /