



**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.

<b>Name of Department / Agency</b>	Department of Treasury and Finance	
<b>Departmental / Agency Contact</b>	Andrew Beaufoy, Office of the Secretary	
<b>Telephone Number</b>	03 9651 1338	
<b>TRAVEL DETAILS</b>		
<b>Minister's Name</b>	Tim Pallas, MP	
<b>Portfolio/s</b>	Treasurer	
<b>Did the Minister's spouse accompany the Minister in an official capacity?</b>  <b>If Yes – please outline the role of the spouse in achieving the outcomes of the visit</b>	YES (official capacity) <input type="checkbox"/> YES (private capacity) <input type="checkbox"/>	<b>NO</b> <input checked="" type="checkbox"/>
<b>Accompanying Ministerial staff</b>	Chief of Staff	
<b>Countries visited</b>	United Kingdom, Denmark, Finland and Singapore	
<b>Date of travel</b>	1 October 2017	
<b>Number of official travel days (include day of departure and day of return)</b>	14 days	
<b>Funding source (list Department/s or Agency)</b>	Office of the Treasurer, Department of Treasury and Finance, Treasury Corporation of Victoria (TCV)	

<b>EXPENSES</b> <i>Include combined expenses for Minister, accompanying staff and spouse (if accompanying in an official capacity)</i>	<b>\$</b>
<b>Air fares (including taxes and fees)</b>	\$28,576.36
<b>Accommodation (including taxes and fees)</b>	\$11,284.97
<b>Other expenses (including surface travel and travel allowances)</b>	\$5,029.32
<b>Travel cost for Minister and ministerial staff (<i>and spouse or de facto partner if applicable</i>)</b>	\$44,890.65
<b>Are the above costs final and complete?</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

#### **Purpose of travel**

The aim of the trip was to:

- i) provide financial services firms and international investors with briefings on the state of the Victorian economy, fiscal outlook and TCV's 2017-18 borrowing program;
- ii) gain insights into innovative approaches to public policy relevant to Victoria, including through discussions with research institutes, policy practitioners and universities;
- iii) promote Victoria in the international arena, and outline opportunities for international investment in Victorian businesses and major infrastructure projects; and
- iv) discuss global economic trends in major trading partner economies that may impact on Victoria's economic position, the Victorian business community and the potential for future investment in Victoria.

#### **Benefits of travel to the State of Victoria**

The meetings held throughout the trip lifted the international profile of Victoria and Victorian businesses, as well as improving investment opportunities. They also provided insights into alternate approaches to public policy issues affecting Victoria. Meetings occurred in the United Kingdom, Denmark, Finland and Singapore.

#### **Funds Managers and Investors**

- The delegation met with large funds managers and investors to provide an overview of the Victorian economic and fiscal environment, promote Victoria as an investment destination, and to outline TCV's 2017-18 bond issuance program. This included meetings with:
  - Octopus Investments, discussing trends in solar power investment in the UK, and future opportunities for investment in Victorian renewable energy generation;

- Finnish investors including Marimenko, Wirepas, Comptel, EKE-Electronics and Outokumpu Pensions, providing an overview of the Victorian economy and investment opportunities in Victoria, as well as issues related to energy policy, water management and data processing;
- TCV investor roundtables with financial services firms in London and Helsinki, outlining Victoria's fiscal position, credit rating and borrowing program;
- GIC Singapore, a sovereign wealth fund owned by the Singaporean Government, discussing Victoria's infrastructure pipeline and future investment opportunities;
- Dong Energy, discussing developments in renewable energy technology, and investment models for investors in renewable generation assets;
- Sembcorp Industries Singapore, discussing energy and water investments as an asset class, developments in the Australian gas market and opportunities for future investment in water and clean energy;
- The Australia-UK Chamber of Commerce, to provide an overview of the Victorian infrastructure pipeline, including the market led proposals process, to construction, engineering and financial services firms;
- Singapore Power (SP), a state-owned electricity and gas transmission and distribution entity, discussing SP's significant investments in the Australian energy market, options for future investment in renewable generation in Victoria, and the potential to improve the efficiency of electricity distribution and storage;
- Roundtable with South East Asian financial institutions, discussing issues and challenges in South East Asia, and opportunities for investment in Victoria;

### **Policy Development and Research**

- Meetings were held with a range of policy research and reform organisations to discuss innovative approaches to policy challenges relevant to Victoria, including housing affordability, early childhood education, and the delivery of major infrastructure projects. This included meetings with:
  - Skanska UK, discussing the use of Public Private Partnerships in the delivery of infrastructure projects, including schools and hospitals, and alternative approaches to project procurement, delivery and asset maintenance;
  - Charles Clarke, former UK Home Secretary, discussing lessons from the UK education system for Victoria, including the role of vocational training in bridging skills gaps between tertiary institutions and the jobs market;
  - The UK Infrastructure and Projects Authority, discussing the UK's approach to delivering large scale infrastructure projects, building delivery capacity within the public service, and approaches to project financing and assurance;
  - The London School of Economics, discussing a paper on unlocking the benefits of alternative approaches to housing affordability and the sustainable, long-term provision of rental accommodation;
  - Lendlease, including a site visit to the 'Elephant Park' urban redevelopment of London's Elephant and Castle precinct, discussing financing for the project and policy mechanisms to grow the stock of affordable housing;
  - The Housing Finance Corporation, discussing the UK experience with a bond aggregator model for the provision of affordable housing, and ways to incentivise

market entry by institutional investors;

- The Danish Centre for Applied Social Science, discussing alternate models for delivery of early childhood development, including the effectiveness of investments in early years education, and the Danish 'Nurture Kindergartens' approach;
- A site visit to Denmark's NordHavn urban renewal project, discussing alternate approaches to financing social housing and infrastructure delivery;
- The Housing Finance and Development Centre of Finland, discussing Finland's approach to providing and funding social housing, including the interaction of market subsidies, loans and guarantees to increase housing supply;
- The University of Helsinki, discussing youth offending and rehabilitation; and
- OAJ, discussing Finland's approach to education, particularly the popularity of vocational training and comparisons to the Victorian apprentice approach.

### **Economic Outlook**

- Meetings were conducted on the global economic outlook, and implications for the Victorian economy, including with:
  - The National Bank of Denmark, to discuss recent Victorian economic performance, bond issuance by sub-sovereign governments, and the economic outlook for the European Union;
  - The Monetary Authority of Singapore, discussing the respective outlook of the Victorian and Singaporean economies and common economic policy challenges between the jurisdictions, including the Fintech sector and regulatory settings; and
  - Lawrence Wong, Minister for National Development and Second Minister for Finance, discussing the Victorian economy and trade and investment relationship with Singapore, including opportunities for future collaboration.

### **Next Steps / Follow Up**

The trip provided insights into policy development in comparable foreign jurisdictions that will inform the design of future public policy initiatives in Victoria.

The trip also facilitated closer engagement with institutional investors, infrastructure developers and financiers, and businesses that are doing business in and with Victoria. The meetings that were held offered an opportunity for deeper dialogue and commercial activity across all of these sectors.

While TCV, the Victorian Government Business Office and other Victorian Government entities engage regularly with these stakeholders, the contribution of the Treasurer is valued by those who are looking to invest in Victoria.