



Office of the Treasurer of Victoria

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Department of Premier and Cabinet
Document No M15/11450

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The Hon Daniel Andrews MP
Premier
1 Treasury Place
EAST MELBOURNE VIC 3002

Dear Premier *Daniel,*

OUTCOMES REPORT – MINISTERIAL OVERSEAS TRAVEL

In accordance with the *Guidelines for Official Ministerial Overseas Travel*, I seek your approval for the attached Outcomes Report.

I believe this trip has been beneficial to the State of Victoria through the interaction with international financial, business and infrastructure investors. The trip also generated a great deal of interest from these parties, and some follow up meetings have already occurred.

Once approved, I can instruct my Department to publish this report on the Department of Treasury and Finance website.

Yours sincerely

[Handwritten Signature]
TIM PALLAS MP
Treasurer

8/12/2015

RECEIVED
09 DEC 2015
CABINET SECRETARIAT
CORRESPONDENCE, DPC





**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	Vanessa Martin, Office of the Secretary
Telephone Number	96516290
TRAVEL DETAILS	
Minister's Name	Tim Pallas, MP
Portfolio/s	Treasury
Did the Minister's spouse accompany the Minister in an official capacity?	YES (official capacity) <input type="checkbox"/> NO <input type="checkbox"/> YES (private capacity) <input checked="" type="checkbox"/>
If Yes – please outline the role of the spouse in achieving the outcomes of the visit	All expenses associated with the accompanying travel of the Treasurer's spouse were met privately.
Accompanying Ministerial staff	Chief of Staff
Countries visited	London, UNITED KINGDOM Paris, FRANCE Dubai, UNITED ARAB EMIRATES Shanghai, CHINA
Date of travel	25 June 2015
Number of official travel days (include day of departure and day of return)	20

Funding source (list Department/s or Agency)

Office of the Treasurer
Department of Treasury & Finance
Treasury Corporation Victoria

EXPENSES

\$

Include combined expenses for Minister, accompanying staff and spouse (if accompanying in an official capacity)

Air fares (including taxes and fees)

26,094.92

Accommodation (including taxes and fees)

13,592.58

Other expenses (including surface travel and travel allowances)

6,505.76

Travel cost for Minister and ministerial staff (*and spouse or de facto partner if applicable*)

46,193.26

Are the above costs final and complete?

YES



NO



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 therefore had a number of core objectives:

- to provide the international investment community with an update on the Victorian Budget, the infrastructure spending and fiscal management plans of government and the TCV annual borrowing program;
 - to introduce the Treasurer to significant international relationships, including investors, financiers and financial services providers, rating agencies and business relationships, international companies that currently operate or may open businesses in Victoria, and expatriate Victorians;
 - to facilitate a broad understanding of the global economy; and
 - to promote Victoria in the international arena.
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Benefits of travel to the State of Victoria

The primary benefit has been through interaction with international financial, business and infrastructure investors. The program generated a great deal of interest from these parties, with all meetings positively sought. By region the outcomes have included:

LONDON AND PARIS

- Strengthened relationship with three key existing infrastructure investors: Laing O'Rourke;
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Keolis and Transdev and provided direct briefings on the market-led proposal guidelines for infrastructure projects in Victoria

- Contributed to ongoing discussions with significant new investment projects including:
 - NewCold (logistics company, Netherlands), initiated discussions of expansion plans beyond inaugural Victorian plant
 - Debenhams UK retailer briefed on expansion plans after initial store opens
 - BAE International, reiterated Victoria's support for continued operations at Williamstown
 - SEB London, who briefed on UK/Europe approach to Green Bonds
 - Infrastructure UK provide opportunity to assess and compare UK and Australia/Victoria practice infrastructure procurement practices
 - Secured media coverage with Infrastructure Investor, a specialist publication, profiling infrastructure opportunities in Victoria with further coverage expected with Infrastructure Intelligence.

- Hosted events to showcase Victoria:
 - lunch and briefing: Victorian Economic Update and Budget Update – finance, infrastructure and investor networks, 60 guests
 - Victorian Connection UK event – 100 guests and secured 25 new members to the network
 - Australian Business (the British Australia Chamber of Commerce) Breakfast Briefing and Economic Update 70 guests including from finance, banking, legal sectors
 - Leadership Lunch London – 14 guests, involving a short briefing by Treasurer, then round table discussion led by guests on their views business trends.
 - Melbourne Mining Club London dinner, address reinforced Melbourne role in Australia's mining sector and raised profile of IMARC 2015: attended by approximately 900 people
 - Australian Business in Europe – France (Australia France Chamber of Commerce) dinner for 35 high level mixed group of investors and business people, where treasurer was introduced by the Australian Ambassador to France.

Dubai and Abu Dhabi

The program was an introductory visit to Dubai and Abu Dhabi, arranged and coordinated by the Commissioner for Victoria based in Dubai in conjunction with the Senior Trade Commissioner for Austrade.

Although the visit was for only one day, a number of very productive discussions and meetings were held with key entities including:

- Mubadala
- Abu Dhabi Investment Council
- National Bank of Abu Dhabi
- Abu Dhabi Investment Authority

In addition a business roundtable was held attended by senior local and expatriate Australian business and Government executives.

The Commissioners have recently made a follow up visit to the Treasurer in Melbourne.

China

The delegation met with a number of high profile Chinese businesses including:

- CSR Ziyang Co Ltd to discuss the Victorian Government's infrastructure plans; especially with regard to the Melbourne Metro expansion project and also our future rail rolling stock requirements. Following this meeting, CSR Ziyang and VGBO Chengdu also briefed their sister company CSR Changchun, and on the 9th November 2015 it was announced that CSR Changchun was a member of one of three shortlisted consortiums for the Victorian Government's Melbourne Metro expansion tender. CSR Changchun, through its Changchun Railway Vehicles entity, is part of the Evolution Rail consortium which also includes Downer EDI and Plenary.

The VGBOs in Beijing and Chengdu have also been following up with China Rail Group, the parent company of both CSR Ziyang and CSR Changchun, and representatives of all three entities will be travelling to Melbourne to attend the AusRail briefing that will take place between 23-28 November 2015. China Rail Group also met with the Treasurer in August 2015 following the Treasurer's visit in July.

During the Victorian Premier's visit to China in September 2015, CSR Ziyang participated in the Chengdu investment forum and China Railway Group met with the Premier.

- An investment seminar organised jointly by the Victorian Government and ShineWing Australia and China offices. ShineWing China is the largest indigenous accounting firm in China and works closely with some of China's leading private and public sector firms. The event was attended by approximately 20 potential investors from a range of sectors including energy, food and agribusiness, education and tourism. Of note was the attendance by Shanghai Electric Power, one of China's largest State Owned Enterprises, and senior executives travelled to Melbourne in October 2015 and met with the Treasurer and also Invest Victoria. Invest Victoria is currently working with Shanghai Electric Power to identify renewable energy projects in Victoria that might meet Shanghai Electric Power company's investment criteria
- Power China to discuss Victorian infrastructure projects and in particular the removal of level crossings. Follow up has occurred through Invest Victoria who have provided information regarding the level crossing removal schedule, renewable energy projects and, within the bounds of probity, opportunities that might exist in Fishermens Bend and East Werribee development precinct.
- Two local media interviews, one with Xinhua News Agency, a Chinese government owned media organisation with national and international print and electronic coverage, and the other with Chinese Business Network (CBN), a television station owned by Shanghai Media Group. The focus of the interviews was on the China Australia Free Trade Agreement and Victoria's planned \$22 billion infrastructure program and the opportunities for Chinese investors. Both interviews ran in the local print and broadcast business media.

Next Steps / Follow Up

Investor trips such as this create an opportunity to establish ongoing dialogue with investors
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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 (some of which have already occurred as noted above), and this action also supports the development of business relationships, and enhances the long term likelihood of investment by visited parties.