13 April 2015

Mr John Brumby

Chair, External Advisory Board

Regional Economic Development Strategy Review

Department of Economic Development, Jobs, Transport and Resources Via email: REDS.review@ecodev.vic.gov.au

Dear Mr Brumby,

# RE: Review of Regional Economic Development Strategy

On behalf of the Victorian Trades Hall Council (VTHC), I would like to make a submission to the above review. The VTHC welcomes this important review and thanks the Board in advance for their work.

The VTHC represents 40 unions and almost 400,000 union members across Victoria. There are also eight regional trades and labour councils across Victoria representing Ballarat, Bendigo, Geelong, Gippsland (Morwell), Goulburn Valley (Shepparton), North-East Border (Wodonga), South-West (Portland) and Sunraysia (Mildura).

The VTHC welcomes the review’s focus on regional growth and job creation. Development of regional Victoria is critical for the future of our state as a whole. It is the opinion of the VTHC that this review, in particular, should be committed to jobs that provide safe, ongoing and secure work to Victorians. VTHC believes all jobs created should be new jobs not simply transferred from elsewhere in the state, and all jobs should be secure and permanent.

As you would be aware, unemployment in regional areas remains consistently above the state average with figures of up to 10.5% in Geelong and 10.2% in Bendigo reported during the months of July and August 2014 by the Australian Bureau of Statistics (ABS). Youth regional unemployment is even higher than this, with the Brotherhood of St Laurence labelling the Hume region (Goulburn Valley, Wodonga and Wangaratta) a ‘hotspot’ with youth unemployment at 17.5%. A systematic and coordinated jobs agenda is clearly needed for regional Victoria.

With respect, the VTHC would like to make four recommendations to the External Advisory Board regarding this review.

Firstly, that working with regionally-based universities to identify opportunities for future industries and job growth such as the new manufacturing, medical research and services as well as in the renewable energy sector and ‘creative industries hubs’ is invaluable, and the state government should support and fund these initiatives.

Further, the key role of TAFEs in regional areas should be recognised and there should be a renewed commitment to priority funding and fully supporting TAFEs, after they were abandoned by the previous Coalition government. VTHC has made a submission to the VET funding review and this can be made available to the Board if required.

Secondly, the VTHC recognises the important role of government procurement and local content provisions; for example, the 50% local content minimum in the Cranbourne-Pakenham Line project as announced recently by the Minister for Public Transport and the Treasurer. Recommendations to the state government cementing their commitment to local content and local procurement is key to a jobs agenda for regional Victoria.

It is the opinion of VTHC that procurement is not simply about ‘best price’, but more specifically ‘best value’ which takes into consideration value for money, quality of product, securing local jobs (reducing welfare support costs and increasing tax revenue) as well as retaining and developing local skills and knowledge (rather than sending this experience offshore).

Thirdly, the VTHC would also like to draw to the attention of the review the decline of the auto industry. A jobs and employment crisis is imminent, with the potential to lead our state into a recession, and immediate action needs to be taken. We argue that a ‘whole of government’ approach, bringing together the relevant ministers and government departments, is needed to insure those workers made redundant over the coming years are provided with relevant and quality training leading to genuine and secure jobs. A failure to do so may place Victoria under severe financial pressure.

Finally, that local input and consultation between regional trade halls, local councils and the business community as part of regular, local government economic forums is essential and should be actively encouraged.

The VTHC would like to thank you for the opportunity to submit to this review.

Regards,



Luke Hilakari

Secretary

LH:DB

Ref: 91.15

CC via email:

Ms Jaala Pulford, Minister for Regional Development