

PAEC HEARING

DEPARTMENT OF ECONOMIC DEVELOPMENT,
JOBS, TRANSPORT AND RESOURCES

Richard Bolt | Secretary

14 February 2018



Economic Development,
Jobs, Transport
and Resources

Department of Economic Development, Jobs, Transport and Resources

Presentation outline



What we are here to do

Vision, mission and outcomes

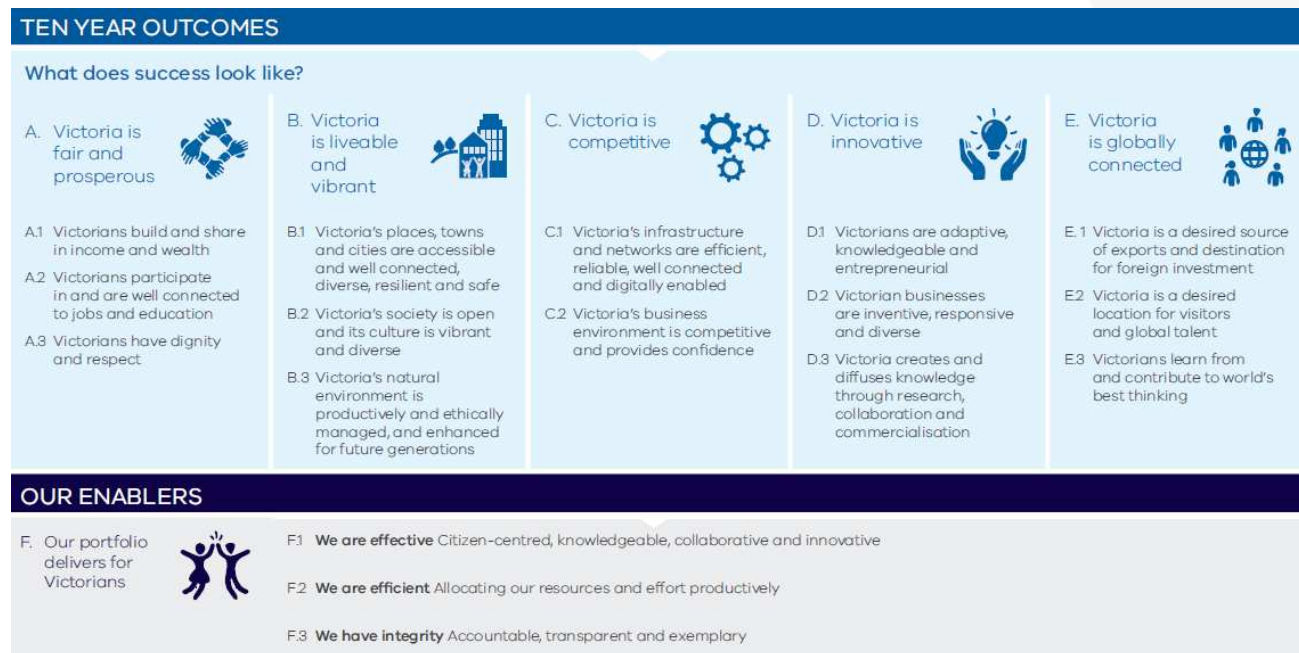
Vision

A productive, competitive and sustainable Victorian economy that contributes to a prosperous and inclusive society

Mission

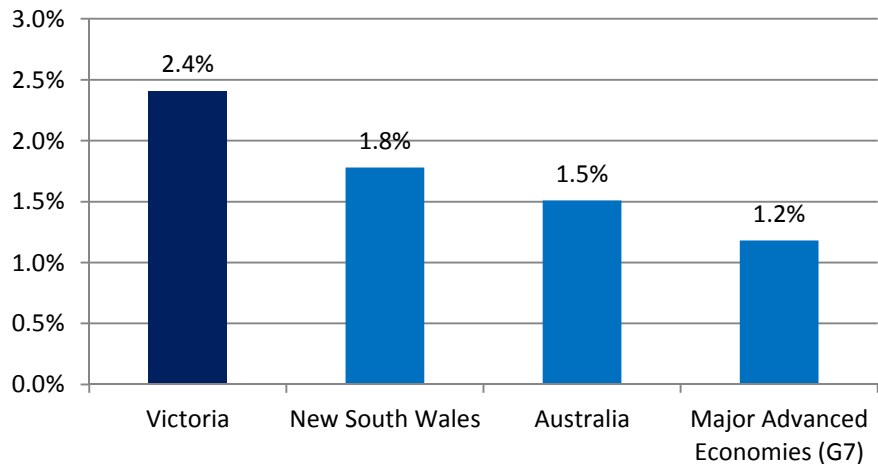
To get our economy and society working together for the benefit of all Victorians by

- creating more jobs for more people
- connecting people and businesses and
- maintaining Victoria's envied reputation for liveability now and for the future



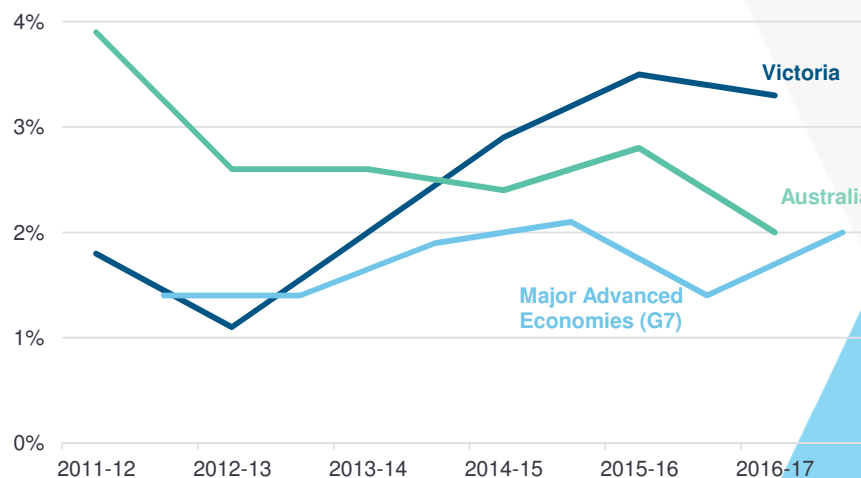
The Victorian economy is performing strongly

Average annual employment growth rates, 2012 to 2017



Notes: Major advanced economies (G7) include Canada, France, Germany, Italy, Japan, United Kingdom, United States. Data is for calendar years. 2017 data for G7 is to September.
Sources: OECD Main Economic Indicators ; dXtime ; ABS Cat. No. 6202.0 - Labour Force, Australia (Victoria, NSW and Australia trend series data)

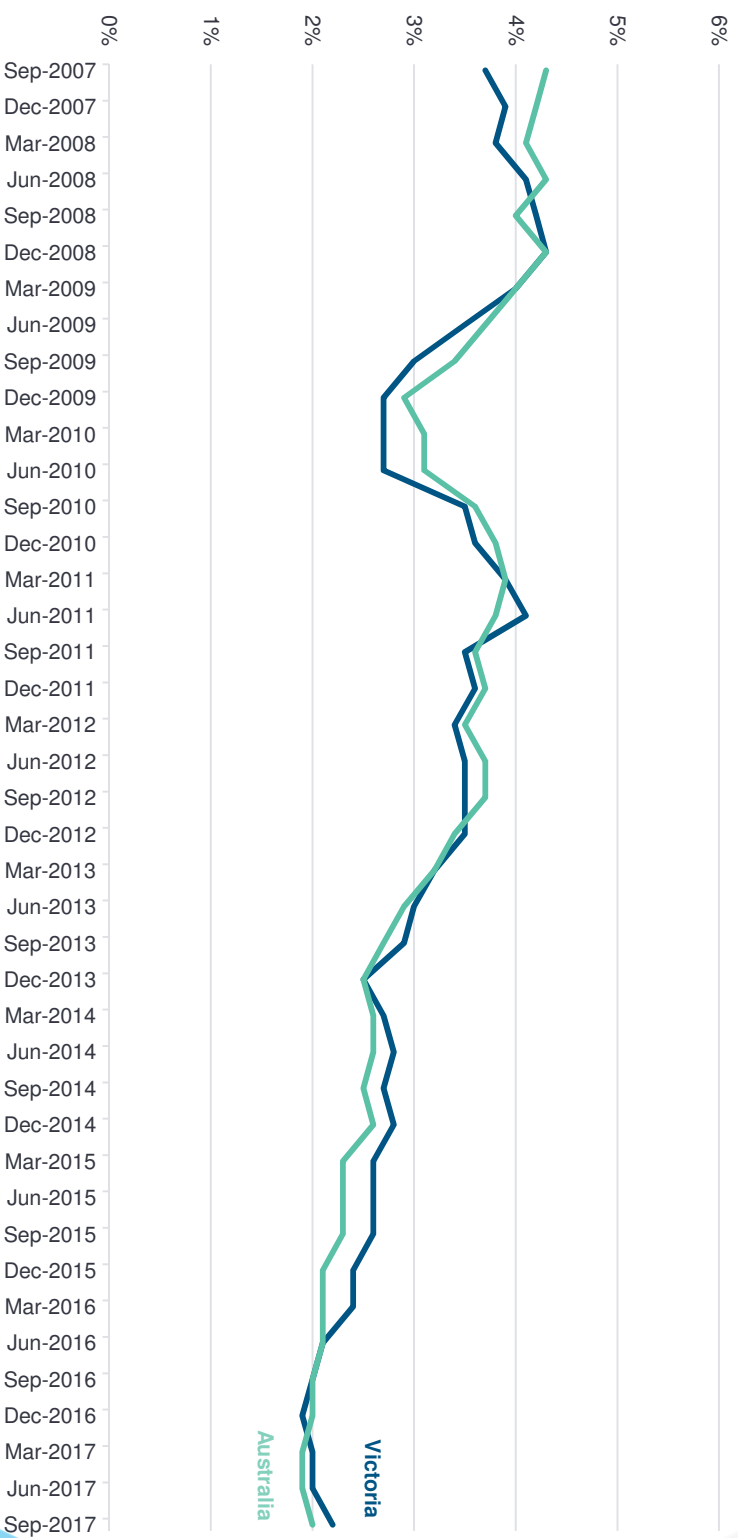
Comparison of Victorian GSP and Australian and Major Advanced Economies (G7) GDP growth rates, 2011-12 to 2016-17



Note: Victorian GSP (gross state product and Australian GDP (gross domestic product) data is for financial years, Major Advanced Economies data is for calendar years and is a projection for 2017.
Sources: ABS cat no. 5220 – Australian National Accounts: State Accounts 2016-17, Chain Volume Measures; IMF World Economic Outlook - Real GDP Growth October 2017.

However wage growth in Australia has been slow

Wage Price Index growth rate, Victoria and Australia^(a)

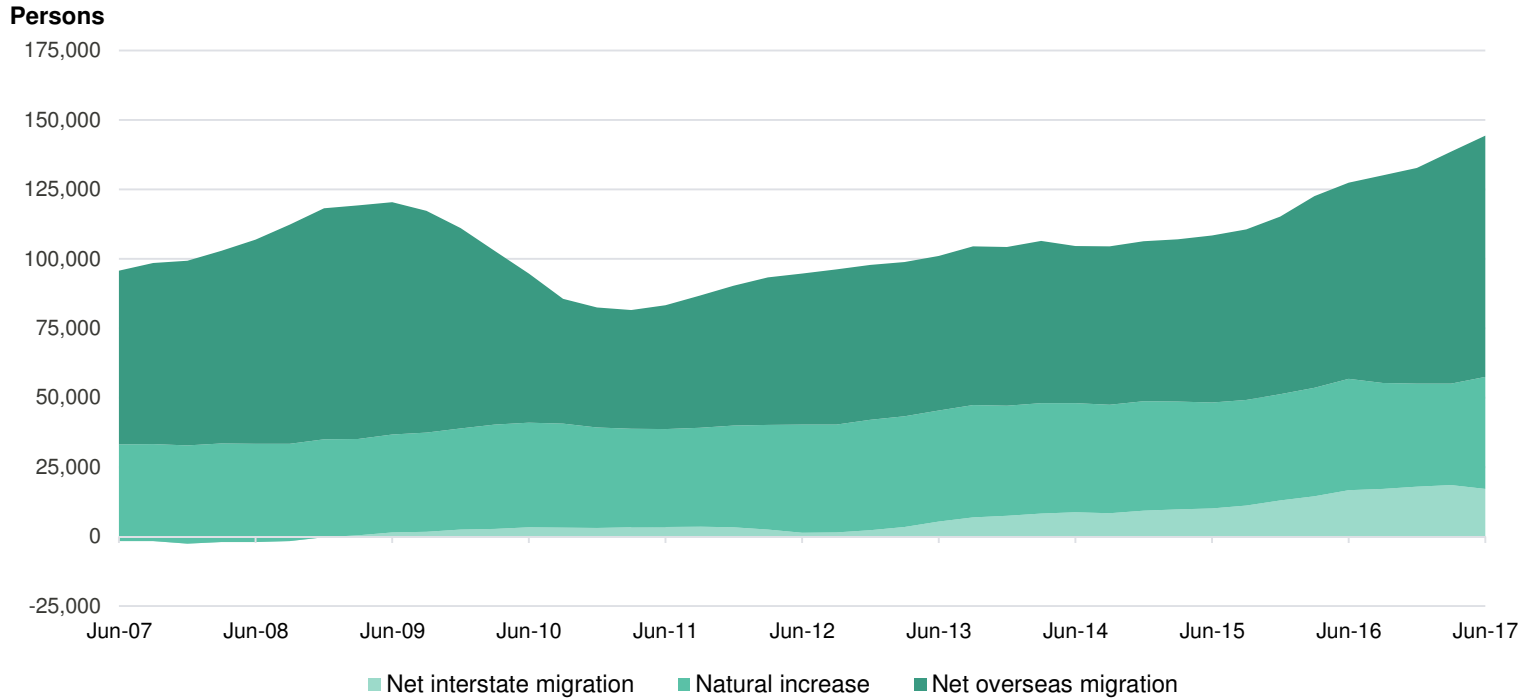


(a) Percentage Change from Corresponding Quarter of Previous Year. Source: ABS Cat. 6345.0

DELIVERING VICTORIA'S ECONOMIC PLAN | BY RICHARD BOLT, SECRETARY OF DEDJTR

Victoria has the nation's fastest population growth

Annual Victorian population growth by component^(a)



(a) Rolling 12-month totals. Source: ABS Cat. 3101.0

Working with the Victorian community

Community engagement helps the department to deliver government priorities

Community members have helped us to coordinate Victoria's growing transport system.

In the last year, we have:

- Managed periods of major works, by providing practical advice to help people adapt during disruptions.
- Used an understanding of how people use transport, to manage uses across different modes of transport.



Working with the Victorian community

Community engagement helps the department to deliver government priorities

We have strengthened regional planning.

- Nine Regional Assemblies were attended by over 1,400 people in 2016-17.
- Assemblies discussed the most important challenges and top priorities in each region.
- Over 2,000 people have participated in assemblies in the current year.

We have worked closely with Victoria's small businesses to develop regulation reform that will make a tangible impact.

- Around 1,000 small businesses participated in a small business regulation review project, including to design reform solutions.



Regional Partnerships
Share ideas here and have your say about what matters in your region.

Working with industry to support economic growth

Against a backdrop of disruption and transition, we work with industry to grow jobs and keep people included in the economy

We contributed to trade and industry development by:

- Facilitating projects worth an estimated \$2.23 billion in new capital investment, estimated to create over 6,200 jobs.
- Attracting the headquarters of 11 major ICT companies.
- Successfully trialling the cultivation of medicinal cannabis, and obtaining Australia's first cultivation and manufacturing licence.
- Strengthening agriculture by improving traceability and management of animal diseases.
- Introducing legislation to regulate rideshare services.

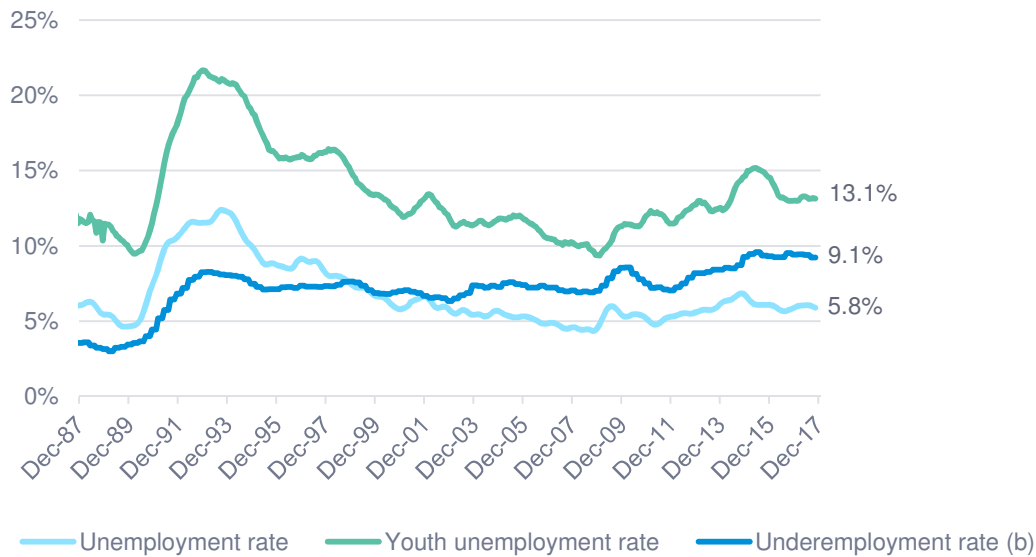
We supported industries facing transition and technological change by:

- Continuing delivery of the Victorian Automotive Transition Plan.
- Securing continued operations at Alcoa's Portland smelter.
- Negotiating the Latrobe Valley Worker Transfer Scheme to give job opportunities to former Hazelwood Power Station workers.

Supporting economic growth to promote social inclusion

The more that employers can keep and connect people to work, the more they feel valued in contributing to the Victorian community

Victorian unemployment rates, total and youth^(a)



- 1,478 job seekers have been placed into work through the Jobs Victoria Employment Network.
- The department has completed a review of the *Victorian Long Service Leave Act 1992*, which has included new legislation to modernise long service leave laws.
- The department led the Victorian Government’s response to the *Inquiry into Labour Hire and Insecure Work*.

Source: ABS 6202.0 Labour Force, Australia, Dec 2017

(a) The unemployment rate is based on the trend series. The youth unemployment rate is based on the original series (12 month moving average).

(b) Measures the proportion of employed persons who want, and are available to, work more hours. The data for underemployment is to November 2017.

Working across Victoria

Our work in Victoria's regions highlights the department's focus on jobs and ensures Victoria's global connections.

We have:

- Completed stage one and begun stage two of the \$440 million Murray Basin Rail Project.
- Secured Commonwealth funding for the \$1.57 billion Regional Rail Revival Program, which will upgrade Victoria's regional passenger network.
- Delivered 80 extra regional train services.
- Run trade missions expected to result in around \$300 million of new export sales.
- Exported food and fibre goods from Victoria worth \$11.9 billion in 2015-16, which increased six per cent in 2016-17.
- Started preparation for the Latrobe Valley GovHub as part of the \$266 million Latrobe Valley transition package to support economic growth in the region.



Working across Melbourne

Melbourne provides much of the Victorian economy's growth through key economic infrastructure investments connecting people and places

We have made good progress on major infrastructure projects to keep Melbourne moving and liveable by:

- Progressing the removal of 50 level crossings: 15 crossings have been removed, up to 28 are anticipated to be removed by end of 2018.
- Awarding a \$2.3 billion contract to build 65 high capacity metro trains, and commissioning nine new X'Trapolis trains.
- Improving safety at 28 road crossings and 27 pedestrian crossings with the Safer Country Crossing Program and the State Level Crossings Upgrade Program.
- Continuing or commencing train station revitalisations and upgrades, including Flinders Street Station and Frankston Station Precinct.
- Expanding the Exhibition Centre to include an extra 9,000 square metres of exhibition space, and attract an extra 74,000 international visitors to Melbourne annually.
- Engaging Kane Constructions to build stage 2 of the Geelong Performing Arts Centre. Stage 2 commenced on site in October.
- Finalised the Port of Melbourne lease and established the Victorian Ports Corporation.



Working across the portfolio

DEDJTR is strengthening cross-portfolio action

We support the development of economic precincts with tailored transport plans.

- The GM Holden site at Fisherman's Bend demonstrates how precinct and transport planning, investment attraction and business facilitation can work together with a single vision, to support around 60,000 jobs and 80,000 residents by 2050.

We integrate transport planning into our economic development and investment agenda

- Victoria's future transport system and the need for a well integrated planning system was made front and centre, with the creation of Transport for Victoria (TfV).
- TfV integrates and coordinates the planning, development and operation of Victoria's transport system and key agencies, including VicRoads and Public Transport Victoria.
- Planning for freight is about more than our transport network. DEDJTR works across our portfolios on economic and regional development to increase Victoria's economic prosperity and employment, in metropolitan Melbourne and regional Victoria.

We seek broader economic and employment outcomes through infrastructure development.

- The three work packages completed as part of the Level Crossing Removal Project delivered an average of 96.3 per cent local content, including 100 per cent local steel. These projects supported 741 jobs including 43 apprentices and trainees.
- All Major Transport Infrastructure Program (MTIP) projects commenced in 2016-17 assess performance against the Major Project Skills Guarantee (MPSG), where at least 10 per cent of total estimated labour hours should come from Victorian apprentices, trainees or engineering cadets.

Work in the creative and visitor industries brings arts and the tourism sector together.

- A record 11.7 million attendances at exhibitions, performances, programs and events at Victoria's major cultural institutions has flow on effects to the Victorian economy.

Rolling Stock Development

In 2016-17 Victoria continued to expand our train and tram fleets to meet growing demand, and support thousands of local jobs

- We have ordered new trains and carriages to be built, employing people through the Victorian Industry Participation Policy. Victoria's wider rolling stock supply chain is estimated to employ up to 10,000 people.
- The new high capacity metro trains contracted in 2016-17 under a public private partnership will have at least 60% local content. These will be built at Newport, and will result in 1,100 jobs over its lifetime, including in the wider supply chain.
- Eleven E-Class trams were built in Dandenong and delivered in 2016-17, including E-Class tram number 50. Ten of the further 30 on order have since been delivered.
- We have overseen restoration in Bendigo of two more iconic W-Class trams for Melbourne's city circle route.



What we have delivered or contributed to

Medium-term BP3 Departmental Objectives and Performance Results

DEPARTMENTAL OBJECTIVE

KEY HIGHLIGHTS

Increase the economic, social and cultural value and impact of the creative industries

Largest ever attendance at creative industries portfolio agencies – over 11.7 million

Number of organisations and projects supported by Creative Victoria increased to 631, compared to 449 three years ago

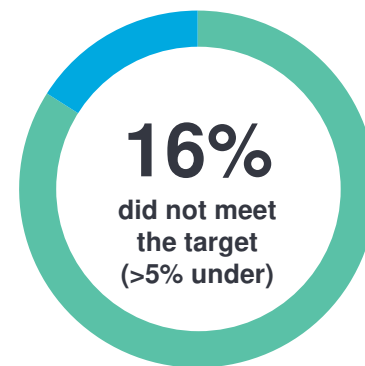
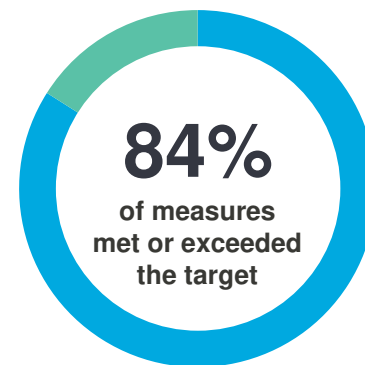
Visitor satisfaction at creative industries portfolio agencies increased to 97%

More productive, competitive and sustainable food, fibre, energy and resources industries

Value of agriculture production remained steady at \$13.1 billion in 2015-16

Value of food and fibre exports from Victoria was \$11.9 billion in 2015-16. Victoria remained Australia's largest food and fibre producer and exporter

The production value of minerals and extractives grew 12 per cent, to \$1.4 billion, in 2015-16



What we have delivered or contributed to

Medium-term BP3 Departmental Objectives and Performance Results

DEPARTMENTAL OBJECTIVE	KEY HIGHLIGHTS
<p><i>Increase sustainable employment opportunities for Victorians and build investment, trade and tourism prospects for the state through working with priority industry sectors, delivering major projects, investing in regional Victoria, providing innovation opportunities for businesses, and building resilience in the state's workforce</i></p>	<p>Investment and trade activities resulted in over \$648 million in new export sales</p> <hr/> <p>Proportion of international students studying in Victoria reached 31%</p> <hr/> <p>Domestic overnight visitors grew to 22.5 million and international visitors increased to 2.7 million</p> <hr/> <p>Domestic and international visitor expenditure grew to \$24.7 billion, 35% in regional Victoria</p>
<p><i>More productive and liveable places, towns and cities through integrated and user-focused transport services and better infrastructure</i></p>	<p>All scheduled road maintenance programs were completed, leading to a reduction in distressed metropolitan roads</p> <hr/> <p>Road fatalities and serious injuries per 100,000 fell</p> <hr/> <p>A minimum 97.8 per cent of scheduled services were delivered across the train, tram and bus networks</p> <hr/> <p>All Level Crossing Removal project milestones were delivered and the \$10.9 billion Melbourne Metro Tunnel project was launched</p>



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