

Economy and Infrastructure Committee

Inquiry: Inquiry into the Closure of the Hazelwood and Yallourn Power Stations

Hearing Date: 16 March 2022

Questions taken on notice

Directed to: Beth Jones, Chief Executive Officer, Regional Development Victoria and Deputy Secretary of Rural and Regional Victoria.

1. Ms BATH Page No 21

Question asked:

Indeed we have heard the figures in relation to job creation. Now, part of an effective transition, and effective finances and spending, is around job creation. Your document mentions 4000 jobs—you have stated that today—and it breaks down to various entities, but what we are seeing is that small area labour market unemployment for Latrobe city, the LGA, is back up at 8.1 per cent. Those are the most recent figures. So there is a disparity between the stated value of jobs and the actual unemployment for Latrobe city. Now, that encompasses, as you know, Churchill, Moe, Morwell, Traralgon and Yallourn, and that is the epicentre of where we have lost the jobs. I believe the community deserves to have some transparency about those stated jobs, where the funding has gone and particularly if those jobs are ongoing, because at the moment it is not being reflected in the unemployment figures.

Response:

As at November 2021, the LVA has contributed to more than 4000 employment outcomes from investments in infrastructure and local programs. These include:

- 1156 jobs have been created by support provided to 374 businesses through the Economic Growth Zone Reimbursement Scheme.
- 1498 unemployed people who live in the Latrobe Valley have been hired as a result of funding provided through the Back to Work Scheme.
- Over 730 workers impacted by the closure of Hazelwood and Carter Holt Harvey sawmill have been supported to find employment by the Worker Transition Service.
- 500 jobs across the region resulting from major infrastructure projects funded through the Latrobe Valley Sports and Community Initiative.

Both the Australian Bureau of Statistics and Small Area Labour Market data show the unemployment rate in the Latrobe local government area and Gippsland region has fallen since November 2016 (the month Hazelwood closure was made public) and the number of people employed has increased.

Latrobe-Gippsland (SA4) Labour Force Data (ABS, 2022, 3-month moving average):

- Unemployment rate
 - November 2016 – 7.9%
 - January 2020 – 3.7% (pre COVID-19 Pandemic), down 4.2 percentage points since Nov-16
 - February 2022 – 4.0%, down 3.9 percentage points since Nov-16
- Employed persons
 - November 2016 – 121,100
 - January 2020 – 134,900 (pre COVID-19 Pandemic), up 13,800 workers since Nov-16
 - February 2022 – 129,000, up 7,900 workers since Nov-16

Latrobe (LGA), Small Area Labour Market Data, quarterly data (National Skills Commission).

- Unemployment rate
 - December 2016 – 11.2%
 - March 2020 – 5.3% (pre COVID-19 Pandemic), down 5.9 percentage points since Dec-16
 - September 2021 – 8.1%, down 3.1 percentage points since Dec-16

It should be noted that high level jobs information is publicly available on the Latrobe Valley Authority's website.

2. Ms BATH Page No 28-29

Question asked:

And is it correct that—this may be one on notice—there has been a sum of around \$4 million that has been spent on consultants outside of the region to advise GROW and its members how to 'grow' their business and industry? I am just interested to understand what would be the advantage and why there would be such money spent outside on consultants?

Response:

This is not correct.

Growing Regional Opportunities for Work (GROW) Gippsland is a collaborative program that commenced in early 2018 to address a key piece of feedback from the community about what really mattered to them - ensuring local businesses secure work and employment from projects in the region.

The program employs local procurement advisors on the ground in the region. The LVA has acted as the backbone organisation, drawing on specialist procurement expertise to establish GROW Gippsland, which now has over 120 businesses participating. The LVA plans to hand the backbone role over to a local organisation in the coming months.

GROW Gippsland was recognised internationally with the 2020 Asia Pacific chapter of the World Commerce and Contracting Innovation excellence award for delivering on social and economic benefits.

3. Ms BATH Page No 29

Question asked:

I take the point around 4000, but how many are ongoing, because the ongoing jobs actually mean that people can stay and live in our region and bring up their children and have a very successful life...

... And therefore if there have been jobs that have ceased, then identify them. So if there has been a construction project, certainly to identify those jobs and any subsequent jobs that creates. If they are not ongoing, it needs to be stated. Thank you.

Response:

The department does not contend that all jobs created by our interventions are ongoing. The department recognises that regional economies are a system, and that all job creation has ripple effects for the community. The creation of jobs creates flow on effects in the local economy. As persons shift from welfare to employment, personal consumption rises (as income rises and so to an individual's marginal propensity to consume) supporting employment growth in surrounding sectors. To track the long-term outcomes of individual jobs is costly, resource intensive and may have privacy implications. The department instead focusses on providing the policy settings to support and facilitate strong and sustainable employment growth for the local economy and abroad.