

## **Inquiry into Jobs for the Future in Regional areas**

The Gannawarra Shire is located in north west Victoria around three hours from Melbourne along the Murray River. The Gannawarra has a population of 10,500 residents and has long relied on agriculture to drive the local economy. Demographics are aging as youth often move to the city for education and employment. Agriculture is the largest employer at 1,053 followed by Health and Retail.

On 31 July, 2019, the Senate resolved to establish a Select Committee into the Jobs for the Future in Regional Areas. The committee will inquire and report on seven matters. Below is the response from the Gannawarra Shire Council in relation to the seven matters listed.

### **1. New industries and employment opportunities that can be created in the regions.**

- The impacts of irrigation policy, climate change and aging demographics is creating the need to diversify the local economy with new industries that provide job opportunities. Council has three key focus areas to diversify the local economy and create employment opportunities:
  - Renewable Energy
  - Innovative Agriculture
  - Nature Based Tourism
- A range of new industries is predicted to drive significant job growth in the coming 2-5 years:
  - Intensive animal industries. Two large scale poultry projects and two large piggery projects are proposed.
  - A Medicinal Cannabis facility is proposed.
  - New horticultural projects including 500ha of wine grapes, expansion of cotton and organic processing tomatoes.
  - Two renewable energy projects have been constructed and another six are proposed.
  - Mineral sands and rare earths mining is proposed to commence in 2021.
  - New hospitality and tourism projects related to nature based tourism.
  - Expansion of industrial estates and growth in manufacturing businesses.
  - Significant residential developments.
  - Council estimates around 400 jobs will be created as a direct result of these projects. This will require assistance and facilitation to ensure transition to new opportunities.

**2. The number of existing jobs in regional areas in clean energy technology and ecological services and their future significance.**

- The renewable energy sector is predicted to grow in line with the proposed “Keranglink” transmission interconnector. The Gannawarra predicts around 30-40 jobs will be created when the industry matures.
- At present there are around 10 permanent jobs in the renewable energy sector.
- The renewable energy sector will be a significant contributor to the local economy through the PiLoR (Payment in Lieu of Rates) generating an estimated \$1.6M when all projects are completed.
- The construction phase of solar farms injects an estimated \$4M into the local economy through the provision of accommodation and construction services.

**3. Lessons learned from structural adjustments in the automotive, manufacturing and forestry industries and energy privatisation and their impact on labour markets and local economies.**

- Forest industries in the Gannawarra were reduced when the VEAC recommendations were introduced in 2009. Tourism was touted as the replacement for the lost forestry jobs but this aspect has never been adequately resourced or funded. The reduction of forest industries in the Gannawarra has had a significant impact on the local economy.
- A funding stream to assist the structural adjustment from timber to tourism would still be very beneficial and could also assist dairy sector workers to transition.

**4. The importance of long term planning to support the diversification of supply chain industries and local economies.**

- The single biggest impact on the local economy in Gannawarra will be the decline of the dairy industry. The transition to alternative industries will provide some opportunities but in general it is expected to have a significant short term impact on the local economy. Council has around 400 jobs on the local horizon but needs resources and support to manage the transition from dairy to alternate industries. Many former dairy industry employees will need training and development to transition. The pathway will also need to be clear and simple to ensure local community members are engaged and the opportunities realised.
- Long term planning to support infrastructure development is required. Road and rail requires upgrading while developments are uncertain how materials will be transported to port. Some clear planning and timelines are required to maintain the industry investment.
- Communications infrastructure in regional Victoria is poor and in many cases does not support the level of investment planned. In many areas there is no mobile coverage between major towns and along major highways. Agriculture, energy projects and new industries continue to struggle with poor coverage.

**5. Measures to guide the transition into new industries and employment including:**

*i. Community infrastructure to attract investment and job creation.*

- Council requires access to funding to maintain infrastructure in many of the key locations. Funding for industrial estate infrastructure, funding to develop streetscapes and parklands and funding to develop towns that will attract relocation. Funding for roads, power and water infrastructure is also required to support new industry development.

*ii. The need for a public authority to manage the transition.*

- Management of the transition needs to be carefully considered. In most cases Council has the knowledge to manage but lacks physical and financial resources to actually manage the transition. Resources based on jobs growth would be a great start for councils to manage the process.

*iii. Meaningful community consultation to guide the transition.*

- Council is best placed to manage the consultation with resource support from stakeholders.

*iv. The role of vocational education providers, including TAFE in enabling reskilling and training.*

- TAFE and training authorities will play a key role in the workforce transition and funds need to be allocated to ensure this work is undertaken locally. The take up and community engagement will be far more successful if the work is undertaken locally.

**6. The use of renewable resources in Northern Australia to build a clean green export industry to export into Asia:**

- Not applicable to the Gannawarra.

**7. Related matters:**

- With 400 jobs on the horizon and a range of new opportunities emerging it is worth noting that the level of “red tape” is seriously impacting on the level of commercial development. Many developers are frustrated with long approval times and slow service from stakeholder authorities.
- More security in renewable energy transmission infrastructure is required to give investors the confidence to construct. Perhaps this could be a key role for authorities such as Regional Development Victoria to promote. For developers information can be hard to obtain without significant time and cost.
- Irrigation Policy is destroying irrigated agriculture with generational family farms exiting the industry. Irrigation policy needs a massive overhaul to bring water security back to the water users rather than favouring investors.
- Communications technology needs significant urgent upgrade.
- Rail infrastructure and road infrastructure needs upgrading to ensure continued reliable availability to markets.
- Relocation assistance to bring the workforce to the jobs is needed in regional Victoria.