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OPINION PIECE

TIME TO FOSTER ECONOMIC GROWTH AND JOB CREATION IN TASMANIA

Never has there been a more important time to turn the spotlight on to economic development and job creation across Tasmania.

According to ABS quarterly growth figures, [Tasmania's economy is continuing to grow](#). Industries in Tasmania, such as dairy and aquaculture, are growing and there is much to be optimistic about. It's time we identified the positive attributes Tasmania has and build on the things that make this state great.

As I travel across Tasmania businesses are saying the economy started to turn around in December last year and is steadily heading in the right direction. Events such as the spectacular Dark MOFO, the Festival of Voices and AFL football fixtures help this feeling of optimism. We need to harness this confidence and never allow people to talk down our great state - that is simply a formula for failure.

At a time when the economy is growing we need to take a serious look at the issues that are stifling our potential. In my mind there are no bigger issues at the moment than economic development and youth unemployment.

The former State Labor Government developed Tasmania's first Economic Development Plan in 2011 with support from the then Federal Labor Government. This plan looked strategically at the challenges in the state and the emerging industries for growth. Where is this plan today? Has it been revised? Will it continue to be implemented?

We know economic development creates jobs. When in office, Federal Labor committed \$100 million to a Tasmanian jobs and growth plan to generate around 2500 new positions. Despite Prime Minister Abbott agreeing to match this funding

prior to the last Federal election, only 14 of the 31 projects have been funded to date.

Disappointingly, it's also difficult to identify any economic development or job creation measures for Tasmania in the Abbott Government's Budget. Funding has been slashed across Local Government, there is less money for road investment and key jobs projects are flowing at an extremely slow rate. Tasmanians who can least afford any cuts to their household budgets are being asked to do the heavy lifting for Prime Minister Abbott. Less money flowing into the Tasmanian economy will be disastrous for the state.

One thing is clear, a lack of vision for economic development opportunities in Tasmania will prevent the state moving forward. When you factor in the state's high youth unemployment rate, there are alarm bells ringing that cannot be ignored.

[Youth unemployment in the North West of the state is at 21 per cent and rising.](#) Visiting Queenstown with Federal Labor Leader, Bill Shorten earlier this month gave a human face to these figures. These are real people, with real stories who want a government that has a plan to see opportunities here in Tasmania.

The Brotherhood of St Laurence has estimated that youth unemployment may reach 33 per cent by 2016 if action is not taken. The state wide figure for youth unemployment is not much better at 17.4 per cent - this too is expected to grow. We need to act.

Having recently attended an employment round-table in Melbourne with non-government organisations, expert academics in the field, researchers and major employer groups on this important subject – I know the issues are complex and the solutions are not simple.

We need to look at schooling, vocational education, family background, the labour market, further education options, the role of group training, apprenticeships and traineeships. Any reforms to the existing systems will need to look carefully at adverse impacts. What flexibility to systems is required to allow for individual circumstances?

Young people say they want to work but no one will give them a go – employers say they want to give young people a go but they don't have the relevant work experience and are not work ready. We need to be able to make the two come together.

Unfortunately, there are other pressures that will make the situation more difficult for the people of Tasmania. The Abbott Government's Work for the Dole program, together with the draconian rule changes to Newstart, which could see young people under 30 without any income at all for between six and 11 months of each year, are

overly harsh and put the emphasis on the issue being disinterested youth rather than a system and labour market failure that needs intervention.

The Abbott Government has also moved wage subsidy programs to be paid to the individual rather than to the employer directly – this also seems to fit with the Government blaming the young person rather than the current systems. The Government has also cut \$57.5 million from the New Enterprise Incentive Scheme that supports unemployed people to start and operate their own small businesses.

What we need is a plan for jobs for this state and we need a plan to get young people into employment. What we have instead is a cut and slash approach from the Abbott Government that will hurt the Tasmanian economy.

The Federal Employment Minister, Eric Abetz, is from Tasmania and the state has two electorates doing it the toughest in Bass and Braddon with Liberal members. They need to provide solutions to these issues which are impacting Tasmania today. If action is not taken now, these issues will continue to affect the state well into the future.

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