



PAEC 2010-2011 Estimates Hearing

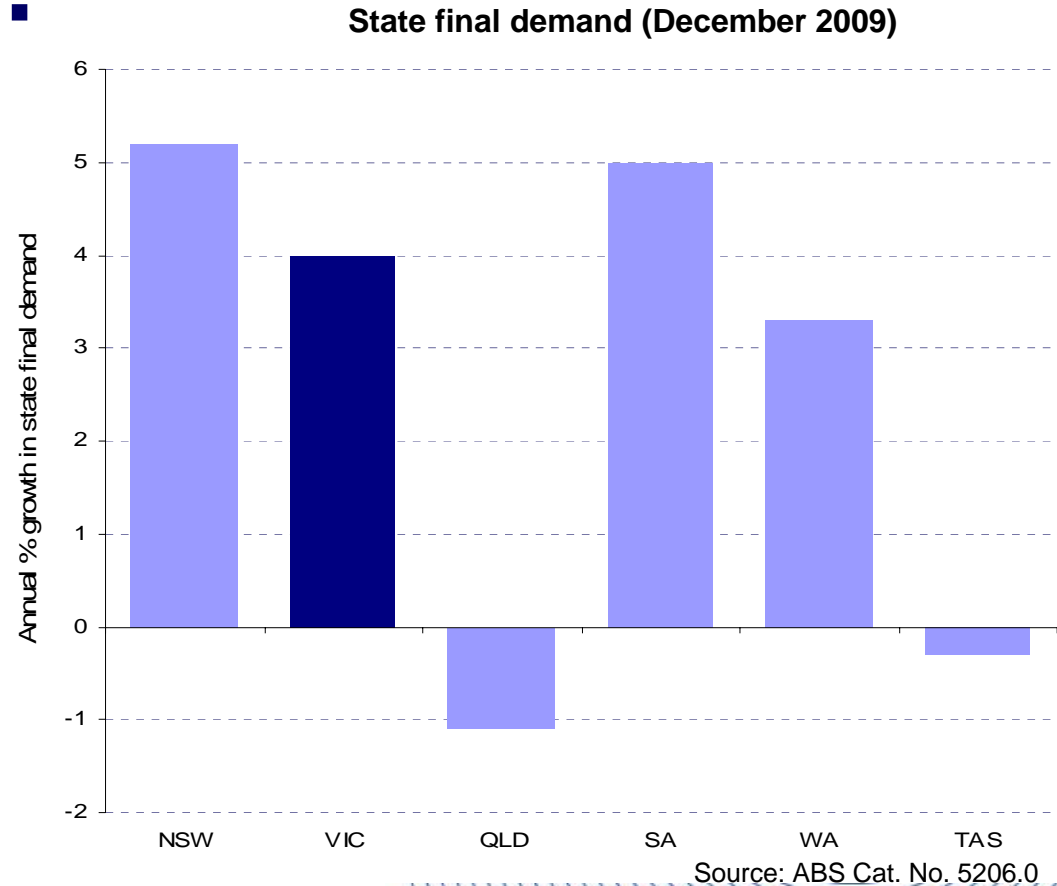


Department of Innovation, Industry and Regional Development

DIIRD OVERVIEW

Victoria's resilience has ensured good growth ...

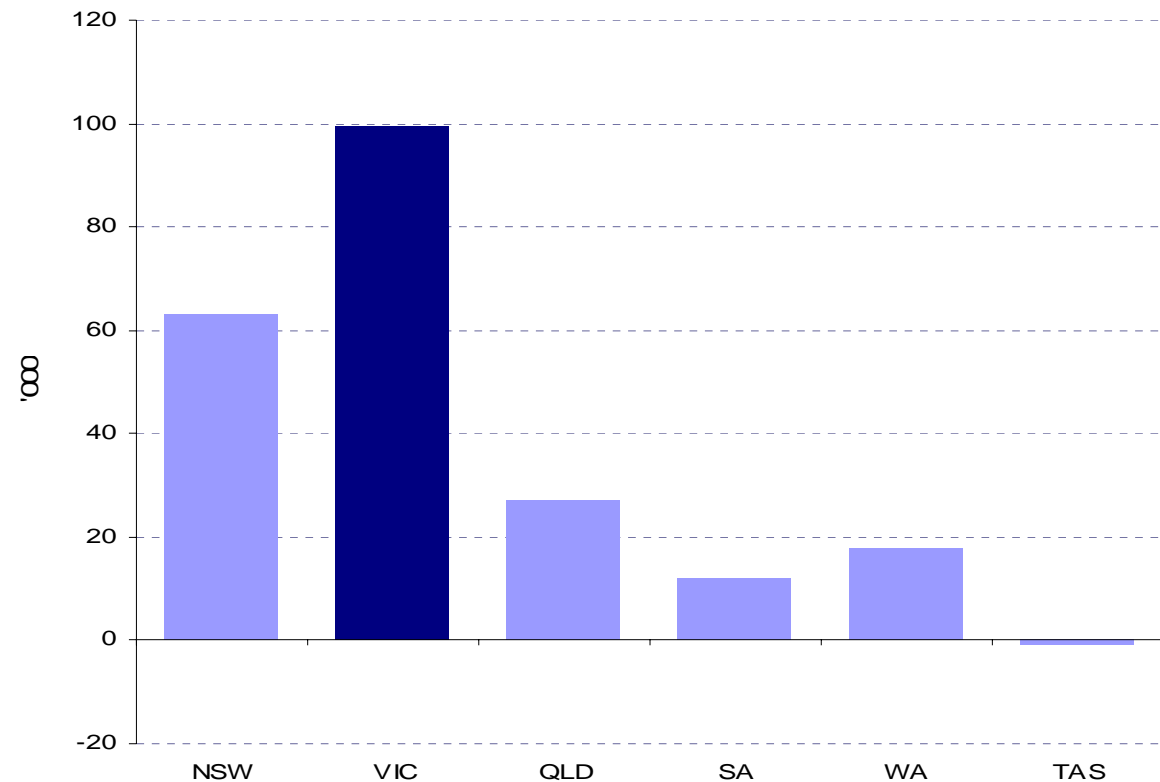
- Sound economic management and strong economic fundamentals have enabled Victoria to continue to grow.
- This is a positive outcome given the Global Financial Crisis (GFC) and Victoria being a non-resources state.
- Victoria has benefited from solid population growth, a strong market for new construction dwelling and robust consumer demand.



With more jobs created than any other state ...

- More jobs were created in Victoria in the year to March 2010 than any other state.
- A total of 99,400 jobs or close to half of all new jobs created nationally over the last year.
- 57 per cent of these were full-time jobs.

Employment growth March 09 to March 10

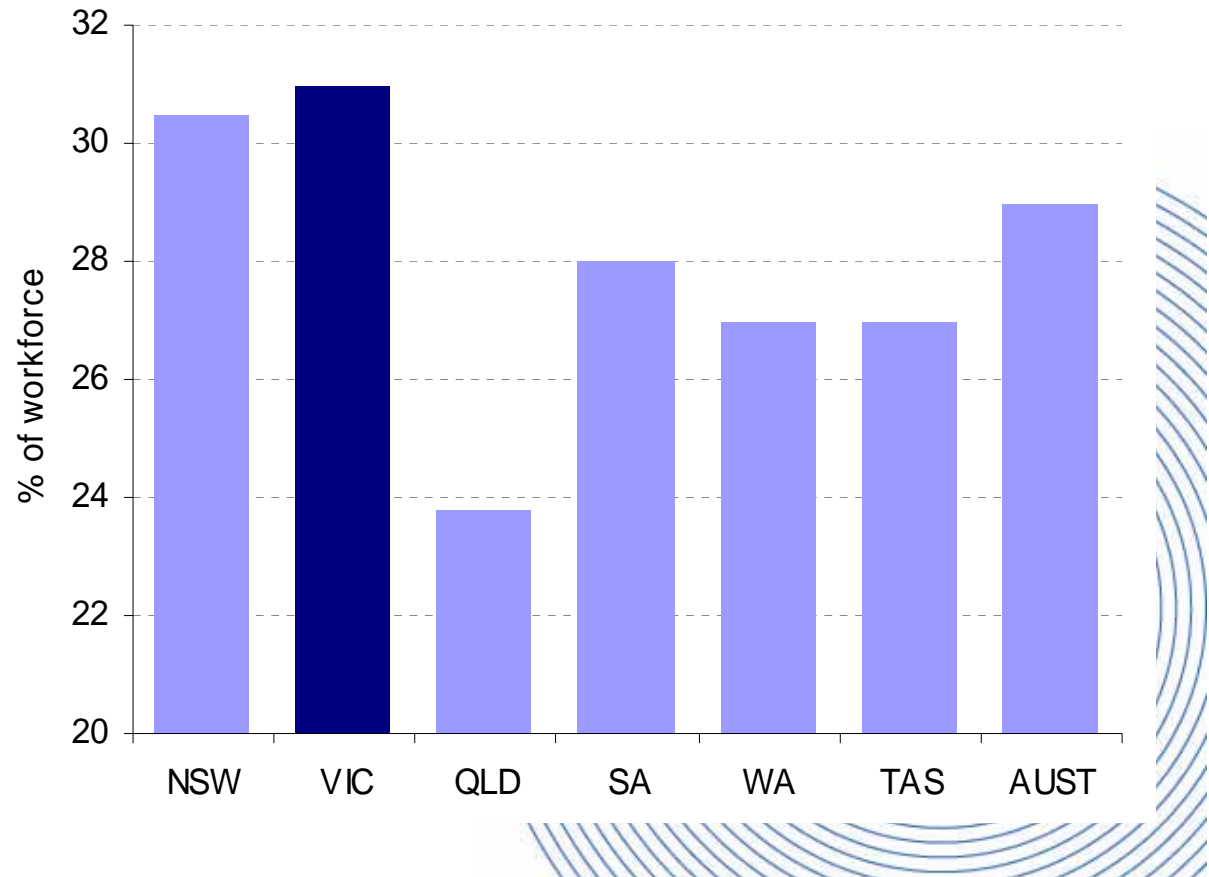


Source: ABS Cat. No. 6202,0

Victoria continues to focus on skills ...

- Victoria's workforce is the most skilled of all states.
- Managers and Professionals comprise over 31 per cent of the workforce, and Victoria continues to rank highest of all states on school retention and workers with university degrees.
- This focus on skills has given the State a competitive advantage.

Percentage of managers and professionals in the workforce



Exports grew beyond the State's 2010 target of \$30 billion ...

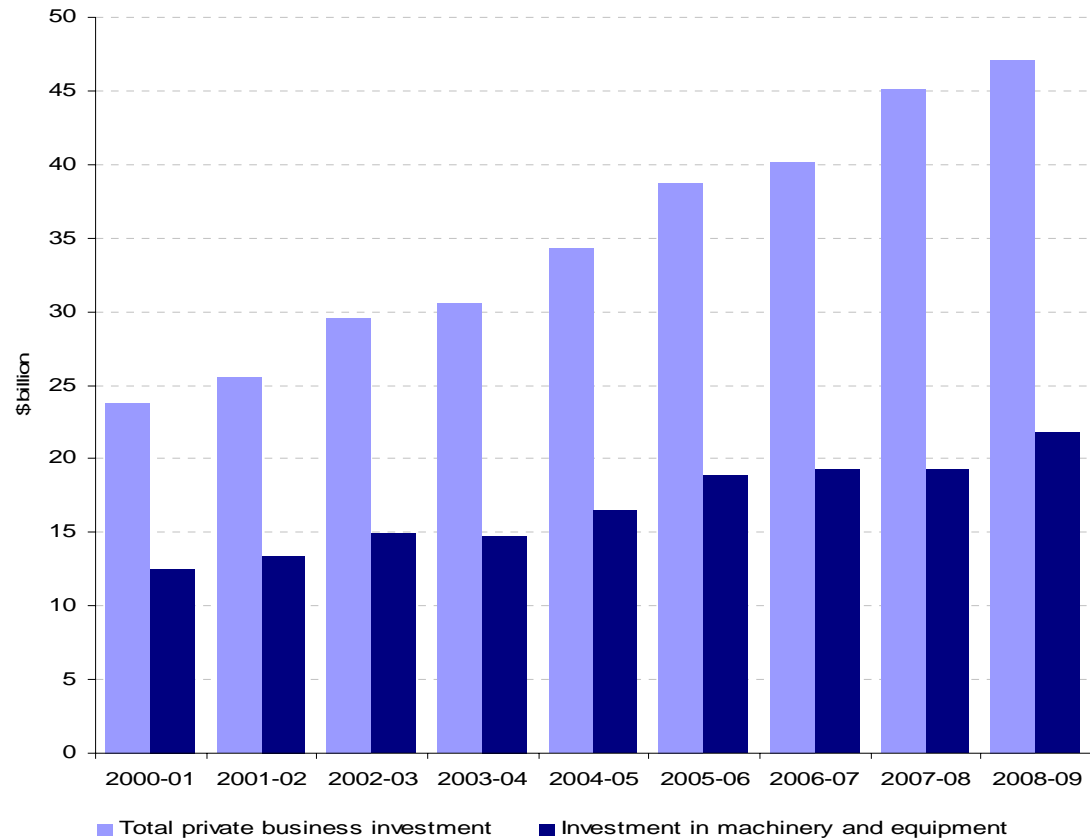
- Despite many of Victoria's trading partners experiencing recession, and the high Australian dollar, services and goods exports continued to grow.
- Total exports in 2008-09 were \$33.0 billion, made up of \$20.3 billion in goods exports and \$12.7 billion in services exports.



Business investment has remained firm ...

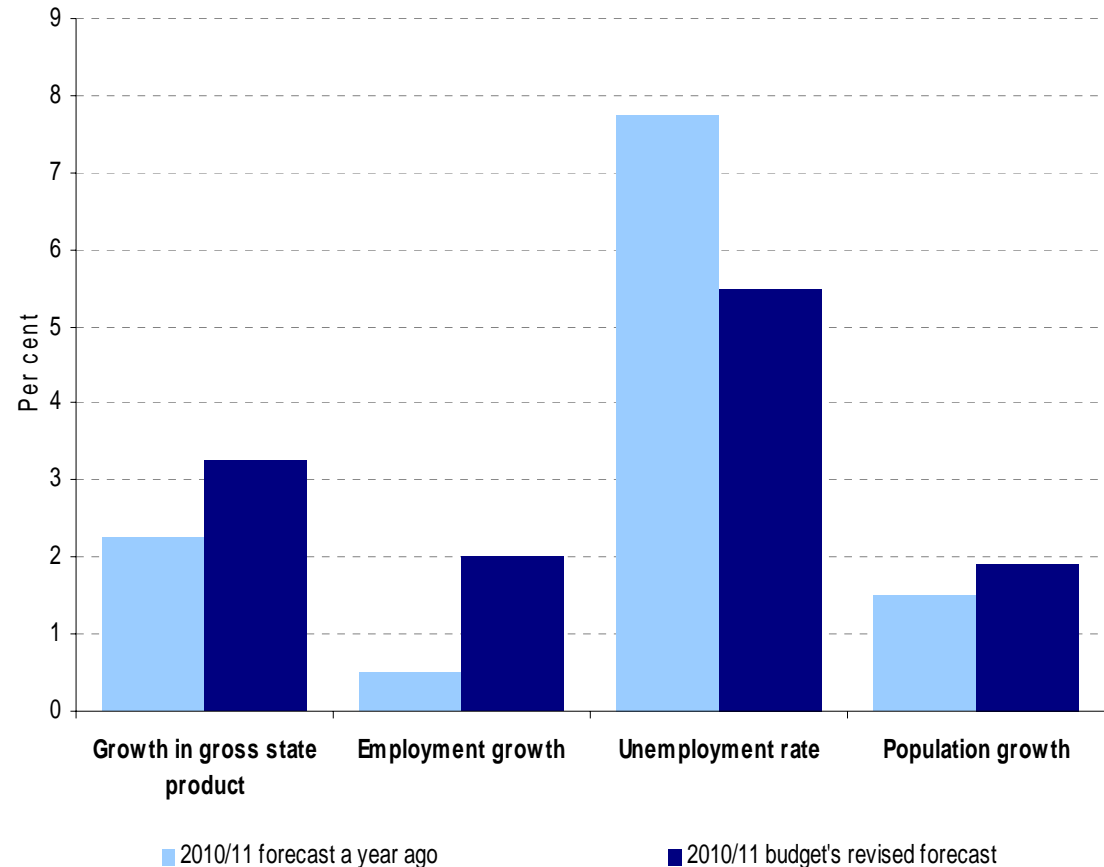
- In 2008-09, total private business investment in Victoria was at a record, \$46.8 billion.
- The GFC has seen the cost of borrowing rise (such as overdraft accounts favoured by SMEs) and tighter lending guidelines.
- Overall private business investment rose 9.8 per cent for the year while investment in machinery and equipment rose 3.9 per cent.

Victorian total private investment



The 2010-11 Budget Outlook in also much improved ...

- Victoria's budget remains in surplus
- Growth has been revised upwards to 3.25%
- The continued improvement will see strong jobs growth.
- This should contribute to a positive environment for business investment.



PAEC 2010-2011 Estimates Hearing



Department of Innovation, Industry and Regional Development

Industry & Trade

...ambitious targets maintained during the GFC

Jobs	5,000 jobs per year
Investment	\$1.6 billion per year
Export	\$739 million per year

Government response to the GFC included...

Industry Development	Victorian Industry & Manufacturing Statement <ul style="list-style-type: none">• Manufacturing Action Plan (\$122 million over 4 years)<ul style="list-style-type: none">- Industry Transition Fund (\$50 million)- Victorian Automotive Manufacturing Action Plan• Victorian Industry Participation Policy (VIPPP)
Investment Attraction	<ul style="list-style-type: none">• Leveraging Global Opportunities (\$10 million over 4 years)• Strengthening Victorian Government Business Offices• Investor Development Program
Export Facilitation	<ul style="list-style-type: none">• Opening Doors to Export• Export Clusters

...Achievements have been strong

Industry assistance	<ul style="list-style-type: none">• Implementation of Victorian Industry and Manufacturing Statement (VIMS)• Industry Transition Fund• VIPP - 4,663 new jobs created / 7,840 jobs retained
Investment attracted	<p>To date in 2009-10:</p> <ul style="list-style-type: none">• \$1.73 billion of investment facilitated• \$995 million in foreign direct investment• 4,958 New jobs created
Exports Facilitated	<p>To date in 2009-10:</p> <ul style="list-style-type: none">• \$524 million in new exports and imports replaced• Over 3,450 companies provided with export assistance• 23 trade missions

...The priorities for 2010-11 include

Industry Development	<ul style="list-style-type: none">• Implementation of VIMS• Competitive Business Fund• VIPP – Strategic Projects• Improved Industry Engagement Strategy
Investment Attraction	<ul style="list-style-type: none">• Rebuilding Investment Pipeline• Strengthening VGBO network
Export Facilitation	<ul style="list-style-type: none">• New Export Strategy• New Export Clusters