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Research Director  
Economic Development Committee  
Parliament House  
George Street  
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Dear Ms Bates

Thank you for the opportunity to provide a submission to the Queensland Parliament's Economic Development Committee in relation to its inquiry into world's best practice by governments to stimulate employment. I am pleased to forward the attached submission on behalf of the Queensland Government.

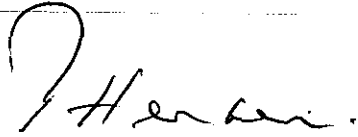
The enclosed submission focuses on the Queensland Government's jobs agenda, particularly delivering on the commitment to create 100,000 new jobs by March 2012. *Jobs First: Delivering Jobs for Queenslanders* was released in August 2009 as the Government's key policy vehicle for delivering on this commitment. It contains a four point plan for driving employment retention and creation by building infrastructure, skilling for the future, supporting new and traditional industries and developing new job creation programs.

The submission also acknowledges the longer-term strategies being pursued across government to generate and retain employment in Queensland. These efforts are underpinned by the Queensland Government's plan, *Toward Q2: Tomorrow's Queensland*. This plan recognises that economic growth generates wealth and allows the community to better meet its social and environmental aspirations. This approach is fundamental to managing the contemporary and emerging challenges confronting Queensland such as positioning for economic recovery, adapting to a low carbon economy and enhancing the competitiveness of Queensland's industries.

If you have any questions regarding this submission, please contact Ms Danielle Ellem, Principal Policy Officer, Strategic Policy Coordination, on telephone (07) 3898 0901 or email [Danielle.Ellem@deedi.qld.gov.au](mailto:Danielle.Ellem@deedi.qld.gov.au).

I look forward to discussing the Queensland Government's efforts to support employment and stimulate growth at the Committee's public hearing on 4 September 2009.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Henneken', written over a horizontal line.

PETER HENNEKEN  
**Director-General**

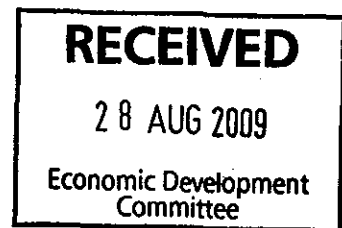
22, 8, 2009

Economic Development Committee

## Queensland Government Submission

Inquiry into identifying world's best practice by governments to effectively stimulate employment opportunities in Queensland

August 2009



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## INTRODUCTION

This submission responds to the issues raised by the Economic Development Committee through the *Inquiry into Identifying World's Best Practice by Governments to Effectively Stimulate Employment Opportunities in Queensland*.

The submission is split into two sections. The first section describes the challenges facing the Queensland economy including the global financial crisis and the impact of climate change on industry. It also describes the policy responses the Queensland Government has adopted to deal with these challenges.

The second part of the submission responds to the individual questions identified in the Committee's issues paper and provides examples of actions being undertaken to stimulate employment.

## SECTION ONE – OVERVIEW

### Queensland's Economic Performance and Outlook

Over the past decade, the Queensland economy has experienced an extended period of robust economic growth. In the period 1986-87 to 2007-08, Queensland's growth averaged 4.5 percent per annum<sup>1</sup> largely driven by a boom in commodity exports, housing and commercial infrastructure investment activity, net population inflow to the State and a strong export performance.

In the past twelve months the economy has been impacted by the global financial crisis which has weakened demand from our key export partners, dampened domestic demand and slowed investment in the construction and mining sectors. Economic growth in Queensland is estimated to slow to ½ percent in 2008-09 with the economy forecast to contract marginally, by ¼ percent, in 2009-10<sup>2</sup>.

The economic activity of Queensland's major trading partners is expected to decline by 2½ percent this calendar year<sup>3</sup>. Japan contracted by 3.8 percent in March quarter 2009, or by 8.4 percent over the year, while the Korean economy shrank by 2.5 percent over the year to June quarter 2009. Similarly, the US economy contracted by 3.9 percent over the year to June quarter 2009, while Eurozone GDP declined by a record 2.5 percent in the March 2009 quarter.

These impacts are particularly evident in Queensland's resource sector which is facing falling prices and declining demand for export commodities. The strong demand for coal from China and India, which supported the mining sector in 2008-09, may weaken in 2009-10. While the revenue from coal exports reached a record \$37.8 billion (estimated) in 2008-09<sup>4</sup>, it is widely expected that coal prices, and therefore export earnings, will decline sharply through the 2009-10 financial year.

The earnings from export of metalliferous ores and processed metals and minerals declined through 2008-09, and were at \$2.9 and \$3.5 billion respectively, or 33 percent and 21 percent lower than in 2007-08. In addition, ABARE recently reported that export returns for Australian mineral resources are forecast to fall by around 25 percent during 2009-10<sup>5</sup>.

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<sup>1</sup> Office of Economic and Statistical Research, *Queensland State Accounts*, December Quarter 2008

<sup>2</sup> Queensland Government, *State Budget 2009-10: Budget Paper No. 2*, June 2009

<sup>3</sup> International Monetary Fund, *World Economic Outlook Update*, July 2009

<sup>4</sup> Based on unpublished trade data published by Australian Bureau of Statistics and ports data, through Macroeconomics Team of Queensland Treasury

<sup>5</sup> ABARE, *Australian Commodities*, June 2009

In line with subdued economic activity, the level of employment is forecast to fall ¾ percent in 2009-10 and recover by 1¼ percent in 2010-11<sup>6</sup>. With labour force growth forecast to continue to exceed jobs growth, the year-average unemployment rate is forecast to rise to 6½ percent in 2009-10 and peak at 7¼ percent in 2010-11<sup>7</sup>.

The impact of the financial crisis on the labour market in Queensland has been uneven across industries. The employment in Queensland's mining sector was reported at over 46,100 persons in June 2009; however, more than 8,100 higher than a year ago, in June 2008<sup>8</sup>. The strong demand for coal from China and India which continued through 2008-09 has so far supported overall employment in Queensland mining, despite widespread job losses reported.

Retail and construction remain amongst the largest employers in Queensland with employment levels at over 261,000 and 245,000 in June 2009<sup>9</sup> respectively. Retail employment levels fell by over 8,000 over the year while construction levels increased by over 8,500 persons, demonstrating the uneven nature of the downturn in the face of stimulus package boosts, low interest rates, and the government funded infrastructure projects. Dwelling commencement in Queensland continues its downward trend, now at levels not seen since early 2001. However, with an apparent recovery in building approvals, it should be expected that commencements will soon be showing the benefits of newly approved housing projects coming on-line<sup>10</sup>.

Employment in Queensland manufacturing, at over 189,800 in June 2009, has marginally increased over the year by over 1,500 since June 2008 but there has been over a 2,300 decline over the quarter<sup>11</sup>. This reflects weaker demand from other sectors of Queensland economy, including mining and construction, as well as lower exports to markets affected by the global financial crisis.

The impact of the financial crisis on tourism to date is more pronounced than on other sectors. Queensland recorded a 5 percent decline in arrivals in the year ending June 2009. Source markets which drove the fall in arrivals were Japan, New Zealand and Korea<sup>12</sup>.

Unemployment is often considered the most significant issue when analysing the strength and resilience of an economy. Unemployment represents an under-utilised capacity in the economy and causes significant issues, including: financial stress; loss of skills; loss of self-esteem; and poorer health and wellbeing. In times of higher unemployment, new jobseekers face difficulties in breaking into the job market as they compete with more experienced jobseekers. There is also a risk of long-term unemployment becoming entrenched as people become increasingly dispirited and disconnected from the labour market. This in turn may compound existing structural problems such as social exclusion and inter-generational unemployment.

Unemployment is also broadly considered a lagging indicator to the economy. This means that even when sentiment picks up in the economy, there are still consequences of unemployment to flow-through some time later. However, while unemployment has been rising, with expectations that further rises will further weaken confidence and demand, the rise in unemployment has been a little slower than earlier feared. The effect of the more positive factors for households has, so far, outweighed fears of unemployment<sup>13</sup>.

In recognition of both the immediate and longer-term consequences of unemployment, the Queensland Government has made a renewed commitment to job retention and business resilience efforts to support Queenslanders through the current downturn.

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<sup>6</sup> Queensland Government, *State Budget 2009-10: Budget Paper No. 2*, June 2009

<sup>7</sup> Queensland Government, *State Budget 2009-10: Budget Paper No. 2*, June 2009

<sup>8</sup> Year average data derived by Office of Economic and Statistical Research based upon Australian Bureau of Statistics

<sup>9</sup> Year average data derived by Office of Economic and Statistical Research based upon Australian Bureau of Statistics

<sup>10</sup> Australian Bureau of Statistics, *8750.0 Dwelling Commencement and 8731.0 Building Approvals*

<sup>11</sup> Year average data derived by Office of Economic and Statistical Research based upon Australian Bureau of Statistics

<sup>12</sup> Tourism Queensland, *Overseas Arrivals and Australian Departures Snapshot, Year Ended June 2009*

<sup>13</sup> Reserve Bank of Australia Governor Glenn Stevens, *Challenges for Economic Policy*, Address to The Anika Foundation Luncheon, Sydney, 28 July 2009

These efforts will be supported through the recent restructure of the Queensland Government, where 23 departments were consolidated into 13 and categorised under five clusters. The government will use this new structure to ensure a coordinated approach to strategies for economic growth, and lift the profile of these issues across the community and government.

### **The Queensland Government's Actions**

Recognising the scale of the challenge posed by the global financial crisis and rising unemployment, the Queensland Government has made jobs its number one priority. In March 2009, the Government set a target to create 100,000 new jobs by March 2012. *Jobs First: Delivering Jobs for Queensland*, released in August 2009, sets out a four-point plan for the government to deliver on this commitment by:

1. **Building infrastructure** – keep our record \$18.2 billion building program going;
2. **Developing skills for the future** – ensure we are prepared for recovery;
3. **Supporting new and traditional industries** – enable industries and businesses to emerge, grow and transform; and
4. **Developing new job creation programs** – assist unemployed Queenslanders to get back into work.

A copy of the *Jobs First* plan is attached for the Committee's information. A consistent theme throughout this plan is our overriding goal to ensure that people have an opportunity to keep working, keep developing their skills and find opportunities to use their skills in different environments. But this will not be at the expense of those who have faced barriers to employment long before the impact of the global financial crisis. The Queensland Government will continue to support the most vulnerable and disadvantaged jobseekers, to give them a fair go and the support they need to find employment.

The Queensland Government remains focused on positioning the Queensland economy for a strong recovery from the global recession while simultaneously supporting jobs. In addition to the *Jobs First* plan, the Queensland Government is responding to the impacts of the global recession and supporting Queensland's long-term prosperity by:

- *Responding to climate change* – helping the economy adapt to a carbon constrained environment and capitalising on opportunities provided by emerging clean energy industries; and
- *Improving regulatory efficiency* – generating a competitive business environment, especially through monitoring and updating regulation, to provide certainty and sustainability.

Further, efforts to support employment are underpinned by a longer-term commitment to deliver a strong, fair and smart economy, embodied in the Government's *Toward Q2: Tomorrow's Queensland* plan. This approach recognises that economic growth generates wealth that allows the community to better meet its social and environmental aspirations. The Queensland Government's ambition for a strong economy is about building a resilient future and is central to creating and retaining jobs over the long-term. It is also about managing the contemporary and immediate challenges confronting Queensland such as the emerging impacts of the global financial crisis, adapting to a low carbon economy and enhancing the competitiveness of our industries.

### **Building Infrastructure**

The centrepiece of the Government's jobs agenda is continued investment in infrastructure. After tripling over the past eight years, business investment is forecast to fall 17 percent in 2009-10, largely due to a scaling back in commercial and mining construction<sup>14</sup>. As the global financial crisis affects the ability of the private sector to fund capital projects, the Government must step in to fill the gap.

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<sup>14</sup> Queensland Government, *State Budget 2009-10: Budget Paper No. 2*, June 2009

Public sector expenditure on capital works, a key item in stimulus packages around the world, provides local employment and skills opportunities for workers impacted by the downturn, particularly in sectors such as construction and manufacturing. This is particularly important for retaining key skill sets and moderating job losses in Queensland's regional centres. Large scale projects can also accommodate places for the long-term unemployed, enabling them to gain skills and experience. They can also accommodate displaced apprentices, ensuring that they are not locked out of the labour market for lengthy periods, helping Queensland to retain and build a skilled workforce for recovery.

With a total capital program of \$18.2 billion in 2009-10, new infrastructure will be created at an average rate of more than \$350 million a week which is forecast to protect 127,000 full-time equivalent jobs. On a per capita basis, Queensland funds the highest capital program of any state – and has done for more than a decade. At \$4,120 per person in 2009-10, capital spending in Queensland is over \$1,000 per capita spending above that across the rest of Australia. This investment demonstrates the Government's commitment to delivering infrastructure and jobs for Queenslanders.

The Government's 2009-10 \$18.2 billion capital program includes:

- \$7.307 billion for roads and other transport infrastructure;
- \$1.296 billion for health infrastructure;
- \$1.837 billion for education and training capital program;
- \$1.447 billion for additional social housing and improvements to the amenities of existing dwellings;
- \$3.206 billion for the electricity network to secure a reliable supply for a growing population; and
- \$1.122 billion in water infrastructure including the construction of the Wyaralong Dam.

To maximise opportunities through these major infrastructure projects, the Queensland Government will:

- Expand the 10 percent Training Policy across the State Government infrastructure program and across projects funded under the Commonwealth's economic stimulus package.
- Fund \$100 million of infrastructure projects in mining communities hardest hit by the economic downturn through the Sustainable Resource Communities initiative.
- Provide opportunities for employment and training under the Government's *Indigenous Employment Policy for Queensland Government Building and Civil Construction Projects (20% Policy)*, which requires that a minimum of 20 percent of the total labour hours be undertaken by Indigenous people on Queensland Government funded construction projects in specified Indigenous communities.
- Link an additional 100 Queensland businesses to the State's record building program through a \$6.45 million funding boost to the Industry Capability Network (ICN). ICN services include 'match making' local business to major projects and conducting seminars on requirements of tendering for Government projects.
- Partnering with the Commonwealth to deliver *Nation Building for the Future* projects in Queensland including:
  - \$1.168 billion for investment in schools (*Building the Education Revolution*);
  - \$816.4 million for Social Housing;
  - \$52.9 million for road maintenance; and
  - \$650 million Jobs Fund.

In addition, the Government is working to maximise and leverage the Australian Government's substantial nation-building and economic stimulus programs such as the Nation Building and Jobs Plan.

These efforts are ensuring that Queensland remains a very desirable place to live, work, invest and visit with regions that are strong and have the capacity to grow both traditional and new industries.



## Developing Skills for the Future

Whilst the global recession is creating substantial employment and economic impacts, the Queensland Government remains committed to a longer-term view in the ongoing task of upskilling the Queensland workforce. Twelve months ago, Queensland was experiencing significant skills and labour shortages in key areas. Investment in skills and training will help address the long-run shortages in key industries and sectors, ensuring they can contribute fully to future economic growth.

Increases for the payroll tax rebates for apprentices and trainees to 125 percent is one way that the government is ensuring that the skills base of the state continues to expand through the current downturn. *Skilling Queenslanders for Work* is also an example of a proven program for helping disadvantaged Queenslanders into work. The Queensland Government will invest \$320.4 million over the next three years to assist an estimated 63,000 people to gain new skills and achieve sustained employment.

Clearly, the generation of a skilled workforce relies on the successful deployment of new knowledge by skilled people, or *innovation*. Having invested over \$3.6 billion to support science and innovation over the past 10 years, the Queensland Government has consistently championed innovation via its Smart State Strategy. This Strategy seeks to capitalise on the State's investments by attracting, retaining, and developing more world-class researchers, clinicians and other experts in key priority areas such as health and medical research.

Further, the Government remains committed to driving innovation by supporting the development of new knowledge-intensive industries and by encouraging an innovative culture in Queensland's traditional industries. For example, investment is needed to build green skills in traditional trades and industries, as well as develop new skill sets suitable for the green economy.

For these reasons, the quality of the labour force (human capital) is as vital as the quality of the State's physical capital. Investing in training opportunities for retrenched workers maintains their link to work while ensuring they have the right skills to re-enter employment. It also ensures that the Queensland economy will be well positioned to take full advantage of the recovery.

To build the skills and abilities industry needs and to better position the economy for recovery, the Queensland Government is delivering the *Productivity Places Program* (PPP) as a joint initiative with the Commonwealth.

More than \$400 million over four years in State and Federal funding will be spent through PPP to provide fully funded vocational education and training qualifications for up to 150,000 Queenslanders. This will include opportunities to up-skill and re-skill over 100,000 workers and provide opportunities for over 46,000 job seekers to help them gain employment.

Around 3,000 places in priority qualifications have already been made available for Queensland job seekers through allocations to registered training organisations.

The allocation of contracts for 2009-10 Department of Education and Training Preferred Provider list is underway and it is anticipated that first round offers will be made by early September 2009. This process will add substantially to the places currently available under the interim job seekers Registered Training Organisation contracts that were established in March.

A further 28 PPP projects, representing \$16.8 million in funding, have been approved through *Skilling Queenslanders for Work* projects. This will assist 1,497 disadvantaged job seekers. Funding will be directed through *Skilling Queenslanders for Work* to assist disadvantaged jobseekers under this program over the next three years.

## Supporting New and Traditional Industries

As the global downturn reduces demand for goods and services, so it impacts upon the profitability of businesses and translates directly into higher unemployment. Government efforts to protect and create jobs focuses on developing new industries while supporting our traditional strengths.

The Government has identified a number of new industries which are positioned for growth in the medium to long-term, related to alternate fuel supplies and low emissions technology in response to climate change. One example of Government support in this area is the establishment of a specialised Liquefied Natural Gas (LNG) Industry Unit within the Department of Employment, Economic Development and Innovation to provide a single point of focus for the Government's support and encouragement for the emerging LNG industry in Gladstone, which will be based on Queensland's extensive coal seam gas reserves. It is estimated that a 28 million tonne per annum LNG industry has the potential to create more than 18,000 jobs and around \$3 billion, or approximately 1 percent, to Gross State Product. Further examples of Government support for new industries related to climate change are provided in the Climate change section.

Other examples of Government support for new and emerging industries include:

- Implementing the new ICT for Tomorrow's Queensland 2009-12 strategy to create jobs in the ICT industry and to increase the uptake of technology in business to improve productivity and sustain employment.
- Working with the biotechnology industry in Queensland to maintain industry capacity and achieve industry employment projections of 16,000 highly skilled employees.

The Queensland Government also acknowledges the impact of the changing economic conditions on existing industries. A number of actions have been undertaken in response to support our traditional strengths. These include:

- Establishing the Jobs Assist program to provide targeted early intervention for business and their employees. This includes targeted support to improve business resilience generally and intensive support for employers who are in crisis, as well as case management of retrenched workers who register for assistance.
- Providing \$38 million program to support the tourism industry, including \$36 million over three years for regionally focused tourism marketing and product development campaigns.
- Attracting investment in mining exploration and mining through:
  - The Smart Mining – Future prosperity program which aims to increase exploration investment through collaborative drilling, cluster formation and industry network initiatives; and
  - Advocating the implementation of a flow through share scheme to the Commonwealth Government to encourage investment in junior mineral exploration companies.

In addition, two key initiatives were established in December 2008 and January 2009 to support existing industries in response to the global financial crisis.

In December 2008, the Queensland Government established the Rapid Response Team to provide immediate assistance to miners facing retrenchment following the severe decline in demand for Queensland coal. A rise in the number of retrenchments in manufacturing, construction and other industries resulted in the expansion of the Rapid Response Team initiative to cover retrenchments from all industries. There are currently 10 Rapid Response Teams supporting retrenched workers in various regions.

To the end of the 2009 financial year, advice has been provided to 1,236 callers through the Rapid Response Team hotline, with 774 callers registering for further assistance. Over 60 percent of people registering with the Rapid Response Team were in employment one month after receiving assistance. The teams have also hosted jobs forums and workshops in regional centres to assist individuals and companies to identify alternate employment opportunities in the local economy. Identifying local employment opportunities is a key strategy for retaining skilled workers in regional areas to ensure industry has an appropriate supply of labour when economic conditions improve.

The Premier's Employment Taskforce was established in January 2009 to provide rapid response solutions to counter the effects of the financial crisis in Queensland. The Taskforce brings together experts from industry, business, academia, social services, unions and the public sector. It provides real-time 'insider' information on the state of the economy, expert advice on how to protect jobs and support industry while providing practical insights to inform and support the development of Government policy in response to the downturn and its effects.

The Taskforce has made a key contribution to the development of the Queensland Government's response to current challenges. Taskforce advice has consequently informed the development of a number of practical initiatives. For example:

- Support for specific industries and technologies have informed the basis of industry development strategies to create jobs.
- Taskforce members have supported the fast-tracking of infrastructure projects and the continuation of the record building and infrastructure program to protect jobs and support the construction industry.
- The Taskforce's consideration of the social and economic costs of unemployment has informed the direction of strategies to assist individuals into sustainable employment outcomes.
- A common theme in Taskforce discussions has been the importance of the regulatory environment to a successful economy. These discussions have contributed to a number of programs, such as the clearance of approval backlogs in local government.

An ongoing effort is now required by governments at all levels to preserve existing jobs and to create new employment and skilling opportunities for unemployed Queenslanders.

### **Developing New Job Creation Programs**

In addressing the employment and skills needs of the State, the Queensland Government has a strong focus on both protecting existing jobs and creating new jobs, particularly through infrastructure investment and support for industry and business resilience.

A key job creation initiative of the Queensland Government is the *Queensland's Green Army* initiative, which will provide 3,000 work placements and traineeships to unemployed Queenslanders over three years with a Government investment of \$57 million. Green Army members will work throughout Queensland to enhance natural assets, strengthen tourism infrastructure and promote increased environmental awareness. In 2009-10, it is expected that 700 people will begin Green Work Placements while 300 people will begin Green Traineeships.

At the same time, the Government is acutely aware of the consequences of long-term unemployment, particularly its social costs, and the disadvantages faced by Indigenous jobseekers. Addressing these issues, the Queensland Government is:

- Providing intensive support to those individuals in, or at risk of, persistent poverty, to reduce the impact of structural unemployment issues.
- Providing opportunities for retrenched tradespeople and other suitably skilled people to train as teachers including TAFE teachers.
- Delivering transition training and programs for retrenched workers to re-skill and to take advantage of jobs in the primary industry sector.
- Increasing the economic participation of Indigenous Queenslanders to close the employment gap based on the four key elements agreed through the Council of Australian Governments (COAG):
  - creating real sustainable employment in areas previously subsidised through the Community Development Employment Projects initiative;
  - identifying areas where government procurement can contribute to increased Indigenous employment outcomes;
  - incorporating Indigenous workforce strategies into all new major COAG reforms; and

- increasing employment of Indigenous workers in the public sector to reflect population share.
- Implementing *Positive Dreaming, Solid Futures* – an Indigenous Employment and Training Strategy.

The Queensland Government is also working with the Commonwealth in a number of areas. The recently announced *Keep Australia Working* interim strategy sets the Commonwealth Government's initial proposals for protecting jobs and supporting business in the current economic environment. A final strategy will be released by the end of September 2009. The key planks of the Commonwealth Government's strategy, which complement the Queensland Government's approach, centre on:

- Nation Building Economic Stimulus Plan;
- Helping Business; and
- Helping Workers.

*Keep Australia Working* targets activity on communities most adversely affected by the downturn. These are communities and regions heavily reliant on industries such as manufacturing and construction that have been impacted by the current downturn. Local Employment Coordinators will be appointed to assist these communities to better access support available through the Commonwealth Government's \$650 million Jobs Fund. Six of the 20 regions being targeted are in Queensland:

- Ipswich-Logan – comprising areas covered by the Ipswich and Logan City Councils;
- Cairns – including areas in the Cairns, Tablelands and Cassowary Coast Regional Councils' boundaries;
- Townsville-Thuringowa – covering areas in the local governments of Burdekin and Hinchinbrook Shire, Charters Towers Regional and Townsville City Councils;
- Caboolture-Sunshine Coast – comprising areas covered by the Sunshine Coast and North Moreton Regional Councils;
- Southern Wide Bay-Burnett – comprising areas covered by the Gympie, South Burnett and Fraser Coast Regional Councils and the Cherbourg Aboriginal Shire Council; and
- Bundaberg-Hervey Bay – including areas covered by the Bundaberg Regional, Fraser Coast Regional and Gladstone Regional Councils.

The Queensland Government will continue to work closely with the Commonwealth Government to ensure new and existing programs are complementary.

## **Responding to Climate Change**

Climate change has become a policy driver around the world, with emissions and waste reduction commitments focusing the global economy towards investment in low emissions technologies and natural infrastructure. In particular, climate change is mobilising and re-focusing the global economy towards investments in low emissions technologies and natural infrastructure.

At the national level, Australia's commitment to implement the Carbon Pollution Reduction Scheme (CPRS) in 2011 will be one of the more significant economic reforms in recent times. Australian Treasury modelling indicates that for Australia overall, economic costs associated with implementation of the CPRS are likely to be modest but that Queensland faces proportionately higher costs because of the State's heavy reliance on coal-fired electricity, emissions-intensive industries including mining and refining, agriculture and manufacturing, and the dispersion of our population, which creates a relatively high reliance on transport. Modelling undertaken for all states and territories also shows that Queensland's regions will be among the more heavily impacted areas compared with a business-as-usual scenario.

However, the need to reduce greenhouse gas emissions will open opportunities in new, emerging sectors of the economy. Climate change mitigation action is likely to see increased use of the State's gas and renewable energy resources. Climate change mitigation will also require

significant innovation in electricity generation technology, such as low emission coal and renewable sources (and will also include solar technology such as solar hot water systems). There are significant challenges to the commercial deployment of these emerging energy technologies, and the Queensland Government will continue to work collaboratively with industry and governments to establish funding sources for demonstration projects and market signals for commercial deployment.

The Queensland Government released its revised Climate Change Strategy, *ClimateQ: Toward a Greener Queensland*, on 20 August 2009. *ClimateQ* consolidates and updates the approaches taken in *ClimateSmart2050* and *ClimateSmart Adaptation 2007-12*, and takes into account the latest national and international science and policy.

Together with the Government's Toward Q2 plan, the new strategy provides a suite of new initiatives and investments to take Queensland's long-term response to climate change into a new phase. *ClimateQ* presents investments and policies totalling \$196 million, including \$87 million in new initiatives, to ensure Queensland remains at the forefront of the national climate change response. This will assist in minimising the impact of climate change on economic growth and in leveraging new employment opportunities associated with low emissions technology.

Key initiatives from the Climate Change Strategy include:

- \$60 million in transport initiatives that reduce congestion, encourage people to use public transport, cycle and walk, and offset their emissions.
- \$47.7 million for energy conservation and demand management programs.
- Support for disaster management initiatives totalling \$29.9 million over five years.
- \$15 million for the ClimateSmart Business Service to be delivered over four years.
- Extending the Rural Water Use Efficiency initiative with \$4.5 million over four years.
- \$8 million over four years for an Energy Efficiency Retrofit program for Government buildings.

Another example of Queensland Government efforts to promote Queensland's transition to a lower carbon economy is the support for the emerging LNG industry which has already been described. Another example of the Queensland Government's commitment to supporting new industries and leveraging employment is the recently announced Queensland Renewable Energy Plan, designed to grow the rapidly emerging renewable energy industry. The Plan will help leverage up to \$3.5 billion in new investment, create up to 3,500 new jobs and reduce greenhouse gas emissions by more than 40 million tonnes by 2020. This signals a significant expansion of the renewable energy industry in Queensland, and will diversify Queensland's energy industry.

The industry development policy associated with the Queensland Renewable Energy Plan will include an education and training framework to ensure that appropriate skills are developed in Queensland to support the rapid expansion of the sector. It will strengthen the coordination of employment and training development across Queensland Government agencies, and it will include measures to adapt curricula, provide information and incentives to industry and individuals to re-skill workforces and training support for the emerging renewable energy industry.

### **Improving Regulatory Efficiency**

The Queensland Government has implemented a number of measures that are aimed at improving Queensland's regulatory environment. Reducing regulatory compliance and improving the effectiveness and efficiency of regulations will deliver productivity benefits and real measurable savings to Queensland business, community and government. Efforts to improve regulatory efficiency are: reducing barriers to trade and commerce between Queensland and the rest of Australia; and reducing the regulatory burden on Queensland business.

In December 2008, the Queensland Government, along with other Australian jurisdictions, committed to a National Partnership Agreement to Deliver a Seamless National Economy. Reforms in 27 areas will reduce costs incurred by business in complying with differing and inconsistent regulation across jurisdictions.

Key initiatives in the Seamless National Economy agenda are:

- Establishing uniform national occupational health and safety laws.
- Establishing a national licensing system to allow specified tradespeople to work seamlessly across state borders.
- Implementing a national Standard Business Reporting framework to eliminate duplication in business-to-government reporting.
- Developing a new Australian Consumer Law to provide consistent consumer protection and enforcement of breaches, and to provide business with a single national law with which to comply, thereby reducing the compliance burden.
- Delivering a new national construction code, which will set nationally consistent standards for building and plumbing.

In addition to this national reform agenda, the Queensland Government has committed to reducing the regulatory compliance burden to business and the administrative burden to government by \$150 million each year by the end of 2012-13 under the Smart regulation Reform Agenda. Other actions include initiatives to improve the quality of new regulation and improving the business government interface.

### **Longer-Term Targets under Q2**

The Queensland Government's efforts to support employment are underpinned by a commitment to deliver a strong economy. This approach recognises that economic growth generates wealth that allows the community to better meet its social and environmental aspirations. The Queensland Government's ambition for a strong economy is about building a resilient future and is central to creating and retaining jobs over the long-term. It is also about managing the contemporary and immediate challenges confronting Queensland such as the emerging impacts of the global financial crisis, adapting to a low carbon economy and enhancing the competitiveness of our industries.

To this end, the Government is delivering on a program of longer-term targets under the *Toward Q2: Tomorrow's Queensland* plan. Q2 articulates the Government's plan for making real and lasting changes to shape a better future for ourselves and our children and is underpinned by 10 aspirational targets across five ambitions: strong, smart, healthy, fair and green.

Three of the Q2 ambitions for achievement by 2020 relate to economic growth and stimulating employment:

- Strong: creating a diverse economy powered by bright ideas.
  - *Target:* Queensland is Australia's strongest performing economy, with infrastructure that anticipates growth.
  - *Target:* Increase by 50 percent the proportion of businesses undertaking research and development or innovation.
- Smart: Delivering world class education and training.
  - *Target:* Three out of four Queenslanders will hold a trade, training or tertiary qualification.
- Fair: Supporting safe and caring communities.
  - *Target:* Halve the number of children living in jobless households.

Through the development of new partnerships across government and with industry, Q2 represents a collaborative governance approach to some of the key strategic challenges and opportunities facing Queensland between now and 2020.

## SECTION TWO – RESPONSE TO QUESTIONS

### 1. How does Queensland ensure that opportunities for employment creation are maximised in existing industries?

The Queensland Government recognises that a strong economy provides the basis for supporting existing industries, such as mining, tourism and agriculture, and that a strong economy rests on economic growth. Under *Toward Q2: Tomorrow's Queensland*, the Government aims to create the strongest performing economy in the country.

The Queensland Government will focus on drivers of growth which target efforts towards areas where Government can make a difference. As outlined in the 2009-10 Queensland Budget, five key areas have been identified which support a strong economy:

- **Infrastructure:** maintaining and providing the infrastructure necessary for promoting sustainable growth, improved regional planning arrangements and improved capacity, particularly in our regions.
- **Jobs:** increasing employment opportunities and participation rates particularly by enhancing the competitiveness of Queensland businesses and industry and attracting new industries and investment.
- **Skills and innovation:** supporting training, research and development, commercialisation, as well as technology and knowledge diffusion to assist Queensland business and industry to meet the demands of a 21st century economy.
- **Climate change:** helping the economy adapt to a carbon constrained environment.
- **Regulatory reform:** generating a competitive business environment, especially through monitoring and updating regulation, to provide certainty and sustainability.

The economic downturn has had an effect on many of our traditional strengths and the Queensland Government recognises that supporting these industries is of paramount importance in minimising job losses and positioning the state for recovery. The Government's key policy for maximising employment creation in existing industries is Jobs First: Delivering Jobs for Queenslanders

Examples of the key actions being undertaken through Jobs First include:

- Delivering the Government's \$18 billion capital works program, which will stimulate employment through filling the gap left by decreasing private sector investment in major infrastructure projects and by creating opportunities for businesses to participate in the supply chain.
- Providing an extra \$6.45 million over five years to local content programs led by the Industry Capability Network. This will take total support to over \$2.25 million a year for matching local suppliers to major project opportunities, working directly with businesses to develop the skills required to win major project work, identifying and promoting new business opportunities and educating industry on the requirements of tendering for government business.
- Provision of over \$38 million in additional funding to support the tourism industry. This funding will be used for extensive and targeted marketing campaigns and also through the delivery of much needed tourism infrastructure to support the 'drive travel' market.
- \$19 million to support the mining industry including \$11.97 million for geo-scientific data collection and in exploration grants to industry through the Smart Mining - Future Prosperity program; \$3.86 million to identify and evaluate sites suitable for the safe long-term underground storage of carbon dioxide; and \$4 million to complete construction of a new drill core storage facility in Mount Isa.

To maintain levels of industry activity, diversify into new markets and win new work, companies must innovate to be competitive. The State Government is providing substantial support for process and product innovation through technology diffusion specialists, QMI Solutions. These programs focus on implementing strategies to reduce operating costs by increasing productivity, to sustain jobs and compete successfully for new business that will generate new employment.

The programs are delivered in ways that maximise leverage from complementary government support such as that provided by Manufacturing Skills Queensland, and Federal programs including Enterprise Connect and Clean Business Australia.

To help sustain industry competitiveness, the State Government assists small and medium enterprises to introduce High Performance Workplace practices, for example in sectoral and regional 'best practice syndicates'. These aim to match effective business strategy, processes and technology with developing a highly skilled workforce, to underpin continuous improvements in productivity while maintaining fair, safe workplaces.

#### **CASE STUDY**

##### ***Queensland Renewable Energy Plan***

The Queensland Renewable Energy Plan will help leverage up to \$3.5 billion in new investment, create up to 3,500 new jobs and reduce greenhouse gas emissions by more than 40 million tonnes by 2020. This signals a significant expansion of the renewable energy industry in Queensland, and will constitute significant structural change in Queensland's energy industry.

The industry development policy developed under the auspices of the QREP will include an education, training and skill building framework to ensure that appropriate skills are developed in Queensland to support the rapid expansion of the sector. It will strengthen the coordination of employment and training development across Queensland Government agencies, and it will include measures to adapt curricula, provide information and incentives to industry and individuals to re-skill workforces and training support for the emerging renewable energy industry.



## **2. How can Queensland make best use of its natural resources in creating jobs for Queenslanders?**

Queensland's natural resources support a number of industries which are integral to the Queensland economy and employment, particularly mining, agriculture and tourism.

An important contributor to Gross State Product and employment is Queensland's mining sector. The future of this industry will be based on new discoveries identified through exploration investment. Queensland competes for private sector exploration investment with Australian jurisdictions as well as with international competitors. In order to maintain globally competitive mining and petroleum industries it will be necessary to foster exploration investment in Queensland.

The Queensland Government is also creating a regulatory system that will encourage investment in exploration, mining and petroleum projects. The Queensland Government is streamlining approvals processes for new mines and petroleum projects in order to get mine expansions and new mines up and running. Streamlining approval processes will generate jobs in both the construction and production phases of resources projects and will enhance Queensland's competitiveness as an investment destination and position the State's resources industry to take advantage of an economic upswing.

Specific opportunities also exist in coal seam gas. With known reserves of CSG exceeding local demand for the resource and global demand for energy increasing, producers are seeking new markets for CSG through the establishment of a Liquid Natural Gas (LNG) export industry in Queensland. Modelling indicates that a 28 million tonne per annum LNG industry has the potential to create more than 18,000 jobs. The Government has put in place a number of initiatives to encourage LNG industry development, including:

- Providing industry with a "one stop shop" for inquiries and coordination of Government activities through the establishment of the LNG Industry Unit within the Department of Employment, Economic Development and Innovation;
- The extension of the Gladstone State Development Area to provide an industry precinct on Curtis Island to accommodate LNG processing and export facilities; and
- Planning a dedicated pipeline corridor between Gladstone and the Callide Range to transport CSG from to liquefaction plants.

Agriculture, fisheries and forestry businesses are one of the largest contributors to Queensland's employment in rural and regional areas, with downstream employment impacts in major regional centres. The relative reliability of water and the impacts of climate change are predicted to drive a shift of agriculture into north Queensland, particularly if other major production areas within Australia (e.g. the Murray Darling Basin) dry significantly in the long-term. Tropical and subtropical horticulture and beef are emerging from preliminary investigations as key growth industries for North Queensland, along with grain for food, feed and industrial purposes, genetically modified (GM) products and plantation forestry.

Queensland's tourism industry also relies on the state's natural resources – including the Great Barrier Reef, world heritage rainforest and other natural attractions. For example, the Queensland Government's Queensland's Green Army initiative will not only create new jobs for early school leavers, the recently retrenched, long-term unemployed and out of trade apprentices but will also work to address significant environmental concerns and enhance natural assets to promote tourism.

To create jobs for the long-term, it is imperative that governments take a balanced approach which stimulates industry growth and ensures the sustainable use of the natural resource base. Sustainable management practices include for example:

- Helping industries manage climate change through the development and dissemination of tools and information to help industries adapt to increasing climate risk and respond to climate change mitigation arrangements.

- Protecting Queensland's industries, natural resources and ecosystems from the risks and significant impacts of invasive pests, diseases, and contaminants.
- Managing the sustainable use of natural resources, ecosystems and habitats for the future by conserving and sustaining these resources.

**3. Is Queensland's science, research and technology infrastructure effectively utilised?  
Can it be used more effectively to enable greater employment in these fields?**

The Queensland Government has invested over \$3.6 billion to support science and innovation over the past 10 years. These funds have been primarily for capital items such as buildings and fit-outs but have also included some operational funding, particularly in the areas of specific projects and skills development. These funds have been used to significantly increase the science and research base in Queensland as well as support improved outcomes from our investments in research and technology. This investment has resulted in:

- A 106 percent increase in knowledge-based exports between 2000 and 2007, from \$2.1 billion to \$4.3 billion.
- An estimated 60,000 new knowledge-based jobs created in the areas of science, technology, engineering and health.
- An increase of 275 percent in R&D by Queensland businesses from 1998 to 2006-07, with a corresponding increase from \$407 million to \$1.6 billion in that period.

The Queensland Government recognises the need to build on the capital investment to date and support greater utilisation of our growing research base. A number of new programs were launched in 2008 to address this issue, which focus on increasing collaborations between Queensland's researchers and industries. The new programs include:

- The *National and International Research Alliances Program* and the *Research Industry Partnership Program* that support research collaboration nationally and internationally, and research collaboration with a commercial focus;
- Commercial fellowships (industry placement in research institutes);
- Researchers in residence (placing researchers in industry);
- R&D Forums, to raise awareness and educate industry about available and applicable research being undertaken in Queensland's research institutes; and
- Technology Clinics that facilitate industry take-up and application of new technologies.

#### **4. How can Queensland promote innovation in Queensland industry to create employment opportunities?**

The Queensland Government's Q2 plan recognises that innovation is a driver of economic growth. Under the Q2 plan, the Queensland Government has committed to increasing by 50 percent the proportion of Queensland businesses undertaking research and development.

The Q2 plan also recognises that innovation takes many forms. It is not confined to R&D and applies equally to the development of new business solutions as to the adoption of 'off the shelf' or tested solutions developed elsewhere. Examples of innovation include the adoption of new technology or equipment, streamlining administrative processes, removing unnecessary duplication, improving staff skill levels, and improving supplier arrangements. Innovation is a process of finding new and better ways to undertake business.

Drivers for job creation from innovation include ensuring industry co-investment early in the innovation cycle, looking for industry application in research and development, and industry adoption of new research and technology. R&D is not a "linear" activity however and although there is a commercialisation pipeline, R&D often produces very positive results for the community and business without directly producing a commercial product. This is primarily through knowledge diffusion, its application in industries and businesses as well as longer-term improved environmental and social services and benefits.

In line with the Towards Q2 target of increasing by 50 percent the proportion of businesses undertaking R&D or implementing innovation (into the business), DEEDI will be paying significant attention to:

- Leveraging greater funding in R&D for Queensland R&D priorities.
- Improving access to finance for Queensland knowledge based businesses.
- Knowledge and technology diffusion and uptake within business and the broader community via, for instance, enhanced collaboration between researchers, and between researchers and business.

The State Government will continue to provide innovation support for high potential companies and emerging sectors aimed at structuring and accelerating the growth of small and medium enterprises into significant employers. Initiatives will include the Mentoring for Growth suite of programs and the Australian Technology Showcase, including providing access to development capital.

## Questions 5 – 9

5. How should Queensland identify new and emerging industries and support the creation of employment in new industries?
6. How does Queensland ensure that Queensland industry is competitive in an increasingly global economy?
7. What are Queensland's comparative advantages and how should Queensland make best use of these advantages?
8. How can Queensland's industry promotion strategies best support Queensland industry to be competitive in the global marketplace?
9. Should industry promotion strategies be narrowly focused on a small number of particular industries or be more broadly based?

Queensland has a number of key traditional areas of economic strength including mining, agriculture and tourism industries. Other advantages include a competitive business environment, significant investment in the infrastructure required for economic growth and programs designed to grow industry and connect suppliers with the market place.

Over the past decade, there has been continued growth in our traditional industries. These industries have been highly innovative ensuring a continuation of their competitive advantage. They have also led to a strong service sector export market based on these new processes and technologies. In recent years the government has invested in developing knowledge based industries to broaden and strengthen the economy. This was led through the Smart State Strategy and now through the collaborative processes of *Toward Q2: Tomorrow's Queensland*.

The Queensland Government undertook a review of its industry development activities. As a result, the Smart Industry Policy was released in 2008 which places productivity at the centre of the industry development agenda. The policy targets five key drivers of productivity growth:

- Connecting industry with ideas
- Boosting incentives for productivity
- Developing skilled people
- Building markets for smart products
- Promoting an innovative business culture.

The associated Smart Industry Policy Decision Making Framework provides a consistent, transparent process to guide industry development activities across the Queensland Government. The Framework has been designed to fulfil three distinct functions:

- Guiding the identification of sectors to be allocated priority status.
- Outlining a process for assessing opportunities and allocating resources to accelerate the development of priority sectors.
- Evaluating government support to determine whether there are future / ongoing opportunities.

The Smart Industry Policy focuses on 15 key strategic industries located throughout Queensland. These industries are advanced manufacturing, alternative fuels, aviation, biotechnology, creative industries, environmental and mining technologies and services, information and communication technology, marine industries, mining, primary Industries, processed foods, therapeutic medicines and devices, tourism, water and wine. The Smart Industry Policy contains over 200 actions to support priority sectors.

Developing international networks is also important – the global market place will continue to drive the growth of new industry sectors. The Queensland Government's resources, based in 16 global locations, are focused on identifying international opportunities matching the strengths and capabilities of Queensland companies. Through international relationships at the highest Government and industry levels internationally, the Government gains access to market intelligence, vital to Queensland companies in their search for new business.

This knowledge will assist policy makers within Government, and industry leaders to make decisions based on new and emerging trends around the globe being driven by leading edge companies and institutions. These global developments will lead the identification and creation of new growth sectors in Queensland, for example green building technologies and new energy generation including bio-fuels, geothermal and solar energy.

This targeted approach has served Queensland well in driving sustainable development and assisting with stimulating employment. Importantly however, impacts from emerging global trends such as the global financial crisis, climate change and associated emissions reductions policies, require that we regularly review where and how government resources are targeted. The establishment of the Department of Employment, Economic Development and Innovation in April 2009, bringing together the economic development agencies of the government into a single entity, provides new scope for targeting and delivering employment and economic development focused initiatives.

## 10. What can the Queensland Government do to improve employment opportunities for groups such as youth, mature-age, Indigenous and disadvantaged workers?

Skilling, job creation and assisting the unemployed to return to work are key points of Jobs First: Delivering Jobs for Queensland and will also support the Toward Q2 target of halving the proportion of children living in jobless households by 2020. The economic downturn will result in increasing unemployment and declining labour force participation, which if left unanswered can cause skills atrophy and the erosion of human capital. The Skilling Queenslanders for Work (SQW) initiative aims to provide specific assistance targeted at disadvantaged people to help them to obtain employment.

### Youth

Several programs in SQW target young jobseekers, including the First Start and the Youth Training Incentive Program. These programs promote employment of full-time and school-based apprentices and trainees. In addition, Get Set for Work assists young people 15-17 years old who no longer attend school or who are at risk of not completing year 12. From 2009-10, young people aged 18 and 19 will also be eligible to participate on Get Set for Work. During 2008-09, 7,242 young people aged 15-24 years were assisted under SQW.

Through the Green Army, part of the *Skilling Queenslanders for Work* initiative, 2,300 Green Work placements of up to six months will be provided, together with 700 Green Traineeships of a year's duration. Unemployed young people will be one of the key groups to benefit from the Green Army, along with the long-term unemployed, recently retrenched workers who have out of work for more than three months, out of trade apprentices, who once again are likely to be young workers.

In addition, improving opportunities for the youth cohort have been bolstered through the COAG agreement for a *Compact with Young Australians*. The Youth Compact provides a guarantee that every young person aged 15 -24 has access to education and training. Building on Queensland's existing commitment for youth participation, COAG also agreed to a National Youth Participation Requirement, which makes it a compulsory requirement for:

- All young people to be engaged full time (at least 25 hours per week) in education, training or employment, or a combination of these, until they turn 17; and
- All young people to participate in schooling (or an approved equivalent) until they complete Year 10<sup>15</sup>.

Jobs First recognises that young people are particularly at risk during the economic downturn, and that the decline in apprenticeship and traineeship commencements has significant impacts for both young people but also for the future of skills availability for recovery. The institutional pre-apprenticeship model, discussed in detail under question 19, provides opportunities for young people to start on an apprenticeship pathway in an institutional setting, and once employed in an apprenticeship, will provide opportunities for accelerated progression through the apprenticeship pathway.

### Mature Aged Workers

Mature age jobseekers are a key target group for employment and training assistance provided under SQW and currently constitutes 17 percent of all SQW participants. The Queensland Government has a number of initiatives in place:

- Community Employment and Infrastructure Program: which funds projects aiming to raise awareness about the value of older experienced people in the workforce. It also funds programs on how to recruit, retrain and retain older workers and create age-friendly workplaces.
- Industry Liaison Officers: funding will be provided to create several positions to inform and educate industry on the value and economic benefit of retaining older workers.

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<sup>15</sup> Council of Australian Governments (COAG) 2009, *COAG Announcements CE Circ 09:016*, viewed at [http://www.decs.sa.gov.au/mediacentre/files/links/CE\\_Circular\\_09\\_016\\_COAG\\_An.pdf](http://www.decs.sa.gov.au/mediacentre/files/links/CE_Circular_09_016_COAG_An.pdf) on 20 July 2009

Mature age workers who experience retrenchment during the economic downturn are often more vulnerable to long-term unemployment if they do not readily find alternative employment. Age is one factor but the changes to recruitment practices and industry structures often make it difficult for mature age people to find the assistance needed. While the Australian Job Services have now incorporated early intensive assistance for retrenched workers, the Jobs Assist program being implemented through the state's Rapid Response Teams provides a valuable link not only to employment services but services in the broader community.

### **Indigenous**

The Queensland Government has in place a number of measures focused on assisting Indigenous jobseekers. *The Indigenous Employment and Training Strategy 2008-11: Positive Dreaming, Solid Futures* is a whole-of-government strategy to meet the COAG commitment of halving the gap in Indigenous employment outcomes within the next decade.

Activities to support Positive Dreaming, Solid Future and COAG Indigenous Economic Participation agreement include:

- Creating sustainable jobs in government service delivery that previously relied on subsidisation from the Community Employment Development Projects (CDEP) program.
- Leveraging of opportunities through public sector procurement.
- Creating employment, skilling and business opportunities for Indigenous Queenslanders through a network of regional staff including:
  - Indigenous Employment and Training Managers (IETMs) to work with industry and identify sustainable employment and training opportunities.
  - Indigenous Training Project Managers hosted by Construction Skills Queensland to identify and negotiate opportunities for employment and training under the Government's *Indigenous Employment Policy for Queensland Government Building and Civil Construction Projects (20% Policy)*<sup>16</sup>.
  - Employment and Training Support Officers to provide assistance to 2,000 Indigenous apprentices, trainees, vocational students and jobseekers each year.
  - Enterprise Development Officers, to assist Indigenous businesses to develop and grow.
- Working to develop public sector employment and career opportunities for Indigenous jobseekers and employees.

### **Disadvantaged Jobseekers**

Participate in Prosperity (PIP), is the SQW strategy specifically aimed at promoting social inclusion by raising economic participation. It is a four year \$23 million initiative targeted at low-socio economic communities where residents are not participating in the labour market. PIP was piloted in specific communities to assist people with accessing the complete range of government and non-government services they need to resolve a range of personal barriers, develop skills and enter the workforce. In 2008, funding totalling \$4.7 million was approved to conduct a number of projects in the three target locations (Logan/Beenleigh, Caboolture/Deception Bay and the south west Brisbane metropolitan corridor) to assist 1,121 people<sup>17</sup>.

To optimise outcomes for low skilled individuals, regional employment officers work with interested parties, including employers and industry to tailor local responses using the range of assistance available under the SQW initiative. These tailored interventions maximise the engagement of groups such as sole parents, refugees, newly arrived migrants, disabled participants and underutilised workers as well as increases outcomes through direct linkages with local employment and skills needs.

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<sup>16</sup> Queensland Government, *Indigenous Employment and Training Managers*, Queensland Government, Brisbane, 2009, viewed at <http://www.employment.qld.gov.au/programs/sqw/indigenous/managers/index.htm>, July 20 2009

<sup>17</sup> Ministerial press release, Minister for Transport, Trade, Employment and Industrial Relations, the Honourable Mr John Mickel, Launching prosperity program in Caboolture and Deception Bay, 2008 viewed at <http://www.parliament.qld.gov.au> on July 20 2009.



With budget constraints and rising unemployment the challenge is to ensure vulnerable jobseekers do not become long-term unemployed or disengaged from the workforce and that entrenched disadvantage among the very long-term unemployed and disengaged is not exacerbated.

The Queensland Government also recognises the disadvantages faced by female jobseekers, particularly women seeking to re-enter the workforce after a prolonged period, or enter male dominated professions. In support of broader Queensland Government policy direction, two successful models to support women's participation in non-traditional and emerging industries have been delivered, or are currently being implemented, by the Queensland Government's Office for Women: the *Smart Women – Smart State Strategy* and *Women in Hard Hats*. These initiatives address specific employment challenges faced by women, including concentration in particular industries, managing career breaks and balancing work and caring commitments.

The *Smart Women – Smart State Strategy* committed the Government to enhancing women's participation in Queensland's emerging industries, particularly science, engineering and technology. Key initiatives included the *Smart Women – Smart State Awards*, the *Smart Women – Smart State Taskforce*, and the *Smart Women – Smart State Science, Engineering and Technology (SET) Action Plan (2006 – 2009)*. With the support of the Office for Women, a *Smart Women – Smart State Taskforce* developed and implemented a *Science, Engineering and Technology Action Plan* and delivered a report on the outcomes of the Taskforce. The recommendations of the Taskforce are currently being considered by the Minister for Women, and key aspects of the work started under the *Smart Women – Smart State Strategy* continue under the *Women in Hard Hats* election commitment.

*Women in Hard Hats* promotes careers and encourages greater participation by women in non-traditional employment in the mining and construction industries, as well as in emerging science and technology fields. *Women in Hard Hats* aims to achieve outcomes that include an increased participation rate for women in mining, construction, science, engineering and technology industries, industry support and women's leadership in non-traditional industries. In 2008 – 2009 the Office for Women ran two grants programs that supported industry to build the skills and experience of women. These were the *Women in Trades* and *Indigenous Working Women's Fund* grants programs.

Strategies to support women's workforce participation, particularly in non-traditional industries, assist women to access the long-term social and economic benefits of employment, and build Queensland's skills base in readiness for economic recovery and future prosperity.

#### **CASE STUDY**

##### ***Department of Main Roads and Transport Response to Indigenous Workers***

The Department has worked closely with its key industry and Indigenous stakeholders to deliver award winning, innovative initiatives. The initiatives demonstrate how employment and skills programs can be embedded in the core business of an agency. These include:

- The *Main Roads Alliance Partnership Model* works with traditional owners at Camooweal in Indigenous enterprise development to increase business capability, job skills and job mobility development of local Indigenous people.
- *Education to Employment (E2E) Scholarships*, resulting in increased enrolment and support of Indigenous students with an expressed interest in public sector participation.
- *Transport Solutions for Indigenous Queenslanders*, which is seeking funding commitments to expand the Far North Queensland Indigenous Driver Licensing program state-wide by funding an Indigenous project officer in four regions.
- *Remote Communities Services Unit (RCSU)* provides technical and transport construction skills training support to Aboriginal and Torres Strait Islander Shire Councils undertaking transport and road infrastructure projects funded by the State.

- DTMR represents Queensland in the *Northern Alliance* between Qld, NT and WA for roads associated with Indigenous communities. The alliance is pursuing a number of funding options including joint funding submission to Infrastructure Australia for a significant ongoing funding investment in major infrastructure projects for remote and regional based Indigenous communities.

## **11. Should full-time employment be a priority in creating employment opportunity? How should Queensland respond to underemployment?**

While full-time employment is the goal of creating employment opportunity, during an economic downturn labour force participation will naturally decline. In these circumstances, maintaining connection to the employment market is critical as it avoids skill atrophy and the erosion of human capital that accompanies prolonged unemployment. Part-time work enables workers to maintain skills and offers the potential to develop new skill sets through training. It also prevents workers from falling into long-term unemployment, which is particularly relevant for vulnerable workers.

In the face of retrenchments or redundancies, the Queensland Government is working with employers to identify opportunities to utilise short-term workplace strategies such as reduced work hours, forced leave, re-skilling programs and restructuring to moderate job losses and retain skilled workers. This is particularly relevant in the mining and manufacturing industries, where part-time and shared work arrangements have assisted in stemming greater job losses.

During an economic downturn, workers with poor general education, including poor literacy and numeracy skills are generally those who are most vulnerable to underemployment. Skilling Queenslanders for Work has progressed this issue with support for training programs targeted at the low-skilled and under-employed.

Women's underemployment, however, is a longstanding issue that pre-exists the economic downturn. Historical data shows that the female underutilisation rate has remained consistently higher than that of men for the past 30 years.<sup>18</sup> Under the recently announced new strategic direction, the Office for Women will focus on identifying and addressing barriers to women's employment, including the issue of underemployment. Supporting women to undertake education and employment in areas in which continued skills shortages have been identified is part of this approach.

In responding to the issue of underemployment, it is also relevant to consider that part-time employment has become a growing component of the labour market over the past decade. Even before the global financial crisis, the part-time work was increasing. Both workers and employers are increasingly seeking flexibility to allow for changing circumstances – including personal situations (family and lifestyle) and economic conditions. The changing dynamics of the population and the labour market, including an ageing workforce, increased incidence of single parent families, and increasing participation rates particularly of women workers have also impacted on previously established work patterns.

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<sup>18</sup> ABS. (2009). *Historical Labour Underutilisation*.

(<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/6105.0Feature%20Article5Jul%202009?opendocument&tabname=Summary&prodno=6105.0&issue=Jul%202009&num=&view=>).

## 12. Should the government target policies at certain regions in Queensland? What criteria should be used to select these regions?

The current economic environment is placing pressures on Queensland's rural and regional communities. Job losses announced in some sectors since the crisis have come disproportionately from regional Queensland, particularly Central and North-West Queensland. Those areas enjoying the highest employment growth during the mining commodity boom such as the Mackay and Fitzroy regions may also be susceptible to large scale job losses. In regions such as Far North Queensland, high dependence on the tourism industry increases the regional economy's vulnerability.

The Queensland Government has lobbied the Australian Government for greater recognition of Queensland regions and the particular labour market challenges that the regions bring. The Australian Government has recently identified six employment priority areas in Queensland which have been significantly impacted by the economic downturn. These priority areas are Ipswich-Logan, Southern Wide Bay-Burnett; Bundaberg-Hervey Bay; Cairns; Caboolture-Sunshine Coast; and Townsville-Thuringowa. *Keep Australia Working* Forums are planned for each of these areas to engage local employers to identify jobs. The Queensland Government has committed to supporting these forums and to assist with the development of Strategic Regional Employment Plans.

The priority regions have been selected on the basis of labour market indicators, the combination of which increases a region's likelihood of experiencing disadvantage now or in the future as a result of the global financial crisis. These regions have higher than average unemployment rates and rely disproportionately on industries like manufacturing or construction. In many cases, part of the region's population may have low educational attainment or skill levels, may have seen an increase in the number of people receiving unemployment benefits, or may have a history of experiencing difficulties particularly during previous economic downturns.

Like the Commonwealth Government's initiative, the Queensland Government's Jobs Assist program also aims to provide assistance to support firms and workers to minimise firm closures and worker retrenchments. While the Jobs Assist program will be state-wide, assistance will be targeted at the Local Priority Employment Areas identified through the *Keep Australia Working* strategy. The alignment of Jobs Assist and *Keep Australia Working* provides complementary measures that can be used to maximise opportunities for individuals and businesses.

The Government has moved quickly to support employment in regional Queensland in response to the economic downturn. Examples of regionally-specific programs of the Queensland Government in response to this issue include:

- **Sustainable Resource Communities:** funding has been brought forward from the \$100 million funding package to boost employment in regional areas affected by the downturn in the mining industry. The fund provides for regional capital projects that support employment while also providing community infrastructure in these areas.
- **Establishing new tourism initiatives:** \$38 million has been provided over three years for a regionally focused tourism marketing and infrastructure package, in recognition of the significant contribution tourism makes to regional employment.
- **Government Building Program:** buildings are under construction in regional and remote locations including: Cairns, Maroochydore, Thursday Island and Palm Island. These projects generate employment in the construction stage (building services / trades / materials and suppliers) and upon completion (professional workers / technical / maintenance) in areas that have a traditionally limited economic base and diversity.

The Government's long-term approach to regional development focuses on the delivery of programs tailored to capitalise on competitive strengths of Queensland's regions. These include for example:

- **Establishing a specialised Liquefied Natural Gas (LNG) Industry Unit:** to provide a single point of focus for the Government's support of the emerging LNG industry in Gladstone, which will be based on Queensland's extensive coal seam gas reserves. Modelling indicates that a 28 million tonne per annum LNG industry has the potential to create more than 18,000 jobs.
- **Centres of Enterprise:** By strengthening regional industries identified as having competitive advantages, CoE has contributed to building regional economies and sustaining employment into the future. In a period of economic growth, CoE has supported economic diversification in regions. In response to the downturn, CoE implementation has been re-positioned to provide the means of addressing industry and business resilience in key regional sectors, improving job retention and job creation outcomes, and positioning industries for future growth cycles.
- **Agribusiness Precincts:** Agribusiness precincts involve areas of economic activity that will add significant value to the regional and state economy in response to market opportunities and emerging infrastructure availability. Precinct opportunities exist around Bowen, the Fitzroy agricultural corridor and Nathan Dam. By taking a precinct planning approach, the potential for agribusiness development can be assessed and planned for in conjunction with economic and industry development strategies, efficient catchment and resource management, local and regional land use planning, infrastructure planning and sequencing and supply chain development, to attract investment in regions.

### **13. Do the current Queensland Government employment programs help develop individuals with the skills that employers need?**

The employment programs offered through *Skilling Queenslanders for Work* (SQW) has achieved considerable success in assisting individuals to develop the skills that employers need. This is due to a number of factors:

- SQW programs provide customised assistance to meet the needs of individual job seekers.
- The delivery of projects that provide direct linkages between employment programs and specific industry skill requirements.
- Regional employment officers engage industry and employer representatives in the design of local employment and training programs.

A survey of participant outcomes in SQW's first year of operation shows that 71 percent of participants obtain and maintain employment; or are undertaking further education and training 12 months after program completion<sup>19</sup>. Employment and training outcomes for participants in the First Start program show that 89 percent of participants obtained employment and remained in employment 12 months after completion of their course. Outcome rates such as these demonstrate the success of these programs in targeting specifically disadvantaged jobseekers and providing them with requisite skills needed by potential employers.

#### **CASE STUDY**

##### ***Civskills***

Through SQW, DEEDI and Construction Skills Queensland have partnered with community organisation BoysTown, TAFE and civil construction contractors to develop the CivSkills project. The project has seen DEEDI provide funding of \$300,000 over two years while leveraging a further \$700,000 from partner organisations to help 200 jobseekers. The project has a significant focus on skills preparation; industry skills and support through completion of accredited training. Through out the period of assistance, employers offer industry work experience which is followed by guaranteed employment for successful completers. Participants then have the opportunity to progress from entry level positions to an apprenticeship or traineeship.

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7. Department of Employment and Industrial Relations, 2008 Review of Department of Employment and Industrial Relations, Queensland Government, Brisbane

#### **14. What role do employers have in developing and enhancing the skills of their employees?**

It is widely acknowledged that the skill levels of employees are an integral part of a firm's productivity. While firms will compete with each other for customers, they share common interests in having access to appropriately skilled labour. Industry associations can therefore be an effective way to coordinate information on the training needs of their members. Industry, as the ultimate end user of skills developed by the vocational education and training (VET) system, has a key leadership role in the future VET sector. The Queensland Government recognises that for industry to take responsibility for the skilling agenda, government must take a facilitative role by establishing formal industry engagement structures that allow industry to take and maintain a leadership role.

Queensland has arguably the most sophisticated industry engagement mechanisms in the nation. Initiatives established under the *Queensland Skills Plan* such as centres of excellence, skills formation strategies and industry skills alliances are already in place, demonstrating genuine industry leadership of the skilling agenda. To complement these initiatives, mechanisms for strategic level engagement with industry are needed to provide a whole-of-Queensland perspective to guide the development of skilling strategies for the state.

In response, Skills Queensland has been created which brings together the roles of the government purchaser of VET training in Queensland and the Government's industry development functions into a single entity. Skills Queensland's vision is the development of a genuinely demand driven VET sector, made up of flexible and responsive training providers that have the capacity to meet the needs of industry through all phases of a fluctuating economy. The intended outcome is a VET system that is geared to meet both the current and future skills needs of the economy as well as fulfilling government's responsibility to improve social inclusion of some of the State's most vulnerable community groups.

Skills Queensland will work towards this vision by empowering industry to take ownership of and lead the VET sector in Queensland. This sends a strong signal from the Queensland Government to industry that there will be a greater industry say in, and ownership of, the future skills agenda for the enhanced opportunity to continue the reform the VET sector in Queensland to ensure the skill needs of industry and individuals continues to be met in a flexible and responsive way.

#### **Case Study**

##### ***Industry Leadership - Skills Formation Strategy for Aviation Sector***

Skills Formation Strategies focus on identifying issues common to an industry or community that are best addressed by combined effort. Supporting this approach, skills formation strategies facilitate the development of relationships and networks that can collaboratively identify the future workforce needs of industry or the community, leading to a combined workforce strategies.

One example of this approach is in the aviation sector. The Aviation Skills Formation Strategy covers the aviation and aerospace industry state-wide with priority provided to SE Queensland (including Sunshine Coast), Cairns, Townsville and the Wide Bay-Burnett regions. Research and consultation was initially undertaken to identify key workforce issues. Following this phase, an Industry Leaders Council (ILC) was established to champion key initiatives and provide guidance on strategic, political and regulatory issues. The ILC membership consists of CEO-level industry leaders from 10 high profile companies, the Commonwealth Aviation Safety Authority and Queensland Government representatives.

One of the key issues identified was the lack of clearly documented, evident career pathways in all industry disciplines. Through the guidance of the ILC, several projects are in progress to address the issue:

- Development of a school-based "multi-disciplined" traineeship program with a Certificate II in Aviation qualification in the Bundaberg and Sunshine Coast regions.

- Revision of the Aviation Training Package by the Transport and Logistics Skills Council to improve competency sets for airport management and operations, airline operations and unmanned aerial vehicles.
- Revision of the Aeroskills Training Package by Manufacturing Skills Australia to cater for advanced technologies, including avionics, composites and UAV maintenance. An Aerospace Manufacturing Training Package to meet industry requirements is also being developed.
- Development of a Structured Work Experience program model by the Australasian Aviation Group Cairns Workforce Development Working Party to improve management, school access and student preparation to industry.



**15. Are these government programs working? If not, how can the government improve these programs or better achieve these outcomes?**

The Australian Government's Job Network provided work-ready jobseekers with a good job-matching service, however was unable to adequately assist disadvantaged jobseekers in a timely manner. The recent reform of Australian Government employment services was designed to remedy these issues however did not take into account the economic downturn and fewer employment opportunities. Access to assistance remains linked to eligibility for income support and continues to be tied to income support compliance requirements.

The Queensland Government's employment programs complement the assistance provided by Jobs Services Australia. Participation is voluntary and so participants are genuinely motivated to gain the skills and experience which will allow them to obtain sustainable work. *Skilling Queenslanders for Work* (SQW) programs allow the assistance provided to be customised to the individual needs of the jobseekers. SQW service providers are able to spend time on building the capacity of each client to ensure that employment outcomes will be sustained. Queensland's use of local community groups to deliver employment services allows more effective engagement and outreach to vulnerable jobseekers.

These programs have delivered beneficial long-term outcomes for participants. The most recent survey results show that 89 percent of trainees and apprentices under the First Start program are in employment 12 months after completion while 71 percent of participants gained positive employment or training outcomes upon completion of community based employment and training programs. Recent results also show that 84 percent of Indigenous apprentices, trainees and vocational students were in employment or training 12 months after receiving mentoring and support through a program designed to improve Indigenous vocational completion rates.

These results demonstrate that the programs offered under initiatives such as *Breaking the Unemployment Cycle* (BUC) and SQW have delivered improved employment outcomes for unemployed Queenslanders generally, and for Indigenous participants. The Queensland Government has also taken proactive steps to improve employment outcomes for the cohort of Indigenous participants by also creating positions in government and government funded services. Additionally, the Queensland Government's Reconciliation Action Plan contains strategies for increasing Indigenous employment through government funded projects and in the Queensland Public Service.

## Questions 16-17

16. What other strategies have been used successfully by other governments? Is it possible for an Australian state government to implement similar strategies to stimulate employment?

17. What other best practice approaches can an Australian state government use to stimulate employment?

Stimulus packages around the world have incorporated key themes of:

- Infrastructure;
- Job protection – support for business; and
- Recovery preparation – investment, or re-commitment, to significant training programs, flagging the creation of green-collar jobs or a green economy.

The Commonwealth Government's Keep Australia Working strategy subscribes to this formula with three main elements: nation building; support for business; and support for workers.

The Queensland Government through Jobs First is also approaching the issues in a similar way, with the four points encompassing the major themes. In this way, Queensland is meeting best practice approaches in this regard.

The Queensland Government has led the way in the development of strategies to assist the unemployed and in investment in these programs. Over the past 10 years the Queensland Government has assisted over 175,000 Queenslanders and created over 124,000 jobs for an investment of \$743.6 million through the Breaking the Unemployment Cycle initiative. A further 40,875 have been assisted into employment and training under the Skilling Queenslanders for Work initiative.

The success of *Breaking the Unemployment Cycle (BUC)* and *Skilling Queenslanders for Work (SQW)*, in achieving employment outcomes has seen program initiatives replicated by other states. For example, South Australia mirrors the *Experience Pays Strategy*, which aimed to assist employers understand the value of retaining older workers and maintain older workers within organisation, in its *South Australia Works for Mature Aged Workers* program. The South Australian program like its Queensland counterpart, provides training, up-skilling and employment programs for mature aged workers and job seekers<sup>20</sup>.

While many of Queensland's successful employment programs have been replicated, there are nevertheless some innovative program initiatives in place in other states of Australia which have demonstrated success. These include:

- **The Mature Aged Workers Giving in Care (MAGIC) Program:** a joint initiative of the Victorian Government, the Community Services and Health Industry Skills Council and the Commonwealth Department of Education, Science and Training. The aim of the program is to recruit and train mature aged workers and non traditional workers (such as males in childcare) into the community services industry<sup>21</sup>. While this type of response is already incorporated into the local responses under SQW, this approach could be enhanced to further encourage males in particular to consider these options as employment demand within community services industry remains strong in Queensland, despite the economic downturn<sup>22</sup>.
- **The Enterprise Learning for the 21st Century** program: an initiative of the Victorian Government funds businesses, industry, education and community organisations to undertake innovative projects that support young people to build their enterprise skills, think creatively and reach their full potential<sup>23</sup>.

<sup>20</sup> South Australian Government, Viewed at:

[www.saworks.sa.gov.au/Informationfor/MatureAgedPeople/tabid/79/Default.aspx](http://www.saworks.sa.gov.au/Informationfor/MatureAgedPeople/tabid/79/Default.aspx)

<sup>21</sup> Victorian Government, 2009, *Mature Aged Workers Giving in Care (MAGIC) Program*, viewed at [www.cshisc.com.au](http://www.cshisc.com.au).

<sup>22</sup> ABS Labour Force Data, 2009, Cat No 34167

<sup>23</sup> Victorian Government, *Enterprise Learning for the 21st Century*, viewed at [www.dcst.gov.au/sectors/career\\_development/programmes\\_funding](http://www.dcst.gov.au/sectors/career_development/programmes_funding)

International models that could be investigated further include:

- Promoting public-private partnerships to generate ICT-related employment. Using a public-private partnership model, governments can attract investment funds and the expertise required to operate complex ICT facilities. The agreement can be used to stipulate the employment of specific groups such as young people. This would improve their employment prospects in a relatively new area of industry that will be a significant generator of future employment opportunities<sup>24</sup>.
- The social enterprise model in operation in the United Kingdom, which provides a modified workplace which caters for the needs of marginalised individuals who would struggle to find employment. The purpose of the social enterprise is to assist people to develop the confidence and skills to participate in mainstream employment. This model is being investigated through the Participate in Prosperity program which has funded peak organisations to support social enterprises in Brisbane, Logan and Ipswich. As in many areas, the economic downturn has significantly impacted on the funding of social ventures as direct private sector investment has decreased. Private companies instead must look at their essential operations to identify opportunities for social impact. Procurement, both public and private, has the potential to provide extensive support for social ventures.

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<sup>24</sup> ILO, 2001, *World Employment Report 2001: Life at Work in the Information Economy*, Geneva, p. 52.

## 18. What skills do you believe are required currently in the Queensland economy?

A skilled workforce is a major driver of economic growth. Broad labour market trends, reported in the Green paper, *Skills for Jobs and Growth*, confirm the trend toward greater demand for higher skilled workers and fewer lower skilled workers as the impacts of globalisation and technological change continue to transform our economy.<sup>25</sup> Strongest job growth has been in those jobs positively exposed to global competition (growing at almost 4 percent p.a) while vulnerable jobs have grown at less than 2 percent p.a. Earnings data by qualification level also confirm that higher skilled workers have greater earning capacity and lower rates of non-participation in the workforce.

In January 2009, the Queensland Government released projections of skill shortages in Queensland shown in Table 1 below. These projections are to be updated in the context of the economic downturn. The slowing of the economy has mitigated skill shortages in some areas as company downsizing/closures increase the supply of experienced jobseekers and reduce the incidence of poaching by firms of skilled employees. In categorising shortages, the approach outlined by Richardson (2005)<sup>26</sup> has been applied. That is:

- Level 1 shortages are those where there are both insufficient skilled people available to apply for vacancies and training periods are typically long;
- Level 2 shortages exist where there are both insufficient skilled people to apply for vacancies but the skill can be acquired over a relatively short period; and
- Level 3 shortages exist where a skills mismatch exists where available skilled applicants reject vacancies under current conditions – these are essentially demand-side shortages.

Table 1 below presents a summary of all these occupations.

**Table 1: Skill shortage occupations by primary cause**

| Supply side   | Demand side  |
|---|--|
| <b>Level 1 Shortages</b>                                  | <b>Level 3 Shortages</b>                               |
| Resource Managers   | University and Vocational Education                    |
| Engineering, Distribution and Process Managers            | Teachers   |
| Miscellaneous Business and Information Professionals      | Miscellaneous Managing Supervisors (Sales and Service) |
|   | Automotive Tradespersons                               |
| <b>Level 2 Shortages</b>                                  | Hairdressers   |
| Sales and Marketing Managers                              | Secretaries and Personal Assistants                    |
| Miscellaneous Specialist Managers                         | Advanced Numerical Clerks                              |
| Misc. Business and Administration Associate Professionals | Receptionists  |
| Structural Construction Tradespersons                     | Material Recording and Despatching Clerks              |
| Final Finishes Construction Tradespersons                 | Miscellaneous Intermediate Clerical Workers            |
| Horticultural Tradespersons                               | Intermediate Sales and Related Workers                 |
| Intermediate mining and construction workers              | Mobile Plant Operators                                 |
| Misc. Intermediate Production and Transport Workers       | Miscellaneous Elementary Sales Workers                 |
|   | Cleaners   |
|   | Product Packagers                                      |

Further areas of skills shortage can be identified through the Government's skilled migration program. Despite an easing in labour market demand, skill shortages persist in some sectors such as health, where population growth and the ageing population are maintaining demand for health professionals. A further example is the State Government's \$18 billion public infrastructure program that continues to require specialist engineering professionals and other experts.

<sup>25</sup> Department of Education and Training, 2005. *Queensland's proposed responses to the challenges of skills for jobs and growth*.

<sup>26</sup> Richardson, S. and Tan, Y., 2005. *Forecasting Future Demands: What We Can and Cannot Know*, National Institute of Labour Studies Flinders University.

The Australian and state governments are adopting targeted skilled migration programs to address these needs, when suitable workers cannot be sourced from the Australian labour market. The professions on Queensland's skilled migration list can be viewed at: <http://www.workliveplay.qld.gov.au/dsdweb/v4/apps/web/content.cfm?id=3704>

The Queensland Government's employment programs also recognise that the newly emerging green industries, including those in renewable energy, energy efficiency, sustainable water systems, biomaterials, the built environment and waste and recycling will increasingly provide future employment opportunities for Queenslanders. Skills shortages in these areas will become a constraint on the development of green industries and the employment opportunities they offer. It is therefore in these areas that skill development should be focused.

#### **Case Study**

#### ***Skilling for Sustainability and "Green" Jobs - Sustainable Australia through Vocational Education (SAVE)***

Concern over climate change and the inevitable shift to lower carbon emissions will create new businesses and new jobs, such as in the renewable energy sector. Industry, government and the VET sector need to respond to demand for new skills for new "green" jobs. SAVE is an example of how this is occurring. Education Queensland and SkillsTech Australia, the lead TAFE institute for trade and technician training, have recently launched a new program training high school science students in renewable energy technology. The SAVE project offers science students a new Certificate II in Sustainable Energy (Career Start) and a pathway into careers in renewable energy. Students learn about renewable energy technologies with online resources, creative projects and hands-on electro-technology tasks. This year the SAVE project was piloted at five Brisbane schools, with the goal of state-wide rollout in 2010.

## **19. How should Queensland ensure we have the skilled workers required by industry during a period of economic upturn?**

The economic downturn resulting from the global financial crisis may adversely affect industry's investment in skilling including long-term training programs, particularly apprenticeships and traineeships. There is a risk that the capacity for industry to expand during economic recovery will be constrained by skill shortages that cause production bottlenecks and fuel inflationary pressures.

In addition to the long-term national and State skilling initiatives that are in place, the Queensland Government has responded quickly to sustain skills development in readiness for recovery. A key initiative in this area is the payroll tax incentive scheme for apprentices and trainees announced in March 2009. Under the scheme, employers who hire an apprentice or trainee will get a rebate of 125 percent of their apprentice and trainee wages off their payroll tax for another employee. This will provide an incentive for businesses to retain apprentices and trainees, and provide a ready source of skilled labour once economic conditions improve.

Another key initiative is the Employment Safety Net Package announced in December 2008 which included \$20 million for an Apprentice and Trainee Package. The package is designed to ensure that apprentices and trainees complete their training in readiness for the economic upswing.

In addition, the Queensland Government established a Trade Training Taskforce comprising industry, union and government representatives. The Trade Training Taskforce is driving the following initiatives to mitigate the impact of the global financial crisis on the apprenticeship and traineeship market in Queensland:

- Establishment of an out of trade register;
- Development of a communication strategy;
- Redirection of funding under the User Choice program, which funds the provision of training and assessment services to apprentices and trainees in Queensland, to significant areas of growth;
- Supporting the capacity of employers in the manufacturing industry to continue their employment of new and existing apprentices and trainees;
- Providing funding to public and private registered training organisations to complete training in an institutional context for 317 apprentices and trainees;
- Reviewing the Ten Per Cent Structured Training Policy ("10% Training Policy"); and
- Targeting the under representation of woman in areas experiencing skills shortages that are traditionally male dominated, such as the *Women in Hard Hats* program.

The economic downturn is having significant effects on apprenticeships and traineeships as it is across the economy generally. While there is no doubt that some apprentices and trainees are losing their jobs, employers are remembering the not so distant skills shortages and are trying valiantly to hold onto existing staff – and existing apprentices and trainees. Modelling by the Department of Education and Training indicates that Queensland is tracking towards a potential 40 percent decline from the peak commencement levels reached in 2007-08. This represents about 8,500 less apprentices and trainees entering the training system as a result of the economic downturn.

To deal with the impact of the Global Financial Crisis on apprenticeships, the Queensland Government has recognised the need to introduce a more flexible institutional pre-apprenticeship training model to skill prospective apprentices and trainees. The model is being guided by the following broad principles:

- Be endorsed and led by industry;
- Provide flexible entry and exit points;
- Provide suitable workplace assessment processes and simulated work environments; and
- Provide benefits for both industry and individuals.

This new system will allow young Queenslanders to commence an apprenticeship pathway through the delivery of pre-apprenticeship training in an institutional setting, that is – "off-the-job".

This will provide individuals with a head start in gaining an apprenticeship or traineeship, and once employed in an apprenticeship, it will provide opportunities for accelerated progression through the apprenticeship pathway.

By working with our key partners in training, including training institutions, industry and unions, this new system will be able to be tailored to meet the needs of each industry sector. The new model will be of particular importance to those industries that are experiencing the greatest declines in commencements, including construction, engineering and tourism related industries, ensuring that assistance is targeted and outcomes are maximised. Introducing this new system to support our young school leavers and take the pressure off business will ensure that skilling activity continues through the economic downturn. This will ensure that when recovery occurs, Queensland industries and individuals can capitalise on the return of growth.

Through these measures, the Queensland Government is endeavouring to ensure that the pipeline of skilled workers is maintained, so that industry will have skilled workers available when the economy recovers.

Another avenue for increasing the number of skilled workers is through migration. Queensland participates in the Commonwealth Government's Skilled Sponsored and Skilled Regional Sponsored visa programs. The Commonwealth Government is responsible for visa assessments, however state and territory governments are invited to nominate applicants with skills in shortage in their own jurisdiction. Queensland invites prospective migrants to apply for nomination if they have an occupation on the Eligible Skills Lists. As the economy improves, labour market conditions will need to be monitored to ensure the Eligible Skill Lists match skills shortages in the state.

**20. Is there a role for the development of generic skills that can be used across a number of industries and occupations instead of training for a particular job or occupation? Is there a need for both types of training?**

Occupations are becoming more knowledge-intensive, with a corresponding rise in the requirement for qualifications and technical skills. Workers will need to possess a range of generic, transferable skills as well as attributes such as flexibility, initiative and judgement. Research indicates that generic skills are increasingly regarded as of at least the same, if not more, importance for employers as technical or job-specific skills.

The Government recognises the need for both generic and industry or job specific training. There is the potential for generic skill development, particularly in industries sharing a commonality of skills, such as the mining and construction industries. Generic skills in such areas would include for example, the operation of heavy machinery which is similar across both the construction and the mining sectors. The Queensland Government has undertaken to work with key industry stakeholders, such as the Queensland Resources Council and Construction Skills Queensland, to develop education, training and cross-skilling opportunities across the mining and construction sectors.

The National Quality Council (NQC) has strengthened the profile of generic skills in National Training Package qualifications via enhanced Training Package Development Guidelines. Course developers are required to address these requirements via the NQC course development guidelines. These generic skills are embedded in qualifications at all levels from entry-level to advanced diploma. Training packages place the skill needs of industries at the centre of training delivery, but also address the need for transferable skills. Cross-sector industry competencies are recognised across qualifications, as are generic skills.

While generic skills can be coupled together to deliver non-industry specific employability skill sets there is a need to consider the context of the application of these skills in the workplace. There is increasingly a broadening of the approach in the VET sector towards generic skills with improved articulation and pathways across the VET and higher education sectors. Dual qualifications are increasingly more common. The implementation of the Queensland Certificate of Education (QCE) has broadened the application and recognition of VET activity in the senior years, with VET qualifications, competencies and skills sets playing a significant role in QCE pathways.



**21. What impact does regulation have on the creation of employment opportunities in Queensland? How will the proposed regulatory reforms help stimulate employment opportunities?**

The Queensland Government is committed to streamlining and reducing regulation to ensure that doing business in Queensland remains a competitive and attractive proposition. Regulation is necessary to protect the community and environment, and is an essential part of running a well-functioning economy and society. It facilitates many everyday transactions and can help deliver economic, social and environmental outcomes that may not have been possible within the normal workings of markets. However, complying with regulation costs businesses and individuals time and money; and regulation can also have broader economy-wide costs, such as through raising prices or reducing innovation, productivity and consumer choice. Therefore, it is important to find an appropriate balance between the benefits and costs of regulation.

Regulations can become obsolete, be excessive and/or poorly designed or administered, and impose unnecessary compliance burdens on business.

- Individuals and businesses lose time and money understanding and complying with the rules resulting in reduced business profits and higher prices for consumers; and
- Government spends time and money administering, communicating and enforcing regulation which results in higher administration costs.

The net effect of regulatory burdens on business is to reduce incentives for productive endeavour, with adverse effects in areas such as investment, employment, incomes, tax receipts and overall economic activity.

Removing unnecessary, excessive or obsolete regulation gives time and money back to the community, business and government to invest in more productive pursuits that promote productivity, facilitate innovation and increase competitiveness and stimulate economic growth. An outcome of these more productive pursuits is a positive impact on employment. In particular, tailoring regulation to limit the disproportionate impact on small business (which comprise more than 95 percent by number of all businesses) and keeping regulatory costs down that stifle innovation and crowd out productive activity, generally are essential if the 'engine room' of employment and economic growth is to prosper.

The key question is whether a regulation and/or its implementation imposes an *unnecessary*, and therefore avoidable, burden on business; that is, whether the policy goals underlying the regulation can be achieved in a way that does not impose as high a burden on business and the economy.

Recognition of the opportunities for economic development through lifting productivity and competitiveness are driving significant regulatory reform agendas around the world. Therefore, regulatory reform that reduces unnecessary compliance burdens on business could play a significant role in stimulating economic growth and recovery. The Productivity Commission estimates that further regulatory and competition reforms has the potential to increase Queensland's Gross State Product by a rate of almost 2 percent over a 10 year period.

## 22. How could Queensland reduce the cost of regulation on Queensland employers?

The Queensland Government has a long standing commitment to improve Queensland's regulatory environment. This is embodied in the Government's the Smart Regulation Reform Agenda, designed to simplify and minimise the regulatory task, agency by agency. The Government has committed to reducing the cost of regulation in Queensland by \$150 million per annum by 2012-13. The *Smart Regulation Annual Report 2007-08* identified over \$70 million worth of savings from regulatory improvement initiatives already delivered. When finalised, the 2008-09 Smart Regulation Annual Report is expected to detail further progress towards a reduction in the compliance burden for Queensland businesses.

Initiatives from the Smart Regulation Annual Report 2007-08 included:

- Simplified licensing frameworks for building supervisors.
- Simplified WorkCover premium payment and assessment processes.
- Introductions of e-Smartcards to the Taxi Subsidy Scheme.
- New taxpayer on-line services.
- Streamlined government financial incentive schemes.

Examples of other initiatives progressed since this 2007-08 Report are:

- Establishment of the Queensland Civil and Administrative Tribunal - a new single civil and administrative tribunal consolidating various existing bodies and tribunals, to be operational by the end of this year.
- Simplification of registration requirements for professional engineers in Queensland, which commenced on 1 July 2008.
- Simplification of the fee structure of government funded training at TAFE Qld Institutes, which commenced on 1 August 2008.
- Introduction of electronic reporting of dangerous goods manifests via the Port of Brisbane's new electronic dangerous goods tracking system.

The Government is now strengthening this regulatory reform agenda for Queensland by building on the benefits from past reform efforts. This is now occurring on two main fronts: reducing barriers to trade and commerce between Queensland and the rest of Australia; and reducing the regulatory burden on the Queensland business sector.

In December 2008, the Queensland Government committed to a *National Partnership Agreement to Deliver a Seamless National Economy*. Reforms in this national agenda are to be implemented by 2012-13 and key initiatives include:

- a national trade licensing system for range of economically important trades;
- a national system for registering business names that will provide a one-stop online shop for businesses to interact with government; and
- a national Standard Business Reporting system which will save business time and money in streamlining their government reporting obligations.

This is arguably the largest suite of regulatory reforms undertaken since the national competition reforms of the early 1990s and will contribute to reducing costs incurred by businesses in complying with inconsistent regulations across jurisdictions. The reform areas have been selected to drive maximum benefit for the national economy.

In addition to this national reform agenda, the Queensland Government is implementing the Queensland Smart Regulation Reform Agenda. A key action under the reform agenda is to reduce the stock of regulation through a phased program of reviews by agencies of their existing regulation. Other actions include initiatives focused at improving the quality of new regulation and improving the business government interface. These initiatives aim to reduce unnecessary regulatory compliance burdens and improve the effectiveness and efficiency of regulations to deliver productivity benefits and real measurable savings to Queensland business, community and government.

As part of this overall regulatory improvement agenda, the Government has committed to an initial target of reducing the regulatory compliance burden to business and the administrative burden to government by \$150 million per annum by the end of 2012–13.

### **23. How can Queensland be made an attractive destination for business investment?**

Queensland's business advantages such as a stable economy, low operating costs, highly skilled workforce and strategic Asia Pacific location create an ideal investment environment. Queensland has had some notable success in business attraction, particularly in the aviation sector with Virgin Blue and Boeing choosing to establish substantial enterprises in this State.

The Queensland Government has encouraged business investment by:

- Maintaining a competitive business environment eg. a low cost of doing business with low payroll taxes etc.
- Investing in the State infrastructure program which is laying the foundations for future economic expansion in Queensland and at the same time, attracting new business and investment enquiries.
- Seeking to leverage from its own fiscal stimulus efforts to create local jobs and industry growth where possible. The recent solar hot water announcement is evidence of an opportunity to achieve local content and economic development objectives through the potential establishment of a manufacturing facility.
- Remaining strategically focused on its investment targets, including those industries and companies which will contribute most to the current and future economic and industrial development of Queensland.

The Queensland Government has further encouraged investment through the establishment of Invest Queensland. Invest Queensland's role is to provide a single point of contact for the Government and work closely with national and international companies looking to relocate, expand or develop their businesses in Queensland. The efforts of Invest Queensland have facilitated further jobs growth of 8,989 FTE and \$939.6 million in capital investment.

Another key tool to support investment attraction efforts is the Queensland Investment Incentive Scheme (QIIS). Since July 1998, QIIS has created and retained 22,800 FTE positions and generated capital expenditure of \$783 million.

The Queensland Government also participates in the Commonwealth's business migration program by which business people and investors can apply for a business visa. Business migrants make a significant contribution to Queensland's economic well-being by being a prime source of new capital, business investment, export income and employment generation. Since March 2003, the Government has provided sponsorship to over 1400 business migrants. The total value of those sponsorships to date is potentially over \$2 billion of new investment and in excess of 7,500 potential jobs.



**Jobs First** Delivering Jobs for Queensland

August 2009





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Published by the Queensland Government, August 2009, 100 George St, Brisbane Qld, 4000.

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# Foreword

**Like all economies, the Queensland economy has been hit hard by the effects of the global financial crisis. Queensland's unemployment rate could rise to 6.5 per cent in 2009-10 and 7.25 per cent in 2010-11. Put simply, that's 175,000 individuals and their families affected by global uncertainty and economic recession.**

That is why we have made jobs the number one priority for this Government. In March, we set out our target to create 100,000 new jobs. Not once, despite the gravity of the situation or the deepening economic gloom, have we stepped away from this commitment. *Jobs First: Delivering Jobs for Queensland* reaffirms that commitment and sets out a four-point plan to:

- 1. build infrastructure** – keep our record building program going
- 2. develop skills for the future** – ensure we are prepared for recovery
- 3. support new and traditional industries** – enable industries and businesses to emerge, grow and transform
- 4. develop new job creation programs** – assist unemployed Queenslanders to get back into work.

A consistent theme throughout this plan is our overriding goal to ensure that people have an opportunity to keep working, keep developing their skills and find opportunities to use their skills in different environments. But this will not be at the expense of those who have faced barriers to employment long before the impact of the global financial crisis. We will continue to support the most vulnerable and disadvantaged job seekers, to give them a fair go and the support they need to find employment.

**Hon. Anna Bligh MP**  
**Premier of Queensland**  
**and Minister for the Arts**

*Jobs First* delivers our response to the challenges posed by the global financial crisis in six critical ways:

1. It invests heavily in protecting existing jobs.
2. It invests in new industries to build economic growth into the future.
3. It invests in the skills and training needs of Queenslanders with new apprenticeships and vocational education places.
4. With a view to the longer term, it targets those skills that need most support during the tough economic times and, together with the Commonwealth Government, focuses on our most vulnerable regions and communities.
5. In light of the tough times facing business, it provides a **new** and more flexible training model so that our young people can prepare for apprenticeships and build up their skills for the recovery.
6. It provides immediate support for vulnerable firms and workers through a **new** \$10 million Jobs Assist program to minimise closures and retrenchments.

By introducing a new, flexible, training model and by moving to better help smaller businesses, the Government is acting to avoid the mistakes of the past – when governments have acted too slowly. Dealing with the global financial crisis demands urgent and decisive action to bolster investment and demand in the economy, protect jobs, keep our young people skilled up for the recovery, and to meet the particular needs of business and our communities. The two new initiatives build on the early actions of the Government to support the economy.

*Jobs First* is a wide-ranging package of proposals designed to keep Queensland working. The Queensland Government will continue to have Queensland jobs at the centre of its program for the future.

**Hon. Andrew Fraser MP**  
**Treasurer of Queensland**  
**and Minister for Employment and Economic Development**



# The challenge

Over the past decade, the Queensland economy has experienced an extended period of robust economic growth. In the period 1986-87 to 2007-08, Queensland's growth averaged 4.5 per cent per annum<sup>1</sup> largely driven by a boom in commodity exports, housing and commercial infrastructure investment activity, net population inflow to the state and a strong export performance.

In the past twelve months the economy has been impacted by the global financial crisis which has weakened demand from our key export partners, dampened domestic demand and slowed investment in the construction and mining sectors. Economic growth in Queensland is estimated to slow to 0.5 per cent in 2008-09 with the economy forecast to contract marginally, by 0.25 per cent, in 2009-10<sup>2</sup>.

The economic activity of Queensland's major trading partners is expected to decline by 2.5 per cent this calendar year<sup>3</sup>. Japan contracted by 3.8 per cent in March quarter 2009, or by 8.4 per cent over the year, while the Korean economy shrank by 2.5 per cent over the year to June quarter 2009. Similarly, the US economy contracted by 3.9 per cent over the year to June quarter 2009, while Eurozone GDP declined by a record 2.5 per cent in the March 2009 quarter.

These impacts are particularly evident in Queensland's resource sector which is facing falling prices and declining demand for export commodities. The strong demand for coal from China and India, which supported the mining sector in 2008-09, may weaken in 2009-10. While private sector revenue from coal exports reached the record \$37.8 billion (estimated) in 2008-09<sup>4</sup>, it is widely expected that coal prices, and therefore export earnings, will decline sharply through the 2009-10 financial year.

The earnings from export of metalliferous ores and processed metals and minerals declined through 2008-09, and were at \$2.9 and \$3.5 billion respectively, or 33 per cent and 21 per cent lower than in 2007-08. In addition, ABARE recently reported that export returns for Australian mineral resources are forecast to fall by around 25 per cent during 2009-10<sup>5</sup>.

In line with subdued economic activity, the level of employment is forecast to fall 0.75 percent in 2009-10

and recover by 1.25 per cent in 2010-11<sup>6</sup>. With labour force growth forecast to continue to exceed jobs growth, the year-average unemployment rate is forecast to rise to 6.5 per cent in 2009-10 and peak at 7.25 per cent in 2010-11<sup>7</sup>. Based on current data, in July 2009 there were 132,400 unemployed Queenslanders. That's an increase of 53,300 compared to June 2007. At its worst, projected year average unemployment of up to 175,000 in 2010-11 would equate to an increase of around 90,000 unemployed Queenslanders compared to that experienced in 2007-08.

The impact of financial crisis on the labour market in Queensland has been uneven across industries.

The employment in Queensland's mining sector was reported at over 46,100 persons in June 2009; however, more than 8100 higher than a year ago, in June 2008<sup>8</sup>. The strong demand for coal from China and India which continued through 2008-09 has so far supported overall employment in Queensland mining, despite widespread job losses reported.

Retail and construction remain amongst the largest employers in Queensland with employment levels at over 261,000 and 245,000 in June 2009<sup>9</sup> respectively. Retail employment levels fell by over 8000 over the year while construction levels increased by over 8500 persons demonstrating the uneven nature of the downturn in the face of stimulus package boosts, low interest rates and government funded infrastructure projects. Dwelling commencement in Queensland continues its downward trend, now at levels not seen since early 2001. However, with an apparent recovery in building approvals, it should be expected that commencements will soon be showing the benefits of newly approved housing projects coming online<sup>10</sup>.

Employment in Queensland manufacturing, at over 189,800 in June 2009, has marginally increased over the year by over 1500 since June 2008 but there has been over a 2300 decline over the quarter<sup>11</sup>. This reflects weaker demand from other sectors of Queensland economy, including mining and construction, as well as lower exports to markets affected by the global financial crisis.

1 Office of Economic and Statistical Research, Queensland State Accounts, December Quarter 2008

2 Queensland Government, State Budget 2009-10: Budget Paper No. 2, June 2009

3 International Monetary Fund, World Economic Outlook Update, July 2009

4 Based on unpublished trade data published by Australian Bureau of Statistics and ports data, through Macroeconomics Team of Queensland Treasury

5 ABARE, Australian Commodities, June 2009

6 Queensland Government, State Budget 2009-10: Budget Paper No. 2, June 2009

7 Queensland Government, State Budget 2009-10: Budget Paper No. 2, June 2009

8 Year average data derived by Office of Economic and Statistical Research based upon Australian Bureau of Statistics, 6291.0.55.003 Labour Force, Australia, Detailed, Quarterly

9 Year average data derived by Office of Economic and Statistical Research based upon Australian Bureau of Statistics, 6291.0.55.003 Labour Force

10 Australian Bureau of Statistics, 8750.0 Dwelling Commencement and 8731.0 Building Approvals

11 Year average data derived by Office of Economic and Statistical Research based upon Australian Bureau of Statistics, 6291.0.55.003 Labour Force

The impact of the financial crisis on tourism to date is more pronounced than on other sectors. Queensland recorded a 5 per cent decline in arrivals in the year ending June 2009. Source markets which drove the fall in arrivals were Japan, New Zealand and Korea<sup>12</sup>.

Unemployment is often considered the most significant issue when analysing the strength and resilience of an economy. Unemployment represents an under-utilised capacity in the economy and causes significant issues, including: financial stress; loss of skills; loss of self-esteem; and poorer health and wellbeing. In times of higher unemployment, new job seekers face difficulties in breaking into the job market as they compete with more experienced job seekers. There is also a risk of long-term unemployment becoming entrenched as people become increasingly dispirited and disconnected from the labour market. This in turn may compound existing structural problems such as social exclusion and inter-generational unemployment.

Unemployment is also broadly considered a lagging indicator to the economy. This means that even when

sentiment picks up in the economy, there are still consequences of unemployment to flow-through some time later. However, while unemployment has been rising, with expectations that further rises will further weaken confidence and demand, the rise in unemployment has been a little slower than earlier feared. The effect of the more positive factors for households has, so far, outweighed fears of unemployment.

In recognition of both the immediate and longer term consequences of unemployment, the Queensland Government has made a renewed commitment to job retention and business resilience efforts to support Queenslanders through the current downturn.

These efforts will be supported through the recent restructure of the Queensland Government, where 23 departments were consolidated into 13 and categorised under five clusters. The government will use this new structure to ensure a coordinated approach to strategies for economic growth, and lift the profile of these issues across the community and government.

Table one: employed persons by industry<sup>14</sup>

| Industry  | Average of 4 quarters ending June 2009 | Change from previous quarter | Change from previous year |
|---|--|------------------------------|---------------------------|
| Agriculture, forestry and fishing               | 79,890                                 | -4370                        | -310                      |
| Mining  | 46,130                                 | 2570                         | 8180                      |
| Manufacturing                                   | 189,830                                | -2350                        | 1550                      |
| Electricity, gas, water and waste services      | 26,800                                 | -150                         | 3460                      |
| Construction                                    | 245,040                                | -1180                        | 8560                      |
| Wholesale trade                                 | 66,750                                 | 330                          | -2160                     |
| Retail trade                                    | 261,020                                | -2230                        | -8020                     |
| Accommodation and food services                 | 159,370                                | 2470                         | 4500                      |
| Transport, postal and warehousing               | 139,900                                | 1460                         | 19,460                    |
| Information media and telecommunications        | 35,070                                 | -1620                        | -6360                     |
| Financial and insurance services                | 60,300                                 | -1870                        | 4190                      |
| Rental, hiring and real estate services         | 53,080                                 | -1870                        | -1300                     |
| Professional, scientific and technical services | 143,110                                | 3120                         | 3980                      |
| Administrative and support services             | 67,010                                 | -1640                        | -6320                     |
| Public administration and safety                | 128,050                                | 800                          | -930                      |
| Education and training                          | 169,340                                | 730                          | 6980                      |
| Health care and social assistance               | 225,120                                | 7640                         | 13,180                    |
| Arts and recreation services                    | 34,660                                 | 1020                         | -5280                     |
| Other services                                  | 95,500                                 | 3230                         | 7950                      |

As the table illustrates, employment in transport and mining have both increased significantly compared to last year. Other sectors, particularly telecommunications and retail trade, have suffered significant losses both recently and over the last year. In the last quarter, over 1000 construction jobs have been lost. This mixed picture across industry sectors, is replicated in different regions across the state.

<sup>12</sup> Tourism Queensland, Overseas Arrivals and Australian Departures Snapshot, Year Ended June 2009

<sup>13</sup> Reserve Bank of Australia Governor Glenn Stevens, Challenges for Economic Policy, Address to The Anika Foundation Luncheon, Sydney, 28 July 2009

<sup>14</sup> Source: Office of Economic and Statistical Research, derived from ABS data.

Table two: unemployment by region<sup>15</sup>

| Region<br>(Statistical Region) | Average of 12 months<br>ending July 2009 |     | Change from<br>previous month |         | Change from<br>6 months ago |         |
|--------------------------------|--|-----|-------------------------------|---------|-----------------------------|---------|
|                                | Persons                                  | %   | Persons                       | % point | Persons                     | % point |
| Greater Brisbane               | 43,500                                   | 4.1 | +1500                         | +0.1    | +8300                       | +0.7    |
| Gold Coast                     | 15,400                                   | 5.1 | +300                          | +0.1    | +2600                       | +0.8    |
| Sunshine Coast                 | 9000                                     | 5.7 | +700                          | +0.4    | +2300                       | +1.4    |
| West Moreton                   | 1700                                     | 4.5 | 0                             | 0.0     | +500                        | +1.2    |
| Wide Bay-Burnett               | 8400                                     | 6.5 | 0                             | 0.0     | +900                        | +0.6    |
| Mackay-Fitzroy-Central West    | 9500                                     | 4.4 | +300                          | +0.1    | +1200                       | +0.5    |
| Darling Downs-South West       | 2500                                     | 1.8 | +100                          | +0.1    | -400                        | -0.3    |
| Northern-North West            | 4500                                     | 3.2 | -100                          | 0.0     | +100                        | +0.0    |
| Far North                      | 11,900                                   | 8.3 | +800                          | +0.6    | +3300                       | +2.2    |

Significant pockets of unemployment are present in Brisbane, the Gold Coast and particularly in North Queensland: unemployment has risen most sharply in North Queensland. By contrast, unemployment is actually falling in the agriculturally rich Darling Downs-South West region. What must also be remembered is the impact of these two factors together – that while employment in the mining industry has actually grown, large scale retrenchments in this industry have had significant impacts on individual communities and regions: a scenario that is replicated wherever a community is reliant on the presence of a single firm or industry base.

Unemployment has also risen in mature age cohorts. For the three month period to June 2009, the mature age unemployment rate averaged 3.9 per cent, up from 2.1 per cent over the three month period to June 2008. These increases are largely a result of strong participation, which has driven labour force growth higher than employment growth – this reflects some postponement of retirement by mature aged workers, who have both a structurally higher participation rate than preceding generations and an incentive to rebuild savings following recent falls in asset prices.

Mature age workers who experience retrenchment during the economic downturn are often more vulnerable to long-term unemployment if they do not readily find alternative employment. Age is one factor but the changes to recruitment practices and industry structures often make it difficult for mature age people to find the assistance needed. While the Australian Job Services have now incorporated early intensive assistance for retrenched workers, the Jobs Assist program being implemented through the state's rapid response teams provides a valuable link not only to employment services but services in the broader community.



<sup>15</sup> Source: Office of Economic and Statistical Research, derived from ABS data

Table three: apprenticeship and traineeship commencements – as at 5 August 2009<sup>4</sup>

| Apprenticeship commencements | 2008/09 YTD   | % change from previous year |
|------------------------------|---------------|-----------------------------|
| Automotive                   | 1925          | -18.95                      |
| Construction                 | 3495          | -42.74                      |
| Engineering                  | 2684          | -25.77                      |
| Hospitality                  | 1192          | -12.42                      |
| Retail                       | 1302          | -12.50                      |
| Utilities                    | 1824          | -27.30                      |
| Other                        | 2456          | -19.36                      |
| <b>TOTAL</b>                 | <b>14,878</b> | <b>-27.42</b>               |
| Traineeship commencements    | 2008/09 YTD   | % change from previous year |
| Business                     | 10,414        | -14.47                      |
| Community services           | 2816          | -12.05                      |
| Food processing              | 2491          | -14.13                      |
| Hospitality                  | 2421          | -7.13                       |
| Retail                       | 6672          | 4.87                        |
| Transport and distribution   | 4429          | 13.16                       |
| Other                        | 7939          | 4.32                        |
| <b>TOTAL</b>                 | <b>37,182</b> | <b>-5.77</b>                |

The collapse in construction apprenticeship commencements by more than 40 per cent demonstrates why the government's building program is vitally important in supporting the economy and supporting jobs at this time.

Declining demand for labour has also been evidenced by a fall in average hours worked in addition to falling employment in Queensland. Overall, in the year to June 2009, persons employed in Queensland worked an average 33.8 hours per week, down from 34.2 a year earlier. Full time employees worked an average 40.4 hours per week and part time employees worked an average 16.6 hours per week in the year to June 2009, down from 40.9 and 16.7 hours per week respectively in the year to June 2008.

While full time employment is the goal of creating employment opportunity, during an economic downturn labour force participation will naturally decline. In these circumstances, maintaining connection to the employment market is critical as it avoids skill atrophy and the erosion of human capital that accompanies

prolonged unemployment. Part time work enables workers to maintain skills and offers the potential to develop new skill sets through training. It also prevents workers from falling into long-term unemployment, which is particularly relevant for vulnerable workers.

In the face of retrenchments or redundancies, the Queensland Government is working with employers to identify opportunities to utilise short-term workplace strategies such as reduced work hours, forced leave, re-skilling programs and restructuring to moderate job losses and retain skilled workers. This is particularly relevant in the mining and manufacturing industries, where part time and shared work arrangements have assisted in stemming greater job losses.

In responding to the issue of underemployment, it is also important to acknowledge that part time employment has become a growing component of the labour market over the past decade. Both workers and employers are increasingly seeking flexibility to allow for changing circumstances – including personal situations and economic conditions.

<sup>4</sup> Source: Department of Education and Training (DET). Note that the figures represent current training contracts registered with DET. Audited final end of year figures will not be confirmed until later this year.

As a result, support for those affected by the global economic uncertainty has to therefore be targeted to those industries, those communities and those people who need the help the most.

In these tough economic times, governments, at all levels, need to work together with business and the community to meet the social and economic needs of our people and the communities in which they live.

The Queensland Government has taken urgent and decisive steps to show leadership in bolstering our economy through investment in infrastructure and training.

The Queensland Government, along with the Commonwealth Government, has recognised that different regions and communities have been affected in different ways and are working together to minimise the damage caused by the global financial crisis and build our communities for the future.

The recently announced Keep Australia Working strategy lays out the Commonwealth Government's initial proposals for protecting jobs and supporting business in the current economic environment.

Complementing the work of the Queensland Government in vulnerable communities, the Commonwealth Government has recently targeted support to 20 vulnerable communities and regions across Australia, including six in Queensland:

- **Cairns** – including areas in the Cairns, Tablelands and Cassowary Coast regional councils' boundaries
- **Townsville-Thuringowa** – covering areas in the local governments of Burdekin and Hinchinbrook Shire, Charters Towers Regional and Townsville City councils
- **Bundaberg-Hervey Bay** – including areas covered by the Bundaberg Regional, Fraser Coast Regional and Gladstone Regional councils

- **Southern Wide Bay-Burnett** – comprising areas covered by the Gympie, South Burnett and Fraser Coast regional councils and the Cherbourg Aboriginal Shire Council
- **Caboolture-Sunshine Coast** – comprising areas covered by the Sunshine Coast and North Moreton regional councils
- **Ipswich-Logan** – comprising areas covered by the Ipswich and Logan City councils.

This initiative will support the work of our government and ensure that the resources of both levels of government are being put to their best use.



## Our response

When global and national crises emerge, governments need to take urgent action to ameliorate the worst impacts of these crises on the local community. More than this, during the global financial crisis, governments need to show leadership by building up their economies – through investment in infrastructure and skills – to avoid the infrastructure bottlenecks and skills shortages in times of economic recovery and growth. This is why the Queensland Government has made some tough choices to deliver the right results for the Queensland economy, now and heading into the future:

- Our nation leading infrastructure program is an \$18.2 billion stimulus package, protecting 127,000 jobs.
- Investing in training to help keep people connected to the workforce and to ease entry for first-time job seekers. Our training package is in three key parts:
  - introducing **new** flagship institutional training reforms that will support up to 2000 young Queenslanders to bridge the gap to employment through an apprenticeship
  - investing over \$120 million to deliver 150,000 places through the Productivity Places Program, including over 46,000 places over three years for job seekers, in partnership with the Commonwealth Government and industry.
  - continuing our investment in *Skilling Queenslanders for Work*, a three-year \$320 million commitment to support 63,000 Queenslanders gain job-ready skills
  - introducing Jobs Assist, a **new** early intervention program to help businesses protect jobs.

| Challenge  | Response  |
|--|---|
| Unemployment at risk of reaching 175,000                         | A <b>new</b> \$10 million Jobs Assist program to provide support for vulnerable firms and workers to minimise closures and retrenchments.   |
|  | A nation-leading \$18 billion building program to protect 127,000 jobs.   |
|  | Up to 3000 job placements in Queensland's Green Army.   |
|  | Investing in new industries that can create jobs: <ul style="list-style-type: none"> <li>• LNG could bring 18,000 jobs to Queensland.</li> <li>• Our Renewable Energy Program could support up to 3500 new jobs.</li> </ul> |
| Apprenticeship and trainee new enrolments likely to fall by 8500 | Introducing <b>new</b> flagship institutional training reforms to bring greater flexibility that will support up to 2000 new trainees and apprentices next year.  |
|  | Investing over \$120 million to deliver 46,000 training places over three years for job seekers through the Productivity Places Program, with support from the Commonwealth Government and industry.                        |
|  | Supporting unemployed Queenslanders build employment skills through the \$320 million <i>Skilling Queenslanders for Work</i> initiative.  |

# Strong foundations

Over the past 10 years, the Queensland Government has built a record of success and innovation in economic management that has ensured Queensland has continued to grow faster than the rest of the country. This success has been built on a range of programs and investments, including:

- 1. Infrastructure:** The Queensland Government's record building program not only helps to support jobs but also to build the productive capacity of the state and support the economy.
- 2. Skills:** The Queensland Skills Plan has created a training system that works for Queensland, for industry and employers, for trades and for individuals. Together with the Education and Training Reforms for the Future agenda, this has placed Queensland at the forefront of education and training developments in Australia.
- 3. Industry:** *Toward Q2: Tomorrow's Queensland* continues the government's commitment to strengthening and diversifying Queensland's industry base by investing in research and development, science and technology, investment attraction, trade development, innovation and commercialisation.
- 4. Employment support:** Over the past 10 years, the Queensland Government has delivered job creation programs and employment support to unemployed and underemployed. Since 1998, these programs have assisted over 175,000 Queenslanders and created over 124,000 job placements for an investment of \$743.6 million through the Breaking the Unemployment Cycle initiative. As at 30 June 2009, a further 40,875 Queenslanders have been assisted into employment and training under the *Skilling Queenslanders for Work* initiative.

Queensland is a safe, attractive, environment for business investment, with a competitive tax regime. The Queensland Investment Incentives Scheme will continue to play a vital role in leveraging private investment and creating new jobs. Between July 1998 and 10 July 2009, the Queensland Government has created and retained 22,800 full time equivalent positions and generated capital expenditure of \$783 million through its investment attraction activities. Additionally, Invest Queensland has facilitated further jobs growth of 8989 full time equivalent positions and \$939.60 million in capital investment through project facilitation and support.

Trade Queensland supports jobs and job creation, through the advice and assistance provided directly to Queensland companies to achieve export outcomes in the international marketplace. A recent report on the benefits of international trade by the Centre for International Economics, showed that the share of employment related to trade activity, both directly and indirectly through flow on effects is more than 13 per cent of total employment. This equates to one in seven jobs being directly involved in exports and when jobs relating to the import and distribution of goods are factored in, it rises to over one in five workers.

The government's five year export strategy, *Driving Export Growth for Queensland: 2006-2011*, has a key goal to increase the value of knowledge intensive exports. The government recognises that building export capacity in knowledge intensive industries is essential as these industries require a higher level of human capital than traditional export sectors, and often results in higher-paying jobs for employees.

The Queensland Government has a respected and established track record of working alongside industry, business, employers and communities to lay the groundwork for a strong and prosperous state that values and supports its people while continuing to generate economic growth and prosperity. *Jobs First* is a continuation of that commitment to the people of Queensland.

# The Premier's Employment Taskforce

**The scale of the challenge posed by the global financial crisis and rising unemployment has never been underestimated by the government. As early as January this year, the Premier placed the state on alert by establishing the Premier's Employment Taskforce. The taskforce brings together some of the best minds in Australia to provide rapid response solutions to counter the effects of the financial crisis in Queensland.**

The taskforce provides real-time insider information on the state of the economy, expert advice on how to protect jobs and practical insights to inform and support the development of government policy in response to the downturn and its effects.

The Premier's Employment Taskforce meets regularly to review the current situation in Queensland and discuss options and possible responses to emerging problems. The taskforce brings together experts from industry, business, academia, social services, unions and the public sector. Taskforce members are people who know what is going on in the economy, in industries and regions, and have agreed to give their time to work with government to develop innovative solutions to the downturn.

The taskforce has made a key contribution to the development of the Queensland Government's response to the challenges we face. Taskforce advice has consequently informed the development of a number of practical initiatives. For example:

- taskforce members have supported the fast-tracking of infrastructure projects and the continuation of the record building and infrastructure program to protect jobs and support the construction industry
- the taskforce's consideration of the social and economic costs of unemployment has informed the direction of strategies to assist individuals into sustainable employment outcomes
- support for specific industries and technologies have informed the basis of industry development strategies to create jobs and have also supported the development of the **new** Jobs Assist initiative.

The establishment of the taskforce at the start of this year illustrates the importance attached to the effects of financial and economic uncertainty by the Queensland Government. The status and experience of the people involved with the taskforce illustrates that industry shares the government's view that the challenge is one that demands serious attention.

## Rapid Response Team (RRT)

In December 2008, the Queensland Government established the RRT to provide immediate assistance to miners facing retrenchment following the severe decline in demand for Queensland coal. A rise in the number of retrenchments in manufacturing, construction and other industries resulted in the expansion of the RRT initiative to cover retrenchments from all industries.

There are currently 11 rapid response teams supporting retrenched workers in Cairns, Townsville, Mackay, Rockhampton/Gladstone, the Gold Coast, Maryborough/Bundaberg, the Sunshine Coast, Caboolture/Brisbane Northside, Brisbane Southside/Ipswich and Toowoomba.

As at 24 August 2009, the RRT hotline has provided advice to 1348 callers with 892 callers registering for further assistance. The teams have also hosted jobs forums and workshops in regional centres to assist individuals and companies to identify alternate employment opportunities in the local economy.

Callers are assisted by officers located around the state who provide them with support, advice and information on local training and employment referrals. Seventy per cent of people registering with the RRT are in employment one month after receiving RRT assistance.



# Building infrastructure

Keeping Queensland's record building program going

**As the global financial crisis affects the ability of the private sector to fund capital projects, governments must step in to fill the gap. Ensuring that significant projects continue to go forward is critical for the creation of new jobs and the retention of skilled labour, particularly in Queensland's regional centres. These projects provide employment, particularly in sectors such as construction and manufacturing, and will assist in moderating job losses in regional centres. Opportunities can also be generated for the long-term unemployed and displaced apprentices, ensuring that skilled workers retain a link with the labour market.**

The future capital program builds on significant achievements from 2008-09 and earlier. In the 2009-10 State Budget, the Queensland Government continued its commitment to maintaining Queensland's building program with an \$18.2 billion program that will protect 127,000 jobs across Queensland. This program contributes 1 per cent of Gross State Product and is helping to keep Queensland out of recession. The building program includes:

- \$7.307 billion for roads and other transport infrastructure
- \$1.296 billion for health infrastructure
- \$1.837 billion for education and training capital program
- \$1.447 billion for additional social housing and improvements to the amenities of existing dwellings
- \$3.206 billion for the electricity network to secure a reliable supply for a growing population
- \$1.122 billion in water infrastructure including the construction of the Wyaralong Dam.

Visit [www.qld.gov.au](http://www.qld.gov.au) to find out more about projects going on across the state.

## Industry Capability Network (ICN)

Queensland made means Queensland jobs. Through the *Local Industry Policy* (LIP), the Queensland Government will continue to ensure that local industry is given a full, fair and reasonable opportunity to tender for major project work being undertaken in Queensland. Since the introduction of LIP in 2000 to the end of June 2009:

- the ICN has identified 4926 contestable work packages worth \$7.92 billion
- contracts worth \$5.48 billion have been awarded to Australian manufacturers, with Queensland manufacturers winning 2350 work packages worth \$4.09 billion, including \$1.22 billion awarded to regional firms.

In 2008-09, \$1.11 billion of contestable work packages were awarded to Queensland companies. This represents nearly 60 per cent of all awarded contestable packages identified by the ICN.

Work packages worth \$356 million were won by regional firms.

Without the policy and the support of the ICN, much of this work would have gone interstate or offshore.

It is also important to note that these statistics relate to contestable work packages only. The statistics do not cover work that is always done locally, such as roads, concrete and earthworks, or those work packages that cannot be supplied by Queensland or Australian firms.

The Queensland Government is expanding this program with the \$6.45 million Queensland Made Means Queensland Jobs initiative. This will deliver expansion of the ICN to work with another 100 companies each year to help them take advantage of opportunities offered by the state's record capital program and other major infrastructure projects. The ICN will also offer enhanced match making of local companies to specific project packages as well as delivering seminars on new business opportunities.

On a per capita basis, Queensland funds the highest capital program of any state – and has done for more than a decade. At \$4120 per person in 2009-10, capital spending in Queensland is over \$1300 above the level of spending across the rest of Australia. This investment demonstrates the government’s commitment to delivering infrastructure and jobs for Queenslanders.

In a tough economic climate, and with a significant hole in revenues over the next four years, the Queensland Government has been faced with the decision to cut jobs, to cut the building program or to sell assets. The Queensland Government has taken tough decisions to keep Queenslanders in work and to maintain the building program, because it means jobs for Queenslanders today in delivering the infrastructure for tomorrow. The asset sales program will be delivered over the next three to five years and will represent a benefit to taxpayers of \$27 billion in proceeds and avoided future borrowings. At the end of 2013, the state will own more assets than it does now.

The building program is also a significant stimulus package for the Queensland economy with growth in public investment contributing 1 per cent to economic growth. To date the Queensland economy has maintained growth and avoided recession.

As can be seen from the chart below, it is clear that Queensland investment in necessary infrastructure has been a sustained effort for a number of years. Queensland has consistently spent more per capita on necessary infrastructure than other states.

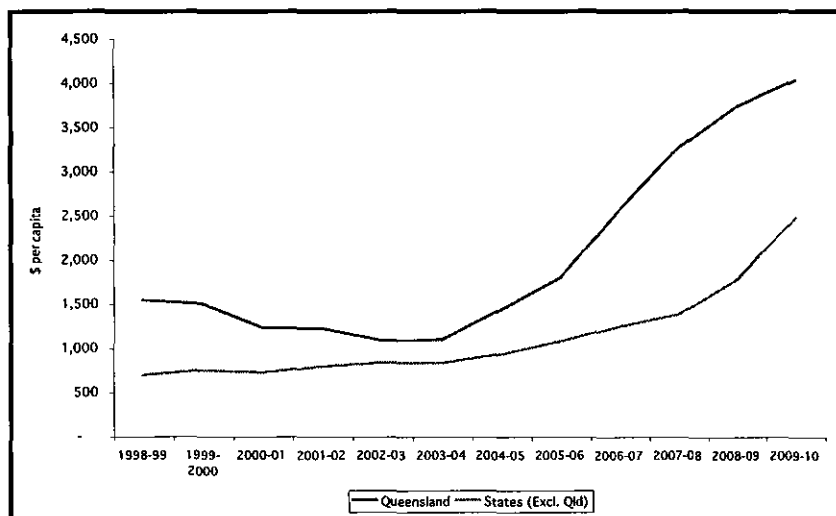
The Queensland Government is working closely with the Commonwealth to deliver Queensland projects under the Nation Building and Jobs Plan. Work on social housing, education and roads infrastructure is already underway across the state and Queensland has been successful in securing \$1.27 billion in infrastructure funding for major transport and roads projects including for the Gold Coast Rapid Transit.

In addition, the Queensland Government is working to keep the project pipeline flowing, to pursue innovative infrastructure delivery mechanisms and packages to ensure timely flow of project to the market.

To protect jobs the Queensland Government will:

- **invest in infrastructure** – the nation-leading \$18 billion building program protects 127,000 jobs
- **work with the Commonwealth** – to deliver the Nation Building and Jobs Plan and secure additional funding through Infrastructure Australia
- **maximise opportunities** – support apprentices and trainees, enhance employment, skilling and training opportunities for disadvantaged job seekers and help retain skills in areas hardest hit by the global downturn
- **develop opportunities through procurement** – use government expenditure to leverage employment, industry development and training and skilling opportunities.

Chart one: whole-of-government per capita capital expenditure, Queensland and other states.<sup>5</sup>



<sup>5</sup> Various state budget papers and population estimates from Australian Budget Papers No.3, 2008-09.

## Summary of significant actions

| Focus  | Key action   | Timeframe         |
|--|--|-------------------|
| Deliver infrastructure                                       | Deliver capital outlays of \$18.2 billion to protect 127,000 jobs across Queensland.   | 2009/10           |
| Work with the Commonwealth                                   | In partnership with the Commonwealth Government, deliver Nation Building for the Future projects in Queensland including: <ul style="list-style-type: none"> <li>• \$1.168 billion for investment in schools (Building the Education Revolution)</li> <li>• \$816.4 million for social housing</li> <li>• \$52.9 million for road maintenance.</li> </ul>  | 2009/10 – 2010/11 |
| Maximise opportunities through major infrastructure projects | Expand the 10 per cent training policy across the state government infrastructure program and across projects funded under the Commonwealth's economic stimulus package.   | Implemented       |
|  | Fund \$100 million of infrastructure projects in mining communities hardest hit by the economic downturn (Sustainable Resource Communities).   | 2009/10 – 2011/12 |
|  | Support Indigenous employment through a requirement for contractors to develop an Indigenous workforce strategy when submitting tenders for projects funded under state and Commonwealth government stimulus packages.   | 2009/10 – 2011/12 |
| Develop opportunities through procurement                    | Queensland Made Means Queensland Jobs – deliver a \$6.45 million expansion of the Industry Capability Network (ICN) to work with an additional 100 companies a year to develop and link their capabilities to opportunities offered by the state's record capital program and other major infrastructure projects. ICN services include match making local companies to specific project packages, helping them access tender processes and conducting seminars on new business opportunities. | 2009/10 – 2013/14 |

### Sustainable Resource Communities

The Queensland Government has brought forward funds from the Sustainable Resources Communities to boost employment in regional areas affected by the downturn in the mining industry. The fund provides for regional capital projects that support employment while also providing community infrastructure in these areas.

Funding of \$32.8 million has been announced for the Bowen Basin which has been one of the most affected mining regions to date. These projects are expected to generate more than 236 jobs and include \$6 million for road upgrades on the Capricorn Highway.

North West Queensland has also benefited with \$22 million for capital projects including an aged care annexe for the Cloncurry Hospital and flood mitigation measures for the Flinders Highway to create around 170 jobs in the region.

These projects commencing in 2009 will generate up to 500 full time equivalent direct employment opportunities as well as generate indirect employment opportunities.

# Jobs first: Queensland infrastructure programs and initiatives

**Skilling Queenslanders for Work** – \$4.93 million to create 660 jobs for retrenched workers, young people and disadvantaged job seekers.

**Far North Queensland tourism** – A share of \$37.8 million to create 1000 new jobs for new tourism market and product development campaigns.

**Skilling Queenslanders for Work** – \$3.74 million to create 560 jobs for retrenched workers, young people and disadvantaged job seekers in North Queensland.

**Townsville Youth Detention Centre** – \$70.2 million to create more than 1400 construction and 95 ongoing jobs.

**Skilling Queenslanders for Work** – \$2.21 million to create 360 jobs for retrenched workers, young people and disadvantaged job seekers in Mackay/Whitsunday.


**Jilalan Rail Yard upgrade** – \$178.3 million towards a \$500 million project that has created almost 1600 jobs in the region.

**Skilling Queenslanders for Work** – \$3.47 million to create 470 jobs for retrenched workers, young people and disadvantaged job seekers.

**Road network** – \$4.5 million upgrade to Ardurad Road near Blackwater supporting more than 35 jobs and \$5 million road safety improvements to Peak Downs Highway supporting more than 38 jobs.


**Childcare upgrades** – \$3.65 million to upgrade and build centres throughout the Bowen Basin supporting more than 28 jobs.

**Skilling Queenslanders for Work** – \$3.66 million to create 590 jobs for retrenched workers, young people and disadvantaged job seekers.




**Lotus Glen Correctional Centre**  
\$199 million to support up to 250 jobs.

**Cloncurry Hospital**  
\$6.5 million aged care annexe supporting 50 jobs.

 **Mount Isa**

**Mining**  
An extra \$19 million for industry, including a drill core storage facility in Mount Isa, which will support 30 construction and two ongoing jobs.



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- Far North Queensland
- North Queensland
- Western Queensland
- Fitzroy
- Wide Bay-Burnett
- Sunshine Coast
- Brisbane
- Darling Downs and West Moreton
- Gold Coast

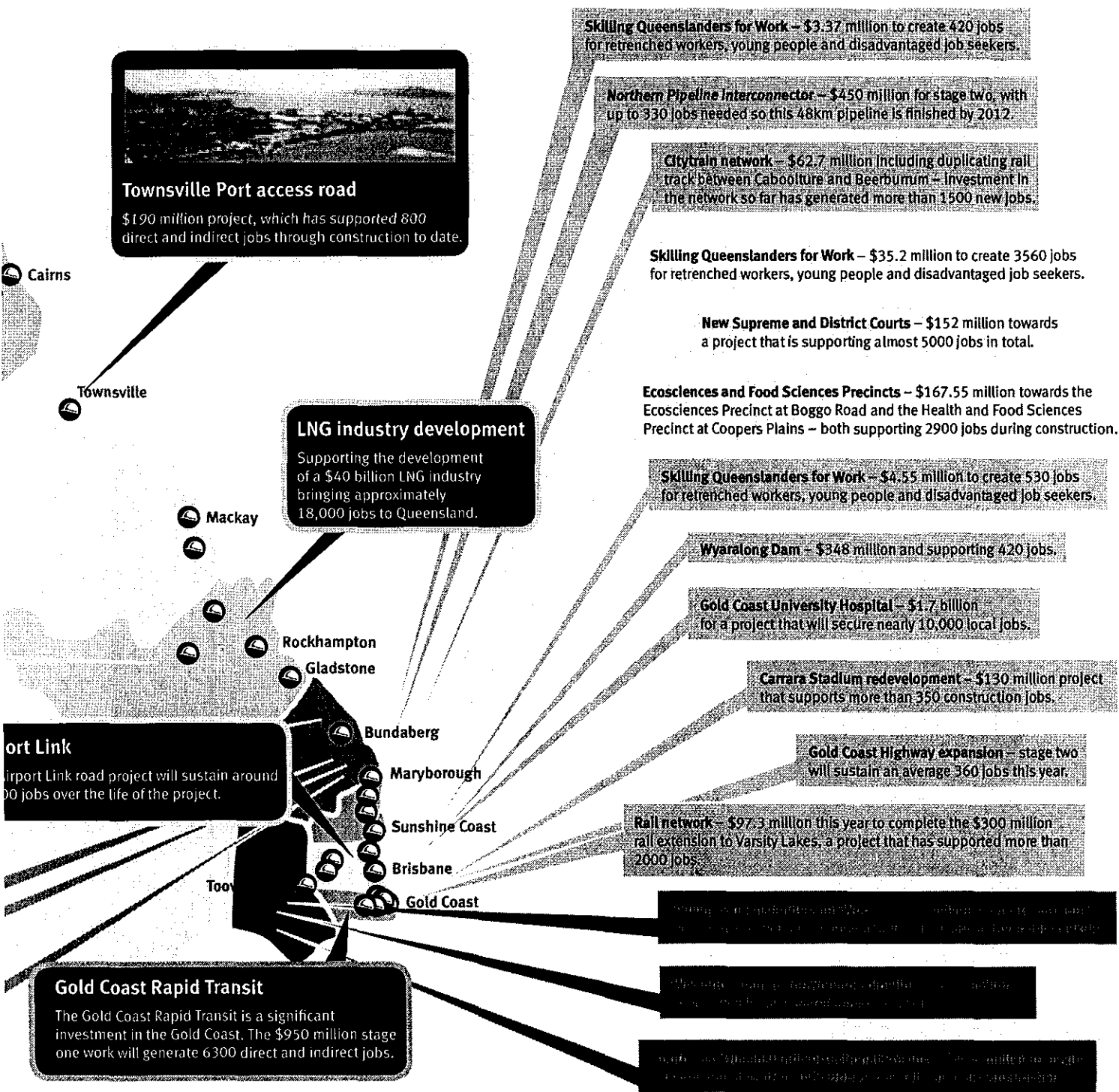
**Skilling Queenslanders for Work** – \$3.97 million to create 750 jobs for retrenched workers, young people and disadvantaged job seekers.

**Manufacturing facility** – \$30.5 million to create construction jobs for the new manufacturing facility in Mackay to be completed in 2013.

**Centre for research and innovation** – \$10.2 million to create 100 jobs for research and innovation in the health sector.

**Arthurton Road upgrade** – \$2.1 million to create 100 jobs for construction and ongoing jobs for the road upgrade.

- A \$18.2 billion building program that will protect 127,000 jobs across Queensland.
- A \$414 million industry-based program to deliver almost 150,000 new training places over four years. The program includes \$259 million Commonwealth Government funding.
- \$57 million over three years to create 3000 jobs in Queensland's Green Army.
- Creating more than 1200 jobs in frontline public services.
- The Renewable Energy Plan, which will leverage up to \$3.5 billion in new investment and create up to 3500 jobs.



**Townsville Port access road**  
 \$190 million project, which has supported 800 direct and indirect jobs through construction to date.

**Skilling Queenslanders for Work** – \$3.37 million to create 420 jobs for retrenched workers, young people and disadvantaged job seekers.

**Northern Pipeline Interconnector** – \$450 million for stage two, with up to 330 jobs needed so this 48km pipeline is finished by 2012.

**Citytrain network** – \$62.7 million including duplicating rail track between Caboolture and Beerburrum – Investment in the network so far has generated more than 1500 new jobs.

**Skilling Queenslanders for Work** – \$35.2 million to create 3560 jobs for retrenched workers, young people and disadvantaged job seekers.

**New Supreme and District Courts** – \$152 million towards a project that is supporting almost 5000 jobs in total.

**Ecosciences and Food Sciences Precincts** – \$167.55 million towards the Ecosciences Precinct at Boggo Road and the Health and Food Sciences Precinct at Coopers Plains – both supporting 2900 jobs during construction.

**LNG industry development**  
 Supporting the development of a \$40 billion LNG industry bringing approximately 18,000 jobs to Queensland.

**Skilling Queenslanders for Work** – \$4.55 million to create 530 jobs for retrenched workers, young people and disadvantaged job seekers.

**Wyaralong Dam** – \$348 million and supporting 420 jobs.

**Gold Coast University Hospital** – \$1.7 billion for a project that will secure nearly 10,000 local jobs.

**Carrara Stadium redevelopment** – \$130 million project that supports more than 350 construction jobs.

**Gold Coast Highway expansion** – stage two will sustain an average 360 jobs this year.

**Rail network** – \$97.3 million this year to complete the \$300 million rail extension to Varsity Lakes, a project that has supported more than 2000 jobs.

**Airport Link**  
 Airport Link road project will sustain around 100 jobs over the life of the project.

**Gold Coast Rapid Transit**  
 The Gold Coast Rapid Transit is a significant investment in the Gold Coast. The \$950 million stage one work will generate 6300 direct and indirect jobs.

# Developing skills for the future

## Preparing Queensland for recovery

While investment in the infrastructure program will assist in retaining and creating jobs, the quality of (the labour force) our human capital is as vital as the quality of our physical capital. Investing in training opportunities for retrenched workers maintains their link to work while ensuring they have the right skills to re-enter employment. It also ensures that the Queensland economy will be well positioned to take full advantage of the recovery. Skilling Queenslanders must therefore remain a priority.

Twelve short months ago, we were experiencing significant labour shortages in key areas. Investment in skills and training will help address the long-run shortages in key industries and sectors, ensuring they can participate fully in future economic growth. Investment is also needed in skills for new industries, particularly as we take even more care of our environment. We need to build green skills in traditional trades and industries, as well as develop entirely new skill sets suitable for the green economy.

Young people are particularly at risk in the current environment. They are often the first to be retrenched and, without qualifications, can face the prospect of long term unemployment, unable to take advantage of the opportunities that will arise in recovery. The Queensland Government will continue its support for trainees and apprentices to ensure they continue to be engaged with the labour market. The government will also continue its record investment in the Education and Training Reforms for the Future and the Queensland Skills Plan to deliver the right skills for the Queensland economy, now and in the future.

### Payroll tax

To cement job certainty and safeguard skills for tomorrow's Queensland, the Queensland Government has increased the payroll tax exemption for apprentices and trainees to 125 per cent for 2009-10. The incentive means businesses will not pay any payroll tax on their apprentice wages and, further, they will now receive a rebate on 25 per cent of their total apprentice wage bill. For a business with a \$1.1 million wage bill which is employing five apprentices this could mean a 55 per cent saving in their payroll tax.

This rebate will:

- help business to retain and create full time staff positions
- apply to over 16,500 business in Queensland.

### Protecting jobs – future skills

To build the skills and abilities industry needs and to better position the economy for recovery, the Queensland Government is delivering the Productivity Places Program (PPP) as a joint initiative with the Commonwealth.

In Queensland, PPP will provide fully funded vocational education and training qualifications for up to 150,000 Queenslanders over the next three to four years. This will include opportunities to up-skill and re-skill over 100,000 workers and provide opportunities for over 46,000 job seekers to help them gain employment.

Around 3000 places in priority qualifications have already been made available for Queensland job seekers through allocations to registered training organisations.

A further 28 PPP projects, assisting 1497 disadvantaged job seekers have been approved through *Skilling Queenslanders for Work* projects. Funding of \$16.8 million will be directed through *Skilling Queenslanders for Work* to assist disadvantaged job seekers under this program over the next three years.

The Queensland Government is already taking steps to ensure we invest in the skills our economy will need for the future.

- More than \$400 million over four years in state and federal funding will be spent through the Productivity Places Program to deliver almost 150,000 new training places in Queensland. This includes 102,000 places for existing workers and 46,000 places for job seekers.
- Over \$320 million will be invested in *Skilling Queenslanders for Work* over the next three years, to assist an estimated 63,000 Queenslanders gain skills and employment.
- Increasing payroll tax rebates for apprentices and trainees to 125 per cent for the 2009-10 financial year.
- Implementing a training guarantee to ensure that at least 10 per cent of all jobs on state and federal infrastructure projects are apprentices and trainees – this will include works carried out by government owned corporations, alliance contracts, special vehicle contracts and public private partnerships.

The economic downturn is having significant effects on apprenticeships and traineeships as it is across the economy generally. While some apprentices and trainees are losing their jobs, employers are remembering the not so distant skills shortages and are trying valiantly to hold onto existing staff – and existing apprentices and trainees.

## Skilling Queenslanders for Work

The Queensland Government will invest over \$320 million over the next three years through the *Skilling Queenslanders for Work* initiative. This investment will assist approximately 63,000 Queenslanders with a mix of training, vocational skills, job preparation and employment opportunities to gain job-ready skills and sustainable employment outcomes.

*Skilling Queenslanders for Work* has a proven track record of helping assisting people into work. Destination surveys of participants show that 71 per cent of all participants receiving assistance through *Skilling Queenslanders for Work* community employment programs are in employment or training 12 months following the completion of the project.

The investment in *Skilling Queenslanders for Work* includes \$22.5 million for the Participate in Prosperity program. This program targets individuals and communities in, or at risk of, persistent poverty, who have not been able to share in the benefits gained from workforce participation.

The Participate in Prosperity program supports services to focus beyond the immediate issues and provides funding to look at ways to support and prevent further crises in people's lives, and help them gain skills and find employment. The program also seeks to improve local service provision by linking and integrating human service providers with available training and employment assistance.



## Giving young Queenslanders a head start on an apprenticeship

Visit [www.training.qld.gov.au](http://www.training.qld.gov.au) for more information.

To deal with the impact of the global financial crisis on apprenticeships, the Queensland Government will introduce an institutional training program to support prospective apprentices and trainees.

The Queensland Government will provide up to 2000 places for young Queenslanders to undertake institutional training or other short term prevocational programs. This will give individuals a head start at a time when fewer businesses can afford to take on an apprentice. It will also guarantee investment in the skills that employers will need when the economy begins to recover and businesses start to take on new apprentices again.

Our investment will provide young Queenslanders with an alternative to waiting until an on-the-job apprenticeship becomes available – a crucial, short-term intervention at a time of labour market uncertainty. It will deliver training in a work-like setting that will count towards a final apprenticeship, giving young Queenslanders an opportunity to begin their learning before they start an apprenticeship. Aviation Australia is an example of this type of approach.

Once recovery begins and businesses start to think about recruiting apprentices, young Queenslanders who have participated in training will have a head start on their apprenticeship. Young Queenslanders who participate in the program will gain skills that will count towards their apprenticeship. In some cases, this could count as up to a year of a formal apprenticeship. The program will provide a cohort of accelerated apprentices, ensuring that business responses to the downturn do not leave us with a gap in the skills we need for recovery.

This program will:

- mean that, while businesses are not taking on new apprentices, our young people are getting skills in a work-like setting
- simulate the workplace in a work-like setting, which, along with some vocational placements, will give these individuals real-life industry experience
- provide intensive trade-related training, as well as new skills for getting a job and new green skills
- allow for the time spent in training to count towards their apprenticeship.

By working with our key partners in training – our training organisations, industry and unions – we will be able to tailor the program to meet the needs of each industry sector.

Our investment will be focused on those industries that are experiencing the greatest declines in commencements, including construction and engineering.

The program will be up and running from early 2010 and will be finalised in consultation with the Training and Employment Recognition Council, industry and unions.

Implementation of the program is subject to approval by the Training and Employment Recognition Council of the framework and associated transitional arrangements.

As seen by table three on page eight, we are experiencing significant declines in the commencement of new apprentices and trainees in some sectors. Modelling by the Department of Education and Training indicates that we are tracking towards a potential 40 per cent decline from the peak commencement levels reached in 2007-08. This represents about 8500 less apprentices and trainees entering the training system as a result of the economic downturn.

As with economic conditions generally, this decline is affecting industries to varying degrees. Current data shows that compared with the same time last year, there has been over a 40 per cent drop in new apprenticeship commencements in the construction industry and a fall of over 25 per cent in engineering industries. Tourism related areas such as retail and hospitality are also experiencing downturns of around 12 per cent.

The global financial crisis is affecting apprentices and trainees in a number of ways.

- Some tradespeople in the second or third year of their apprenticeship are losing their jobs.
- Some small businesses need additional support to remain healthy during the downturn and to keep apprentices on.
- School-leavers are increasingly looking for an apprenticeship but in some sectors these apprenticeships have been put on hold by businesses because of the downturn.

This is why the government:

- has already put in place new training options for second and third year apprentices to keep them in training in our vocational education and training system
- has invested more in the skills that small businesses need
- is investing in green skills to meet the needs of new industries associated with climate change
- is introducing a **new** \$10 million Jobs Assist program for small businesses to help them remain healthy during the downturn
- is introducing a **new** program to assist young Queenslanders get a leg-up towards a full apprenticeship.

The projected fall in apprenticeship commencements in key industries presents a very real risk of skills shortages in the future. That is why we are acting now to fill the potential gap and ensure the continued flow of skilled people into the economy.

Introducing this new program to support our young Queenslanders and take the pressure off business will ensure that skilling activity continues through the economic downturn. This means that when recovery occurs, Queensland industries and individuals can capitalise on the return of growth.



To ensure that people retain a link to the labour market through training and skills development programs, and ensure Queensland is positioned for recovery, the Queensland Government will:

- **build skilled communities** – increase opportunities for individuals to build their skills
- **support young people** – enable young people to take opportunities
- **support apprentices and trainees** – provide certainty for existing trainees and apprentices and encourage growth in apprenticeship and traineeship placements
- **develop green skills** – enhance the state's skills base to take advantage of opportunities for the future.

## Youth Training Incentives

School-based apprenticeships and traineeships are a great path to employment. Young people can study for their Queensland Certificate of Education (QCE), acquire government-approved and accredited training qualifications – and be paid while doing so. When they finish, they will have their QCE or equivalent, and be well on the way towards a qualification in their chosen career.

For employers, school-based apprenticeships and traineeships are a smart way to recruit and train employees to meet the future needs of your business.

Under the Youth Training Incentives program, incentives of up to \$1100 (inc GST) are available to private sector employers, local government authorities and Aboriginal and Torres Strait Islander councils who take on school-based apprentices and trainees. For private sector employers, the program is targeted at skill shortage trades or Indigenous or Australian South Sea Islander students. Incentives are available for 2500 school-based participants per year.

## Aviation Australia – a model for institutional training

The Queensland Government launched Aviation Australia in October 2001. Aviation Australia successfully introduced an institutional training model for aircraft maintenance apprentice training. Aviation Australia delivers competency based training on real aircraft in a work-like environment, in this case of a training facility on land adjacent to Brisbane Airport with direct access to the tarmac and working aircraft. Today, Aviation Australia is regarded by industry as one of the top two organisations, in its field, in the world.

Employment uptake to date of its prevocational institutional Certificate IV graduates is approximately 88 per cent in aircraft maintenance with a further 7 per cent in other fields, and there has been a very high level of employer endorsement of the quality of training.

One of Aviation Australia's most successful innovations has been the introduction of a full time 12 month institutional training program, instead of a more traditional four year block release apprentice training. This has greatly reduced costs to employers, accelerated training, and significantly increased the skill levels of apprentices.

Aviation Australia's full time 12 month institutional training program:

- has greatly reduced costs to employers, delivering projected savings of between \$20,000 and \$40,000 per apprentice
- accelerated training, with time to qualify to industry standards reduced by up to 50 per cent
- significantly increased the skill levels of apprentices.

Separation rates of aircraft maintenance apprentices has also dropped from around 35 per cent under the traditional model to less than 10 per cent under the institutional model – better value for the state and for employers. In 2001, before the launch of Aviation Australia, less than 20 new aircraft maintenance apprentices joined the industry in Queensland each year. Since 2002, there have been 707 institutional Certificate IV graduates complete training, of which 623 are currently employed in aviation maintenance with 113 different companies. A further 174 institutional Certificate IV students are still undergoing training, and Aviation Australia has provided training to another 114 traditional apprentices.

Over 1000 local aero skills apprentices (both institutional and traditional) and 500 international engineering cadets have undertaken training at Aviation Australia. Aviation Australia also provides a range of services to over 60 local, national and international customers including major airlines, aerospace companies and defence forces. Since 2002, over 38,000 people including 8092 people in 2008 alone, utilised training services or facilities provided by Aviation Australia.

## Summary of significant actions

| Focus                                    | Key action  | Timeframe         |
|--|---|-------------------|
| Build skilled communities                | Deliver almost 150,000 new training places by investing \$414 million in the Productivity Places Program (including \$259 million from the Commonwealth).   | 2008/09 – 2011/12 |
|  | Assist Queenslanders to gain formal qualifications and identify alternative career pathways and training opportunities (through Skilling Solutions Queensland).   | Ongoing           |
|  | Collaborate with Queensland Resources Council and Construction Skills Queensland on employment, training and cross-skilling opportunities across mining and construction sectors, such as establishment of joint ticketing arrangements for common machinery.   | 2009/10           |
|  | Create jobs, improve community infrastructure and deliver employment and training outcomes for individuals through the Community Employment and Infrastructure Program.   | 2009/10 – 2011/12 |
|  | Work with industry bodies to re-skill and up-skill recently unemployed people.  | 2009/10           |
| Support young people                     | Guarantee that all eligible young (under 25 years old) Queenslanders have entitlement to government subsidised education or training places (through the Youth Compact).  | 2009/10 – 2011    |
|  | Implement the Gateway Schools for Agribusiness initiative in eight schools to help industry attract and retain young people to the agricultural sector.   | 2009/10 – 2010/11 |
| Support apprentices and trainees         | Provide an incentive for businesses to retain and hire employees through a 125 per cent payroll tax rebate for all apprentices and trainees employed. This is in addition to the current payroll tax exemption for apprentice and trainee wages.  | 2009/10           |
|  | Support apprentices and trainees who are displaced or at risk of displacement through: an out-of-trade register; active case management to assist them return to work or training; and increased flexibility in employment arrangements.  | 2008/09 – 2009/10 |
|  | Development of an institutional model to provide opportunities for accelerated progression through an apprenticeship.   | 2009/10 – 2010/11 |
|  | Guarantee the employment of 5000 apprenticeship and traineeship positions in the public sector.   | 2009/10 – 2011/12 |
| Support industry to develop green skills | Accelerate job opportunities in the green economy through: <ul style="list-style-type: none"> <li>• accredited green training for workers in the construction industry (Green Building Skills Fund)</li> <li>• additional training for apprentices and existing tradespeople in skills required for the green economy, such as solar panel installation</li> <li>• increased energy standards for residential and commercial developments and a green door to fast track sustainable developments.</li> </ul> | 2009/10 – 2011/12 |
| Support for mature-aged workers          | Extend re-skilling programs for mature-aged workers to retain as trade teachers or more into new roles/industries.  | 2010 – 11         |

# Supporting new and traditional industries

## Enabling industries to emerge, grow and transform

As the global downturn reduces demand for goods and services, so it impacts upon the profitability of businesses and translates directly into higher unemployment. Government efforts to protect and create jobs need to focus on supporting our industries:

- building business resilience in our traditional industries to moderate job losses
- enabling new industries to emerge to create new jobs
- ensuring industries are positioned for recovery.

We know that the impact of the downturn has varied widely across industries and across regions.

In recognition of the impact on tourism, one of the state's most important industries, the 2009-2010 State Budget contains a \$37.8 million program of support for the tourism industry – including \$36 million over three years for regionally focused tourism marketing and product development campaigns.

Hosting international events and developing major sporting infrastructure also generates thousands of jobs and provides a boost to local and state economies. The Queensland Government has committed \$60 million to support the \$130 million redevelopment of the Gold Coast Stadium at Carrara and over \$27 million towards the staging of the Townsville 400 V8 Supercar event in Townsville. The Queensland Government remains committed to supporting tourism.

Additionally, the government has taken steps to improve Queensland Events Corporation (QEC). An independent review showed that our \$1 billion a year events industry was in need of reinvigoration. Queensland sporting heroes and industry icons have been added to the Board of QEC, which has been tasked with finding more job-creating events for Queensland.

Tourism is not the only sector affected by the economic uncertainty. Construction and manufacturing have both been hard hit.

Queensland responded quickly and decisively to the onset of the global financial crisis, mobilising rapid response teams across the state to assist displaced workers into alternative employment. This initiative continues to be highly successful in providing individual case management for those workers.

Queensland is now moving towards a preventative approach to job losses, focusing on helping firms to be resilient to the effects of the crisis and to prepare for the future as conditions improve. There is a strong link between the continuing viability of firms in the downturn and their ability to retain workers.

The best way to help workers who have lost their job is to get in early to assist a business and work with it to stop job shedding if possible.

This preventative approach requires a broader focus on firms and their associated workforce – this will be achieved through the **new** Jobs Assist initiative.

Jobs Assist will provide up to \$10 million for targeted action to support business resilience. The key elements are:

- Professional advice – Jobs Assist will provide up to \$3000 to targeted firms to obtain professional advice to understand the key issues confronting them and to develop a plan of action to address these issues, building their resilience and laying the foundations for the future.
- Recognising firms may not have the resources to implement the actions necessary to build resilience and retain jobs, a further amount of up to \$5000 will be available to support implementation.
- This financial assistance will be targeted at businesses with 10 or more full time equivalents (FTEs) within the local priority employment areas identified by the federal government or to businesses in other areas that are in sectors considered to be critical or strategic to the state, region or industry or in a significant sectoral supply chain.
- Jobs Assist will have an additional capacity to provide more intensive intervention to assist businesses facing significant trading problems and an uncertain future, where they employ a minimum of 50 FTEs in South East Queensland or a minimum of 15 FTEs in regional Queensland and they are of strategic importance to the state, region, industry or in a significant sectoral supply chain. This support will provide up to \$50,000 of assistance to engage professional specialists to work with the firm to re-establish viability and retain workers.

This targeted support will also be underpinned by a comprehensive application of the department's existing programs of support for small business, including online support, workshops and one-on-one consultation.

The Queensland Government will work pro-actively with key stakeholders (local government, unions, peak industry bodies, regional development bodies, Chambers of Commerce and major employers) to ensure that businesses and individuals have access to a comprehensive package of support and assistance.

To further support business, the Queensland Government is acting to reduce the cost of doing business in Queensland and is committed to reducing the cost of regulation by \$150 million per annum by 2012-2013.

A key initiative that will deliver economic benefits through reducing the cost of doing business is the *Sustainable Planning Bill 2009*. The bill introduces significant changes to remove bottlenecks in the development assessment process. This means reduced costs for business through faster processing times, which, in turn will sustain more building jobs throughout Queensland.

An example of the Queensland Government's commitment to supporting new industries is the recently announced Queensland Renewable Energy Plan, designed to grow the rapidly emerging renewable energy industry in Queensland. The Queensland Government estimates that successful implementation of this plan will reduce greenhouse gas emissions by more than 40 million tonnes by 2020, help leverage up to \$3.5 billion in new investment and – critically – create up to 3500 jobs.<sup>7</sup>

The Queensland Government is also working with the private sector to facilitate investment in Queensland, including projects to develop a Liquefied Natural Gas industry in Queensland.

<sup>7</sup> Including 500 jobs supported by the solar hot water program.

## Jobs Assist

The best way to address unemployment is to stop it wherever possible. Prevention is better than cure – especially when it comes to dealing with unemployment.

In uncertain economic times, governments need to help businesses to help themselves – strong, resilient businesses help to protect jobs. The Queensland Government will provide up to \$10 million to support firms to minimise closures and retrenchments. The program will be available state-wide, but assistance will be targeted on the six identified local priority employment areas (see page 9).

For businesses, Jobs Assist will provide:

- Financial assistance for eligible firms to undertake an analysis of their key challenges and develop an action plan as well as to implement that plan to address these challenges.
- Access to specialised Commonwealth and state programs to support business resilience and growth.
- Access to a comprehensive suite of online tools, supported by workshops, seminars and one-on-one consultations to provide businesses with guidance on surviving and thriving in a tough economic environment.

Jobs Assist is about assisting firms to understand their business and help them reposition to respond to the downturn and structure their businesses in a sustainable way.

Where the intervention is unable to secure a viable future for the business, the Queensland Government will make available direct support for workers.

For retrenched workers, the Queensland Government will:

- Continue to provide intensive support for retrenched workers. Rapid response teams will deliver local case management of workers who register for assistance.
- Deliver regional jobs and infrastructure forums on available job opportunities and employment networking within a local community.
- For larger-scale retrenchments, provide intensive on-site support for workers, with individual and group advice and assistance to transition to alternative employment.
- Support can be provided for a number of purposes, including training, job preparation or relocation.

## Renewable energy

Queensland is no longer just about traditional energy resources like coal and gas, but new and emerging renewable energy resources. The Queensland Government is partnering with the world renowned Clinton Foundation to undertake a \$1 million feasibility study for a large scale solar power plant.

The rollout of the Queensland Solar Hot Water Program has begun. The program will deliver up to 200,000 systems over three years. Each system will cut the average household's annual electricity costs by up to \$300, helping Queenslanders save money and the environment.

It is anticipated that the solar hot water program alone will support up to 500 jobs.



## Liquefied Natural Gas (LNG)

There is currently significant interest in the development of a LNG industry in Queensland which will be based on Queensland's extensive coal seam gas reserves in the Surat and Bowen basins and being exported through the Gladstone area. There are currently eight proponents which have publicly announced LNG projects for Queensland.

It is estimated that the LNG industry could involve an investment of over \$40 billion. Modelling indicates that a mid range industry of 28 Mtpa could create over 18,000 direct and indirect jobs in Queensland. This would generate an additional \$3 billion in Gross State Product (GSP), an increase of around 1 per cent of GSP.

The Queensland Government has established a specialised LNG Industry Unit within the Department of Employment, Economic Development and Innovation to provide a single point of focus for the government's support and encouragement for the emerging LNG industry. The LNG Industry Unit works with government agencies, peak industry bodies, project proponents and local governments to facilitate the development of the LNG industry in Queensland.

The Queensland Government has also committed to the provision of a common use corridor between the Gladstone State Development Area (GSDA) and the Callide Range. This will provide industry with certainty for the future installation of gas pipelines from the range to their processing plants.

Key achievements of the LNG Industry Unit over the last 12 months are:

- Ensuring the infrastructure is in place – the draft Port of Gladstone Western Basin Master Plan sets out the infrastructure and land use footprint needed for the industry. The master plan takes a holistic approach to infrastructure (dredged channels, transport and utility corridors) for the LNG industry and other port industries while protecting the environmental values of the area. Extensive technical work has been undertaken to ensure the timely identification of potential pipeline corridors within the GSDA and between the GSDA and the Callide Range.
- Training and industry capability – the LNG Industry Unit has been working with Energy Skills Queensland and the Industry Capability Network to ensure the employment benefits of the LNG industry are maximised in Queensland and local industry can fully benefit from the LNG industry.
- Project facilitation – environmental impact statements are underway for four of the projects and completed for one of the projects. An EIS is also underway for the Port of Gladstone Western Basin Strategic Dredging and Disposal project.
- Policy development – major work on the economic viability and sustainability of the LNG industry has been undertaken. In addition, significant work has been undertaken with industry to refine the state policy regarding the management of produced water.

Since March this year, three projects have been declared as projects of state significance:

- The Gladstone Steel Plant project proposed by Boulder Steel is a \$2.8 billion project that will support 1500 jobs during construction and 1150 operational jobs.
- The Shell Australia LNG project at Curtis Island is predicted to generate up to 3000 construction jobs and 200 permanent jobs during operation.
- The Port of Gladstone Western Basin Dredging project will help build port capacity for the future export of Liquefied Natural Gas.

On 19 August, the government signed an agreement with Origin Energy and ConocoPhillips through their Australia Pacific LNG joint venture that will see the development of a \$35 billion LNG project at Laird Point on Curtis Island in Gladstone. An average of 10,300 jobs will be created during the 10 year construction of the project, according to a study by KPMG Econtech, and employment will reach a peak of 18,600 between 2012 and 2015<sup>8</sup>.

To deliver effective industry support, both for established and emerging industries, the Queensland Government will:

- **build strong industries** – support industry to build business resilience and avoid job losses
- **support our traditional strengths** – help industries remain viable
- **develop new industries** – broaden our economic base and build new industries that create new jobs
- **improve the regulatory environment** – harmonise and streamline the regulatory environment to reduce the impact on business
- **attract enterprise** – continue to promote Queensland as a strong investment proposition to the global community and use investment attraction to generate employment opportunities, particularly in our regions.

## Queensland Curtis LNG project

The Queensland Curtis LNG project was declared a project of state significance in July 2008. It proposes to develop an integrated LNG project in Queensland comprising the following key principal components:

- expansion of coal seam gas operations in the Surat Basin to provide gas for two LNG plants or trains and gas for domestic markets
- development of a gas and water pipeline network of approximately 800 kilometres
- development of the LNG processing and export facility on Curtis Island
- a marine jetty containing specialised LNG loading facilities and berths.

The proponent for the project is Queensland Gas Company Ltd (QGC), a wholly owned subsidiary of the BG Group, a top 10 publicly listed company on the London Stock Exchange with a market capitalisation of more than \$80 billion (as of April 2008).

Queensland Gas Company explores and produces coal seam gas under existing mining tenures and holds contracts to supply customers with more than 700 petajoules of gas over the next 20 years.

The proponent estimates the capital expenditure for the first stage of the project to be approximately \$8 billion. The project will require a workforce of approximately 3600 people at the peak of construction and provide approximately 820 permanent jobs during the operation phase.



## Summary of significant actions

| Focus  | Key action  | Timeframe         |
|--|---|-------------------|
| Build strong industries  | Establish the Jobs Assist program to provide targeted early intervention for businesses and their employees to support industry resilience.   | 2009/10 – 2010/11 |
| Support our traditional strengths                                    | Support the drive travel market by funding roadside infrastructure such as shaded picnic areas, toilet facilities and tourism signage.  | 2009/10 – 2011/12 |
|  | Support the fishing and tourism industries through construction of additional infrastructure.   | 2009/10 – 2011/12 |
|  | Attract major business, sporting and cultural events and develop new tourism products and campaigns through provision of additional \$36 million over three years.  | 2009/10 – 2011/12 |
|  | Attract national and international investment in mining exploration and mining to position Queensland for economic recovery including: <ul style="list-style-type: none"> <li>• the <i>Smart Mining – Future Prosperity</i> program</li> <li>• advocating the implementation of a flow through share scheme to the Commonwealth Government to encourage investment in junior mineral exploration companies.</li> </ul>                                      | 2009/10           |
| Develop new industries   | Facilitate the development of a multi-billion dollar Liquefied Natural Gas industry for Queensland.   | 2009/10 – 2011/12 |
|  | Implement the Queensland Renewable Energy Plan, a comprehensive strategy to expand the renewable energy sector in Queensland.   | 2009/10 – 2011/12 |
|  | Implement new <i>ICT for Tomorrow's Queensland Strategy 2009-12</i> to create jobs in the ICT industry and to increase the uptake of technology in business to improve productivity and sustain employment.   | 2009/10 – 2011/12 |
|  | Work closely with the biotechnology industry in Queensland to maintain industry capacity and achieve industry employment projections of 16,000 highly skilled employees by 2025.  | 2009/10 – 2011/12 |
| Improve the regulatory, planning and approval environment            | In consultation with industry bodies, implement the Smart Regulation Reform Agenda to reduce the cost of regulation to business and government by \$150 million each year by the end of 2012/13.  | 2008/09 – 2012/13 |
|  | Improve efficiency of approvals process for mining and petroleum tenure by: <ul style="list-style-type: none"> <li>• ongoing identification of any further areas of emerging resource potential for approval</li> <li>• undertaking a project facilitation approach to resource development to accelerate priority mining and petroleum projects</li> <li>• creating an industry working party to review the efficiency of government processes.</li> </ul> | Ongoing           |
|  | Implement reforms to streamline planning and development activities across state and local governments.   | 2009/10           |
|  | Implement regulatory and competition reforms in 36 key areas, including major initiatives such as national harmonisation of occupational health and safety regulation, to reduce regulatory costs to business.  | 2009/10 – 2012/13 |
| Attract and support enterprises with employment and export potential | Use investment attraction to generate employment and develop and retain skills, particularly in our regions. Invest Queensland will maintain an active program of marketing and project facilitation to generate new employment.  | 2009/10 – 2011/12 |
|  | Encourage job creation and retention in projects supported under the Business and Industry Transformation Scheme.   | 2009/10 – 2011/12 |
|  | Maintain Trade Queensland's program of activities to assist businesses to: <ul style="list-style-type: none"> <li>• secure export deals</li> <li>• build overseas markets</li> <li>• develop export capability</li> <li>• promote Queensland products and services in a challenging global environment.</li> </ul>  | 2009/10 – 2011/12 |
|  | Establish the Workplace Partnership and Productivity Pilot program to enable the Queensland Government to work with companies in the manufacturing sector to improve skills and develop safe, collaborative and productive workplace practices. If the pilot is successful, the model will then be extended to other industries.  | 2009/10 – 2011/12 |

# Developing new job creation programs

## Assisting unemployed Queenslanders to get back into work

The primary aim of *Jobs First* is the protection of existing jobs and the creation of new jobs – creating and supporting jobs through infrastructure investment and through support for industry and business.

Despite the Queensland Government's efforts and investment, the global recession will see job losses. Even in times of economic growth, businesses fail for a number of reasons and this leaves people looking for employment. Additionally, there are a number of people who, for any number of reasons, have faced barriers to employment and continue to have difficulty accessing employment opportunities. We know that the economic downturn will push more and more of these individuals into the ranks of the long term unemployed. We know that without assistance, these individuals risk moving further away from the labour market; from finding jobs; from being able to share in the benefits of recovery when it occurs.

The Queensland Government will support individuals who are facing difficulties in accessing employment and training opportunities, to ensure that they maintain a strong link to the labour market. This assistance is critical to our longer-term plans to address the problems of long-term unemployment, including social exclusion, jobless households and generational unemployment.

In addition to their skills components, both *Skilling Queenslanders for Work* and the Participate in Prosperity program include a range of tools to assist Queenslanders to get back into work. *Skilling Queenslanders for Work* includes elements

of job creation and employment support, while Participate in Prosperity specifically targets jobless families and low socio-economic communities in, or at risk of, persistent poverty.

Our track record of helping individuals return to employment and in assisting disadvantaged and disengaged people improve their lives through work provides a solid foundation for future activity.

To assist unemployed Queenslanders to get back into work the Queensland Government will:

- **create job opportunities** – enhance local employment solutions and training opportunities
- **assist unemployed Queenslanders** – minimise the impact of unemployment on individuals
- **close the gap** – provide opportunities and support to Indigenous Queenslanders.

## Queensland's Green Army

Queensland's Green Army is a new program to create new jobs that will enhance our natural assets, strengthen our tourism industry and promote increased environmental awareness. It is about local people improving their local communities.

The Queensland Government is investing \$57 million over three years to create up to 3000 placements in Queensland's Green Army. There will be up to 2300 green work placements and up to 700 green traineeships available throughout the state. Each jobs placement is up to six months in duration.

As at 31 July 2009, 29 projects worth \$7.8 million have already been approved to create 472 jobs. Recently, 262 green traineeships have been announced in 48 local councils across Queensland – from the Cape to Coolangatta. This will provide 262 job seekers with 12 months paid work and skills to increase their employment options for the future.

Eight unemployed Indigenous people are among the first recruits to Queensland's Green Army. BoysTown have received \$151,170 for the project, and the participants' work will help preserve endangered plants, such as the Veresdale Plum, in the Bilarabyn Reserve.

The reserve is part of an important ecosystem so stopping its decline and restoring and planting native species will be a valuable outcome for the region. This project is also giving local people new skills and experience that will help them find jobs in the future.

[www.greenarmy.qld.gov.au](http://www.greenarmy.qld.gov.au)

## First Start

The First Start Program offers young people and disadvantaged job seekers with little or no work experience, opportunities to obtain a traineeship where they gain on-the-job experience and training at a registered training organisation – and be paid. Local government authorities or councils, including Aboriginal and Torres Strait Islander councils, and not for profit community organisations can apply for funding to employ trainees in a variety of areas, such as administration, information technology, horticulture, engineering, civil construction and community services.

Each year, 400 individuals are assisted under this program. As well as gaining work experience and a nationally recognised qualification, trainees are provided with assistance to find employment after their traineeship. The First Start program provides valuable employment and training opportunities for job seekers particularly in regional areas of the state.

This program provides the type of skills and experience that can only be learnt on the job – by being at work.



## Summary of significant actions

| Focus                              | Key action  | Timeframe         |
|------------------------------------|---|-------------------|
| Create job opportunities           | Create employment and training opportunities for school leavers and the unemployed through Queensland's Green Army.                             | 2009/10 – 2011/12 |
|                                    | Create job opportunities for the unemployed through state and Commonwealth government capital infrastructure programs.                          | 2009/10           |
|                                    | Create additional traineeship and apprenticeship places in local government and community groups.   | 2009/10 – 2011/12 |
| Assisting unemployed Queenslanders | Facilitate access for individuals to state and Commonwealth employment support services through the rapid response teams.                       | 2009/10 – 2010/11 |
|                                    | Provide intensive support to those individuals in, or at risk of, persistent poverty, to reduce the impact of structural unemployment issues.   | 2009/10 – 2011/12 |
|                                    | Expand the Get Set for Work program to include older early school leavers.  | 2009/10 – 2011/12 |
|                                    | Deliver transition training and programs for retrenched workers to re-skill and to take advantage of jobs in the primary industry sector.       | 2009/10 – 2011/12 |
| Closing the gap                    | Increase the economic participation of Indigenous Queenslanders to close the employment gap based on the four key elements agreed through COAG: | 2009/10 – 2014/15 |
|                                    | • Creating real sustainable employment in areas previously subsidised through CDEP.   | 2009/10           |
|                                    | • Identifying areas where government procurement can contribute to increased Indigenous employment outcomes.                                    | 2012/13           |
|                                    | • Incorporating Indigenous workforce strategies into all new major COAG reforms.  | 2009/10 – 2012/13 |
|                                    | • Increasing employment of Indigenous workers in the public sector to reflect population share.   | 2009/10 – 2014/15 |
|                                    | Implement <i>Positive Dreaming, Solid Futures</i> – an Indigenous employment and training strategy.   | 2008 – 2011       |

### Get Set for Work

Young people are particularly at risk in times of economic downturn, particularly if they leave school early to try to get a job. The Get Set for Work program funds local organisations to provide employment and training assistance to 15–19 year olds who are either early school leavers or at risk of disengaging from education. The program aims to create a transition pathway for these individuals – helping them to find a job, return to school, or continue with other education or training.

Get Set for Work prepares them for work by offering a range of assistance including: literacy and numeracy; resume writing and interview skills; job preparation; work experience and hands-on development of vocational skills; referrals to support services; and personal development and team building. Participants are also offered support to find employment once they have completed the program.

Young people who successfully complete the program gain two credit points towards their Queensland Certificate of Education.

Initially targeted at 15–17 year olds, in 2009–10 Get Set for Work has also been expanded to include older early school leavers up to 19 years of age, assisting these young people to stay connected to the labour market, reducing the risks and incidence of long term unemployment. Overall, over 2000 young people will be assisted per year.

# Conclusion

The global financial crisis has hit hard – and the full impacts on global markets and economic activity may take longer to be fully realised. History tells us though that employment rises will lag behind more general economic improvements.

The challenge we face is multi-faceted. It is essential that we:

- protect Queensland jobs
- invest in new industries that will fuel and sustain economic growth into the future
- invest in skills and training
- target our investment on those industry sectors, those regions and those skills that need help the most.

We have moved fast to address the challenges of the downturn. In particular, we have taken tough decisions in the state budget in order to continue our building program and protect 127,000 jobs. Our rapid response teams have also successfully worked with communities experiencing job losses to help people find alternative employment. Some 70 per cent of people are back in work one month after first contacting the rapid response team.

*Jobs First* goes beyond these initial steps and introduces two new tangible measures.

First, we are moving fast to respond to a projected drop in apprenticeship enrolments by introducing a new program for young Queenslanders who cannot access an apprenticeship in the downturn. From early next year, we will deliver practical training in a work-like setting for up to 2000 young Queenslanders. This training will count towards a formal apprenticeship, accelerating the individual's qualification period by up to a year. It will deliver a cohort of work ready young Queenslanders, that will benefit business as we move to economic recovery.

Second, we will deliver a new \$10 million Jobs Assist program, to work with vulnerable companies employing more than 10 full time equivalents. This early intervention program will help build business resilience during tough economic times, supporting businesses and protecting jobs.

Jobs are at the heart of our agenda. *Jobs First* sets out how our work is evolving to address the different challenges posed by the downturn. These challenges will inevitably change with time and with the changing economic environment. We will continue to make the tough choices that will protect Queensland jobs and prepare for economic recovery. We will keep *Jobs First* under review and will refocus and reissue it as required by economic changes.



