

## Question on Notice

No. 2147

Asked on 10 November 2016

**MR PEGG** ASKED THE TREASURER, MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS AND MINISTER FOR SPORT (HON C PITT)—

QUESTION:

Will the Treasurer advise what opportunities there are for businesses and stakeholders to shape the future of manufacturing in Queensland?

ANSWER:

Significant opportunities are currently available for businesses and stakeholders to shape the future of manufacturing in Queensland.

In September 2016, I directed the Queensland Productivity Commission (QPC) to undertake an Inquiry into Queensland manufacturing, including a review of reshoring initiatives. A key priority for Government is ensuring that Queensland's manufacturing industry remains globally competitive, productive and innovative, and generates jobs into the future.

Queensland is home to an impressive array of globally competitive manufacturers who are leading the way for other Australian companies. In 2014–15, manufacturing contributed over \$20 billion to the Queensland economy.

However, it is important to continue to identify opportunities to grow the industry, and investigate if and how the Government can assist in bringing good, well-paying manufacturing jobs back to Queensland.

A key input to the Inquiry will be significant and in-depth stakeholder consultation. In this regard, the Inquiry's first milestone was the release of an Issues Paper providing an overview of the manufacturing industry, and key focus areas to assist stakeholders to participate in the Inquiry.

The Commission notes that a robust manufacturing industry has long been associated with high levels of innovation and productivity growth.

While the industry has faced significant challenges in recent years, the manufacturing landscape is changing and provides Queensland firms with new opportunities. This includes advanced manufacturing and opportunities in the global supply chain.

The Inquiry will also look at factors influencing location decisions, and recent reshoring moves by some manufacturing firms (in particular in the United States and United Kingdom). This will include an analysis of the sources of competitive advantage that manufacturing businesses in Queensland enjoy over interstate and international rivals.

The Commission also recognises the number of Queensland Government initiatives aimed at helping manufacturing businesses improve competitiveness, productivity and performance, including the \$405 million Advance Queensland program.

The Inquiry will further consider how Government can best support the manufacturing industry, with a focus on business costs, the regulatory framework, skills shortages and adjusting to structural change.

I strongly encourage manufacturing businesses and other stakeholders to take an active role in shaping the industry's future by helping to inform the QPC's Issues Paper. The Commission seeks submissions on the Issues Paper by 10 January 2017, and will release a Draft Report by May 2017.

The Inquiry will also complement work being led by the Department of State Development on the Advanced Manufacturing 10-year Roadmap and Action Plan, which is one of a series of roadmaps for priority industries that will guide how industry and Government work together for the next 10 years.

The Advanced Manufacturing 10-Year Roadmap and Action Plan seeks to accelerate the transition from broad-based manufacturing to advanced manufacturing to create highly paid, sustainable jobs for Queenslanders. The Industry and Manufacturing Advisory Group (IMAG), comprising senior industry, peak body and union representatives, has provided significant input into the roadmap and will continue to provide strategic advice on the roadmap during its implementation.

The roadmap, which will be released by my colleague, Dr Anthony Lynham MP, Minister for State Development and Minister for Natural Resources and Mines, before the end of this calendar year, contains a number of actions to develop Queensland's manufacturing industry. These initiatives will be largely delivered in partnership with business and other stakeholders.