



**Australian Manufacturing Workers' Union**

## **Submissions to the Queensland Advanced Manufacturing 10-year Roadmap**

**Do you support the proposed vision? If not, what is your vision for an advanced manufacturing sector in Queensland?**

The Australian Manufacturing Workers' Union ("AMWU") broadly supports the proposed vision of the Queensland Advanced Manufacturing 10-year Roadmap ("the Roadmap").

We must ensure that Queensland and Australia maintains a balanced economy with a diverse economic base, so as not to become over reliant on a single sector or industry. Manufacturing is a critical industry in maintaining this diversity. The success of the manufacturing industry is pivotal to Queensland jobs, flourishing local communities and a robust economy for our state.

### *Support for Existing Industry*

The AMWU understands that movement towards advanced manufacturing is pivotal to maintaining a strong manufacturing industry. However, there must be a transition period for working people and industry to shift from traditional forms of manufacturing to advanced manufacturing.

Throughout such a transition it is crucial that existing infrastructure, skills and industry (particularly in regional Queensland) be maintained in order to support future transitions to advanced manufacturing. Accordingly, the AMWU believes that the Roadmap should prioritise the support and protection of existing local industry and jobs in preparation for transitioning industry at a later date. Put simply, a loss of existing skills and industry would make it difficult to foster a transition to advanced manufacturing in the future.

### *Wages and Conditions*

The current Roadmap proposal fails to address or acknowledge the importance of strong wages and conditions for working people in a flourishing manufacturing industry. The Roadmap notes the importance of shifting the manufacturing industry to advanced manufacturing niches with highly skilled workers. The AMWU submits that in this context, ensuring that workers are paid fair wages and afforded fair conditions will be pivotal to the effective production of high value niche products that will strengthen the industry.

***RECOMMENDATION 1: That the Queensland Advanced Manufacturing 10-year Roadmap include provision for support and protection of existing local industry and jobs in order to foster a smoother transition to advanced forms of manufacturing in the future.***

*RECOMMENDATION 2: That the Queensland Advanced Manufacturing 10-year Roadmap support fair wages and conditions that match the high level skills required for working people in manufacturing.*

**Are the identified challenges comprehensive? If not, what are the other impediments to the development of an advanced manufacturing sector in Queensland?**

*Regional Queensland*

The Roadmap does not comprehensively address the challenges faced by regional Queensland.

Unemployment rates in regional, rural and remote areas of Queensland are undeniably high. Just this year we have seen redundancies across a number of manufacturing businesses, with non SEQ areas being hit the hardest. These are also the areas where communities and local economies rely on the manufacturing industry the most. It is imperative that the Roadmap address regional unemployment and the continuing loss of manufacturing skills and business infrastructure.

While Government investment in local content policy will assist in supporting our local communities when manufacturing businesses come under threat, a policy safety net should be created to protect our local communities in the interim, allowing local communities and industry to plan or get back on their feet when job losses are threatened. This is a particularly poignant issue in a decentralised state like Queensland with many regional and rural towns relying on employment from the industry.

Governments should adopt a range of strategies that support local industry with assistance packages, particularly where closure of a business or mass redundancies would have a significant impact on a local community. Once a loss of manufacturing infrastructure occurs in regional areas, rebuilding it will be difficult, resulting in a stymieing of transitions to advanced manufacturing in those areas.

*RECOMMENDATION 3: That the Queensland Advanced Manufacturing 10-year Roadmap promote strategies, including a monetary safety net, to address the potential loss of manufacturing jobs, skills and infrastructure in regional, rural and remote Queensland.*

**Are the identified opportunities comprehensive? If not, what are the other new markets/opportunities for the state's advanced manufacturing sector?**

*Sustainable Jobs*

The AMWU submits that new opportunities for the advanced manufacturing sector should be sustainable in nature. Job reliance on unsustainable industries has put many working people in difficult employment situations facing widespread job losses.

Any new investment opportunities should only be supported if they are sustainable and viable for the long term e.g. renewables.

*RECOMMENDATION 4: That the Queensland Advanced Manufacturing 10-year Roadmap prioritise the support of sustainable opportunities for the advanced manufacturing sector in Queensland.*

**What policy settings and actions can the government apply that:**

- **assist existing businesses transition to advanced manufacturing**
- **support the development of new innovative businesses in the advanced manufacturing sector**
- **position businesses to attract capital to commercialise their new technologies or products, and**
- **assist businesses identify and adopt technology to support advanced manufacturing products, processes and systems?**

#### *Local Manufacturing Hubs*

Support should exist in the form of localised services that assist local manufacturing businesses to continue, be productive, perform at best practice standards and begin the transition to advanced forms of manufacturing. This should occur through the establishment of Local Manufacturing Hubs across the state that deal with skills and job matching, business support and advice for best practice at a highly localised level.

This should allow for the formation of localised business, government and union partnerships that have strong knowledge of the local economic environment, to address threats to the industry at a micro level as well as matching local workers with appropriate new skills sets to local advanced manufacturing jobs.

The establishment of Local Manufacturing Hubs will be essential to early intervention and prevention of job losses and support for a transitioning industry.

#### *Local Content*

Fundamentally, supporting local manufacturing industry requires that local industry be given full, fair and reasonable opportunity to compete for local work. Government's role needs to be in assisting manufacturers to help themselves develop more competitive and productive businesses that can compete in the current economic climate.

To ensure maximum public benefit and value for money, we must work to improve tendering while simultaneously building employment, industry, skills bases and a foundation for a transitioning industry.

While the Queensland government has in the past had a strong local content policy, its practical implementation has been weakened by a lack of clout and a continuing lack of clear legislative requirements for implementation.

We cannot afford for local industry participation to remain a 'box ticking' exercise. Legislative requirements and policy compliance with tighter overall oversight and compulsory application for local content must be adopted.

Government, through local content policy, has an important role to play in supporting the local manufacturing industry, particularly throughout the transition period to more advanced manufacturing.

### *Education & Skills*

Queensland must develop the appropriate skills to support a growing advanced manufacturing industry. To that end, the Queensland government should expand its Gateway program, partnering with local manufacturing hubs to coordinate the rollout of the program to a increased number of schools, particularly in regional and rural areas.

Accordingly, Government should establish more industry specific schools like Aviation High School working in partnership with industry leaders and focused on advanced manufacturing skills.

The Roadmap should also focus on transitioning the skills of existing workers to compliment an industry transitioning to advanced forms of manufacturing. Specifically, a training scheme should be established for retrenched workers to upgrade their skills while there is less demand for work. Such a strategy will play a pivotal dual role in increasing Queensland's skills base in advanced manufacturing as well as keeping people in work during down periods.

Linking skills development to temporary declines in work is an innovative way in which to address unemployment rates at present with a view to preparing for the future of manufacturing simultaneously.

*RECOMMENDATION 5: That government establish local 'Manufacturing Hubs' across Queensland that drive localised implementation of manufacturing industry and Local Content Policy in terms of skilling workers, matching appropriately skilled workers to jobs, guiding employers into areas of strategic growth, maintaining existing work and job levels and assisting employers transitioning into new manufacturing that will result in job creation.*

*RECOMMENDATION 6: That a program of enforcement of Local Industry Policy be adopted. This program must be backed by strong legislation with sanctions for non*

*compliance and strong incentives for business to voluntarily adopt Local Industry Participation Plans and benchmarks.*

*RECOMMENDATION 7: That the Queensland Government creates a training scheme that funds employees to upgrade their skills, with a focus on advanced manufacturing during times of decreased work.*

*RECOMMENDATION 8: That the Queensland Government expand its Gateway program with a focus on advanced manufacturing skills and partner with local manufacturing hubs to coordinate the rollout of the program to a increased number of schools, particularly in regional and rural areas.*

### **How can the government effectively market Queensland's capability and capacity in advanced manufacturing?**

Marketing of our capability and capacity in advanced manufacturing should not only be focused on industry groups and peak bodies. It should also focus on communication at the grass-roots level to encourage young people and people already working in the industry to gain skills and qualifications that lend themselves to long term careers in the manufacturing industry.

*RECOMMENDATION 9: That the Queensland Government market to people working in the manufacturing industry and young people to gain new skills suitable for advanced manufacturing.*

### **How should the success of the Roadmap be measured?**

The success of the Roadmap should be measured by a number of factors including economic growth in the manufacturing industry, the thriving of local communities supported by advanced manufacturing and most importantly the creation of sustainable, secure jobs with fair wages and conditions in the industry.

### **Any other comments?**

Manufacturing is a significant industry in Queensland. Its ongoing success is predicated on a robust and comprehensive strategy that will effectively transition the industry from traditional forms of manufacturing to advanced manufacturing. A lot is at stake, including thousands of Queensland jobs and local communities.

The work required to make the Roadmap's vision a success must be focused and driven. The AMWU submits that a separate ministerial portfolio for manufacturing should be created to oversee the effective implementation of the Roadmap and the necessary

transitioning of a crucial Queensland industry. A Minister for Manufacturing would have to drive the following objectives:

- Oversee the transition of the manufacturing industry;
- Create new jobs in advanced manufacturing;
- Coordinate with other relevant departments, stakeholders and existing government support structures to drive a “whole of government” plan for the future of advanced manufacturing and oversee its implementation;
- Ensure the practical implementation of current and new Manufacturing Policy, including the Local Content Policy;
- Identify opportunities for future growth in the industry; and
- Play a pivotal role in the development of a comprehensive, skills plan that supports advanced manufacturing.

*RECOMMENDATION 10: That government creates a ministerial portfolio for manufacturing.*