

Australian Manufacturing Workers' Union

Submissions to the Queensland Aerospace 10-year Roadmap



Do you support the proposed vision? If not, what is your vision for the aerospace industry in Queensland?

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

It is clear that the aerospace industry is one with significant potential for growth in Queensland. Further, that if the industry is fostered and supported that it can be an important area for economic and employment growth for our state.

The AMWU believes that current Queensland based infrastructure for the industry is sufficient to support growth but that significant resources will be required in the following areas:

- Skills development
- Fostering of new technologies
- Research and development
- Support and incentives to develop niche areas of expertise
- Attracting young people to the industry

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 aerospace industry.

The Roadmap notes the importance of seizing selected niche opportunities that may require new processes 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 Aerospace 10-year Roadmap support fair wages and conditions that match the high level skills required for working people in the aerospace industry.

Are the identified opportunities comprehensive? If not, what are the other new markets/opportunities for the state's aerospace industry?

High Quality Work

The Queensland aerospace industry has strong reputation for producing work of extremely high product quality. To continue delivering these high standards of work,

investments in skills, technology, machinery and facilities must be made now to ensure the Queensland aerospace industry remains on the front foot and can easily adapt to new marketing opportunities in the future.

Ensuring that the workforce is provided with skills that match the growing need for technological expertise will be crucial to the Roadmap's success.

RECOMMENDATION 2: That the Queensland Aerospace 10-year Roadmap prioritizes investment in maintaining and upgrading skills, machinery, research, technology and facilities involved in the aerospace industry in order to remain relevant and be best placed to seize new marketing opportunities.

Sustainable Jobs

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

Workers in and entering the industry need permanent career-driven jobs to provide security for them and their families. As such, any new investment opportunities should only be supported if they are sustainable and viable for the long term.

RECOMMENDATION 3: That the Queensland Aerospace 10-year Roadmap prioritise the support of long-term sustainable employment opportunities for the aerospace industry in Queensland.

Are the identified challenges comprehensive? If not, what are the other impediments to the development of a dynamic aerospace industry in Queensland?

Assisting Aerospace Stakeholders

Industry stakeholders often find it difficult keep up with the fast-paced movements of the global market and technologies. Government can play an important role in the success of Queensland's Aerospace industry by providing assistance that helps Queensland aerospace stakeholders to identify and gain access to global markets.

Government can assist by developing strategies and identifying new opportunities in the global market that provide work for Queenslanders. Identifying and tracking global supply chains, researching patents, and identifying trends in aerospace technology are important to stay ahead of the curve.

Notwithstanding this, support for these strategies must be linked to the creation of quality, secure Queensland jobs.

RECOMMENDATION 4: That the Queensland Government assist Queensland aerospace stakeholders to identify new opportunities and gain access to global markets linked to the creation of secure jobs for Queenslanders.

Maintaining Industry in Queensland

It is imperative that Government and business work in partnership to maintain our aerospace industry in Queensland.

One of the significant challenges that the industry faces is the offshoring of business or portions of aerospace businesses that create jobs. Anecdotally, this is the case with respect to the maintenance of airplanes in the Virgin Australia fleet.

Accordingly, the Roadmap must anticipate the potential for business to attempt to lower costs through offshoring. The AMWU believes that government funding to the industry must be coupled with a minimum number of local jobs created and a minimum time commitment written into any agreement that provides industry support. This will ensure that the benefit of industry support is not lost to overseas economies and markets.

In addition to this, the Queensland Government should devise strategies that incentivise Australian business and aerospace companies to invest in and maintain local Queensland industry.

RECOMMENDATION 5: That the Queensland Government support industry to maintain Queensland based operations through minimum time commitments and local job creation commitments as well as incentivising business to invest and maintain the local Queensland aerospace industry.

What policy settings and actions can the government apply that:

- **capitalise on identified opportunities**
- **address identified challenges**
- **support the development of new innovative aerospace businesses**
- **assist businesses to identify and respond to market trends?**

Local Content

Fundamentally, supporting the local aerospace industry requires that local industry be given full, fair and reasonable opportunity to compete for local work. The Queensland Government must play a role in assisting the industry 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 acting on new opportunities in the aerospace 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 aerospace industry, particularly throughout the transition period to more niche technological advancements.

Education & Skills

The Roadmap should also focus on transitioning the skills of existing workers to compliment an industry predicated on keeping up with new technological advancements.

Specifically, a training scheme should be established for retrenched workers in other industries to retrain and gain new skills relevant to the aerospace industry while there is less demand for work. Such a strategy will play a pivotal dual role in increasing Queensland's skills base in the aerospace industry 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 6: That the Queensland Government support strengthened local content policies and legislation with minimum standards for local content and local jobs creation are met.

RECOMMENDATION 7: 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 8: That the Queensland Government creates a training scheme that funds employees in other industries to retrain and develop skills relevant to the aerospace industry during times of decreased work.

How can the government effectively market Queensland's aerospace industry capability and capacity?

The Australian Government has strong and positive relationships with leaders in the Asia-Pacific region and thus we must reach out to these global partners and promote the capability and capacity of Queensland's aerospace industry.

Notwithstanding this, marketing of our capability and capacity in Queensland's aerospace industry 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 aerospace industry.

RECOMMENDATION 9: That the Queensland Government market to its partners in the Asia-pacific region, local people working in the other declining industries and young people to gain new skills suitable for the aerospace industry.

How should the success of the Roadmap be measured in the short, medium and long term?

Long term success of the roadmap should be measured based on the creation of secure, well paying and highly skilled jobs in the aerospace industry. In addition to this Government should also track new opportunities and business that has been brought to Queensland.

Any other comments?

Aerospace Industry Seminars

A joint effort from government, business and industry groups will be required to maintain a strong Aerospace Industry in Queensland and to stay ahead of the curve. Seminars allow interested parties to come together and collaborate, discuss new ideas, identify opportunities and determine solutions to industry challenges.

RECOMMENDATION 10: That the Queensland Government holds yearly aerospace industry seminars with the intention of bringing together Government representatives, aerospace industry leaders, stakeholders and business representatives.