



CONSTRUCTION & MANUFACTURING

The LNP's Plan to Deliver Jobs and Economic Growth

Welcome

Queensland has always been a state of potential, and the construction and manufacturing industry has been a key part of our story.

In previous years Queensland was seen as a state of potential. A state where if you backed yourself and took a chance you were given every opportunity to succeed.

But sadly, under Labor we are losing our entrepreneurial spirit. Families are paying more through higher taxes and increased living costs and much-needed infrastructure across the state is not being built. Wages growth is the weakest in the country, meaning Queensland families are falling behind.

Queensland is stagnating under a Labor Government stuck in neutral.

These are serious problems that need to be solved, but unfortunately Anastacia Palaszczuk and her Labor Ministers are too afraid to make difficult decisions. With more than 200 reviews, taskforces and inquiries, the Labor Government is delaying every decision that needs to be made for you and your family to have a bright future.

A Tim Nicholls-led Liberal National Government will **Build a Better Queensland**. We have a plan to create jobs, support small business, invest in education and the next generation of Queenslanders and provide better services for families and retirees. We will restore business confidence and once again get investment flowing to create jobs throughout all of Queensland.

An LNP Government will reduce the risk to our economic security by focusing on six drivers to strengthen and diversify the Queensland economy. The six drivers are:

- Tourism
- Agriculture
- Resources
- **Construction and Manufacturing**
- Services, Science and Technology, and
- Education.

This construction and manufacturing strategy will bring confidence back to an industry sector that makes up one fifth of economic activity in Queensland. This is an industry that has suffered a crisis of confidence under Anastacia Palaszczuk, and our plan addresses the key challenges facing the construction and manufacturing sector.

Only by Building a Better Queensland – will we deliver the jobs needed and kick-start our economy so that all Queenslanders can benefit, no matter where they live.



Tim NICHOLLS MP



Deb FRECKLINGTON MP



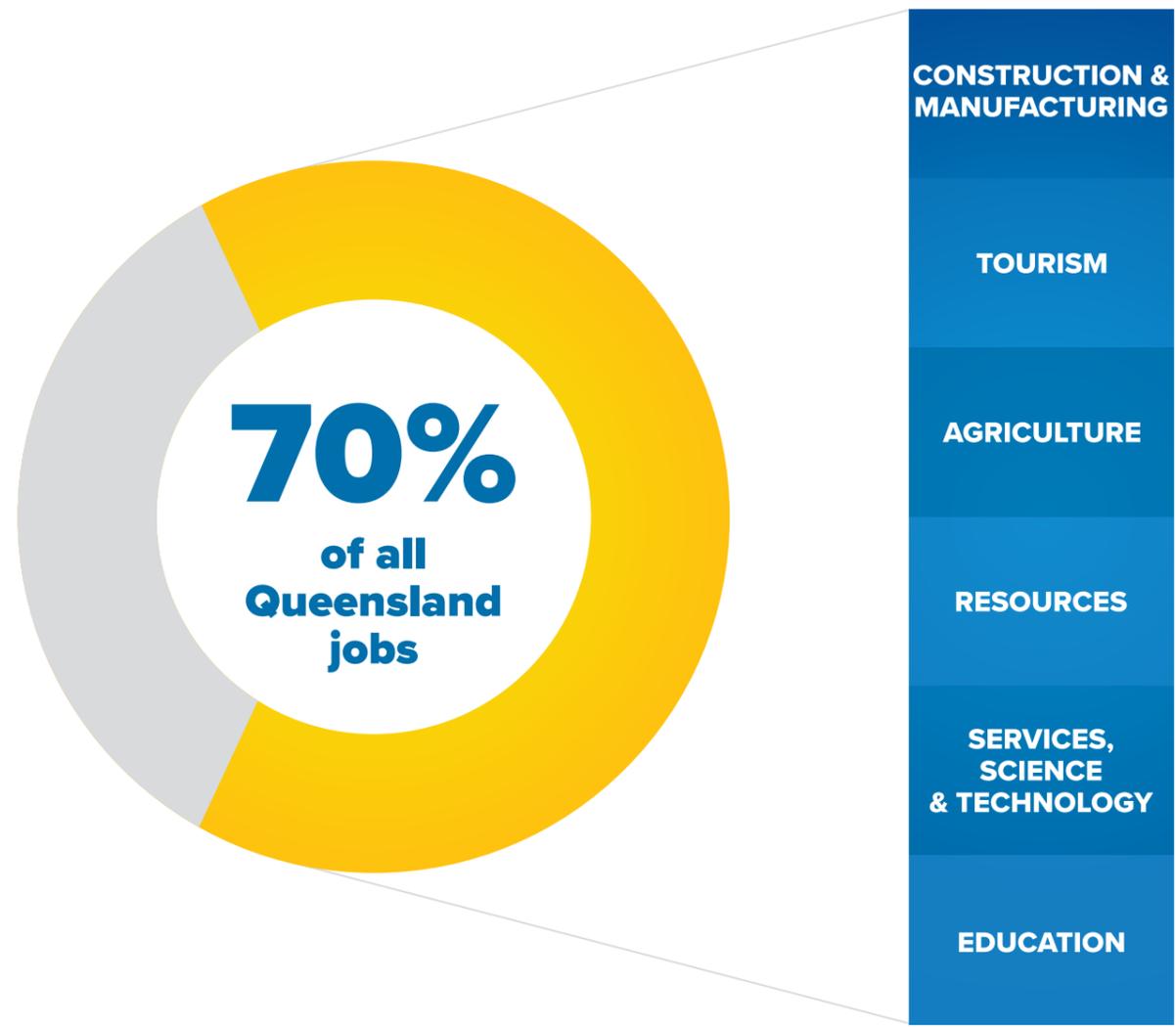
Scott EMERSON MP



The LNP's Economic Plan

By focusing on six key drivers the LNP will create jobs while strengthening and diversifying the Queensland economy.

The LNP's six drivers represent almost two-thirds of the Queensland economy¹ and more than seven out of every ten jobs in the state².



Growing and strengthening the construction and manufacturing sector is a vital part of our economic plan to Build a Better Queensland.

This is a sector that contributes almost \$64 billion to the state's economy³ and provides jobs for around 450,000 Queenslanders⁴. The Queenslanders employed in construction and manufacturing build our homes, our roads and the vast range of Queensland-made products consumed domestically and increasingly exported to highly-competitive world markets.

Worryingly, the industry is not seeing the growth that it should. The ANZ Property Council survey shows confidence has dropped in Queensland, with the Palaszczuk Labor Government viewed as the worst in Australia⁵. Instead of supporting industry, Labor broke an election promise not to increase taxes while hitting industry with a new investment tax. The 2017-18 State Budget included yet another new tax on property owners which was criticised by industry representatives as "potentially economically damaging⁶".

As highlighted in the independent Major Pipeline Projects Report, the value of major infrastructure projects halved in 2015-16. This sharp decline in major project work has impacted heavily on the Queensland economy⁷.

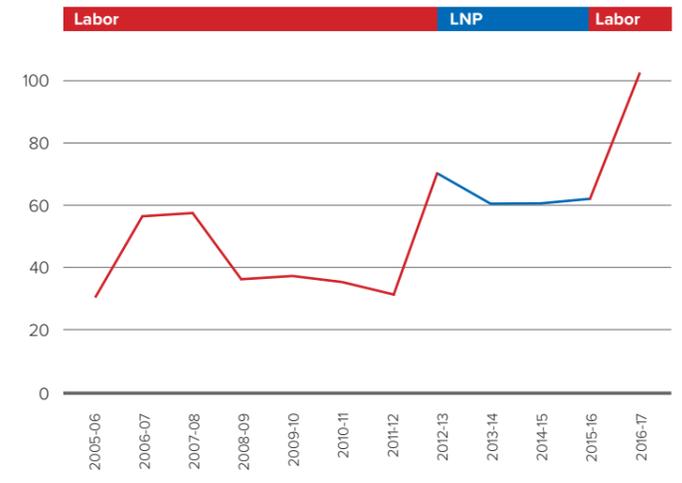
Manufacturing businesses in Queensland employ nearly 160,000 workers and contributed \$20.3 billion to the state's economy in 2015-16.

But manufacturing businesses have been hit hard by record high electricity prices in Queensland. These price increases are directly attributable to Labor's actions to use electricity as a secret tax. Labor has also raided cash from government-owned energy businesses and loaded them with debt.

Queensland's wholesale electricity prices averaged \$103 per Megawatt hour in 2016/17, which the Australian Energy Regulator (AER) described as an "unprecedented average for the region". Since Labor's election, the wholesale power price has increased by 70 per cent. The AER has said Queensland was experiencing some of the steepest price rises in Australia⁸.

Annastacia Palaszczuk has let the government-owned electricity generator Stanwell use its market power to gouge on electricity prices. The LNP acted when Labor wouldn't and referred Stanwell to Australia's independent competition watchdog the ACCC. ACCC Chairman Rod Sims has said "I think there's been too much focus on state governments maximising the revenue from their energy business and not giving a thought to affordability," ABC Radio – AM – 27 July 2017.

Annual Volume Weighted Average Spot Prices - Queensland (\$ per MWh)⁹



Labor is also targeting 50% renewables by 2030, an extreme target that will see¹⁰:

- Queensland families pay \$317 million more for electricity
- Business pay \$221 million more for electricity
- Industry pay \$746 million more for electricity
- Queensland Government owned power stations losing \$6.2 billion
- Queenslanders subsidizing electricity prices in other states
- Queensland's economy shrink, and
- \$10.8 billion in tax payer funded subsidies.

Annastacia Palaszczuk has copied this 50% renewable energy target from South Australia which has experienced numerous black outs and has the highest electricity prices in the world¹¹.

As the Chamber of Commerce and Industry Queensland found:

"Manufacturers use a diverse range of energy sources and the ability to secure long-term supply is a key factor in their decision-making on whether to invest in, grow, or close their business operations entirely. Mostly however, the provision of reliable and cost-effective electricity supply is vital to manufacturing businesses in Queensland continuing their operations¹²."

Predictably, Labor's only plan for the manufacturing sector is to hold yet another review. And like so many other Labor reviews, this review has been delayed.

Only by implementing the Liberal National Party's positive plans will we secure a brighter future for our construction and manufacturing industries.

¹ ABS Series 5220.0 – Australian National Accounts: State Accounts
² ABS Series 6291.0.55.003 – Labour Force, Australia, Detailed, Quarterly
³ ABS Series 5220.0 – Australian National Accounts: State Accounts
⁴ ABS Series 6291.0.55.003 – Labour Force, Australia, Detailed, Quarterly
⁵ ANZ Property Council Survey – September Quarter 2017
⁶ Property Council of Australia (Queensland) Post Budget Media Release: 'Encouraging budget dampened by a further slug on foreign investors'
⁷ 2016 Major Projects Pipeline Report – Queensland and Engineering Construction Outlook
⁸ Australian Energy Regulator: State of the Energy Market – May 2017
⁹ Australian Energy Regulator – Annual volume weighted average spot prices and Australian Energy Regulator: State of the Energy Market – May 2017
¹⁰ Queensland Productivity Commission – Final Report – Electricity Pricing 31 May 2016
¹¹ Bruce Mountain Carbon and Energy Markets
¹² Chamber of Commerce and Industry (Queensland) – Industry Futures Report: Manufacturing



The LNP's Record

The LNP has a track record of delivering positive policies to build construction and manufacturing in Queensland. This includes:

Property and Construction:

- Implementing the \$15,000 Great Start Grant to help young people purchase their first home.
- Reinstating the principal place of residence concession, saving families up to \$7,175 off the cost of purchasing a home.
- Establishing the State Assessment Referral Agency to streamline planning processes which reduced the time and costs associated with development applications.
- Introducing the single State Planning Policy, expressing the government's interests in land use planning and development in a comprehensive manner.
- Cutting red tape for the real estate industry, by reducing the number of unnecessary forms homebuyers, tenants and agents had to fill in.
- Removing the requirement for mandatory installation of rainwater tanks delivering benefits to the community of \$60 million per year.
- Fast-tracking approvals of major projects. From 2012-14, the Coordinator-General issued 150 per cent more statutory approvals than under the previous Labor Government.
- Streamlining Environmental Impact Statement (EIS) processes, reducing EIS preparation time and delay costs, saving business \$14 million per year.
- Simplifying regulation of plumbing works, saving business \$18 million per year.
- Delivering clearer and stronger planning laws which were welcomed by the industry.

Our positive approach produced results. During the last LNP Government the number of monthly building approvals increased by 166 per cent¹³ and the value of construction and manufacturing increased by more than \$1 billion¹⁴.

Under the LNP, Queensland had the biggest score improvement of any state or territory, according to the Property Council of Australia's Development Assessment Report Card¹⁵.

Manufacturing:

- Delivering the \$495 million *Royalties for the Regions* program to build critical infrastructure projects in regional communities.
- Promoting Queensland manufacturers through trade and investment missions which resulted in Queensland companies signing lucrative multi-million dollar export contracts.
- Launching Defence Industries Queensland (DIQ) to be a focal point of the development of the defence sector in Queensland. Since its launch in 2013, DIQ has supported Queensland-based companies and facilitated opportunities for investment in land, sea and air defence, border protection and national/international security.
- Directing funding to research projects aimed at providing commercial opportunities for Queensland manufacturers, including a partnership with CQUniversity to develop and commercialise better rail draft gear units to give Queensland companies an edge over their international rivals.
- Identifying manufacturing technology as a priority training area and providing fee-free training for Year 12 graduates looking to get qualifications in that field.



¹³ ABS Series 8731.0 – Building Approvals, Australia

¹⁴ ABS Series 6291.0.55.003 – Labour Force, Australia, Detailed, Quarterly

¹⁵ Property Council of Australia – Development Assessment Report Card 2015

Labor Fails

Instead of supporting construction and manufacturing, the Palaszczuk Labor Government has hurt the sector by creating uncertainty and introducing new taxes.

Annastacia Palaszczuk went to the last election promising no new or increased fees, taxes and charges – but in the previous two state budgets she has introduced two new taxes on the property industry. Labor’s new property investment tax had previously been ruled out by Treasurer Curtis Pitt because he wanted to send a message “that Queensland is open for business”¹⁶. **Instead, Labor has put the closed for business sign up, with the Palaszczuk Government now viewed as the worst government in Australia**¹⁷.

Labor has used electricity as a secret tax on Queensland families and businesses. Dividends to the Palaszczuk Government from power generators have almost doubled and this is being paid for by consumers.

Since Labor’s election we have seen:

- Government investment in infrastructure projects slashed, including by \$2 billion during Labor’s first year in office¹⁸
- Business investment drop by more than \$20 billion¹⁹

- Investment in major projects falling, with an uncertain investment outlook²⁰
- Infrastructure spending as a share of the economy falling to its lowest level on record
- The value of monthly building approvals decline²¹
- The value of the construction and manufacturing sector decline²², and
- Queensland become the strike capital of Australia²³.

Projects that have been killed off, stalled or delayed on Labor’s watch include:

- Integrated resort at the Spit on the Gold Coast
- Cruise ship terminal at Wavebreak Island on the Gold Coast
- Logan Housing Renewal initiative
- The Aquis resort in Cairns
- Cedar Woods housing development in Brisbane, and
- West Village development in Brisbane.

Over 99% of the Market-Led Proposals submitted to the Palaszczuk Government have been stalled or rejected. Under Labor Queensland is closed for business.

PROJECT NAME:	CAPITAL INVESTMENT:	CONSTRUCTION JOBS:	OPERATIONAL JOBS:
Aquis Resort - Stage 1	\$5.05 billion	3,750	11,000
Aquis Resort - Stage 2	\$3.1 billion	3,500	9,000
Gold Coast Integrated Resort	\$3.18 billion	1,800	6,500
Great Keppel Island Resort	\$1.15 billion	410 annual jobs during construction	730
Gold Coast Marine Development	\$176 million	More than 100	Hundreds during operation
Etheridge Integrated Agricultural Project	\$1.977 billion	1,780	1,034

Palaszczuk job pledge now rings a bit hollow

Source: Courier Mail 02/09/17

Queensland property industry ‘despairs of Palaszczuk government’

Source: The Australian 12/01/17

Government’s actions are not matching its pro-investment rhetoric

Source: Property Council of Australia 01/08/17

¹⁶ Curtis Pitt Media Release – No new State taxes for foreign property investors: Queensland Treasurer

¹⁷ ANZ Property Council Survey – March Quarter 2017

¹⁸ 2015-16 Report of State Finances

¹⁹ ABS Series 5206.0 – Australian National Accounts: National Income, Expenditure and Product

²⁰ 2017 Major Projects Pipeline Report – Queensland and Engineering Construction Outlook

²¹ ABS Series 8731. – Building Approvals, Australia

²² ABS Series 5220.0 – Australian National Accounts: State Accounts

²³ ABS Series 6321.0.55.001 – Industrial Disputes, Australia

LNP Plan

The LNP has a plan to strengthen the construction and manufacturing sector. We will build more infrastructure, drive higher investment and deliver more jobs.

Our comprehensive economic plan includes a range of policies to stimulate construction and manufacturing to support and grow Queensland jobs.

Our construction and manufacturing initiatives include:

Boosting Infrastructure

- **Supporting mature-aged job seekers, the forgotten men and women of Queensland, who are looking to upskill, re-train and change careers or simply find a job.**
- **Reversing Labor's savage cuts to infrastructure**, so we can build the roads, bridges and dams Queensland needs.
- **Publishing our infrastructure plan and a pipeline outlining our priorities.**
- **Implementing a *Buy Local Price Match* policy for construction projects under \$100 million**, supporting businesses based in Queensland which employ Queenslanders by providing them with an opportunity to match non-local competitors.
- **Streamlining the assessment of major projects by setting performance standards for decision processes** through the Office of the Coordinator-General and other departments – so more projects get off the ground.
- **Setting up a Ministerial Council on Infrastructure Bidding Costs within the first 100 days of government**, to reduce bidding costs so we can invest more in infrastructure and create more jobs.
- **Overhauling the Market-Led Proposals framework to make it the most aggressive in Australia.** Our overhaul will provide the public and proponents with more transparency and confidence that we are serious about delivering these innovative proposals.
- **Investing \$500 million in the *Royalties for Regions* program to build critical economic infrastructure in regional communities across the state.**
- **Providing more than \$100 million to support 20,000 young Queenslanders into work as part of Our Plan to *Get Queensland Working*.** *Get Queensland Working* will assist businesses to take on more apprentices and to lower their operating costs if they keep apprentices employed and in work.
- **Delivering our target to cut red tape and regulation by 20 per cent, over 6 years.**



Better Planning

- **Ensuring the South-East Queensland Regional Plan isn't just a glossy brochure but is a plan for the future supported by infrastructure** to promote housing affordability.
- **Helping local governments transition to the new planning scheme so that local communities have the best opportunity to capitalise on growth and job opportunities.**
- **Ensuring that regional plans are renewed so that all of Queensland prospers**, not just the South-East corner.
- **Refocusing the State Assessment Referral Agency (SARA) to ensure that it is still the one-stop shop for government project planning.**
- Engaging with local governments to facilitate the delivery of 'missing middle' housing product as infill development in established and emerging locations.
- **Commencing PlanningQ an annual state government, local government and industry best practice forum to discuss key contemporary planning issues**, including affordability, land use and supply, updating local planning schemes and infrastructure investment.
- **Partnering with the Property Council, UDIA and LGAQ to maximise the economic and social opportunities created by the rollout of the NDIS with a specialist taskforce to examine how the delivery of housing under the 'Specialist Disability Accommodation' component of the NDIS can be fast-tracked.**

Acting to Boost Manufacturing

The Queensland Productivity Commission has identified three key actions to improve the competitiveness of the manufacturing sector:

- Address cost pressures
- Increase productivity
- Improve government programs²⁴

The LNP will support these areas by:

Acting on electricity prices: Electricity prices are at record highs under Labor. The LNP has already announced policies aimed at putting downward pressure on power prices, including:

- supporting a high efficiency low emissions baseload power station in North Queensland that will lower electricity prices, boost energy security and support new industries, meaning more jobs for Queenslanders.
- freezing electricity executive bonuses until affordability and reliability targets are met.
- scrapping Labor's 50% renewable energy target that will see families, business and industry pay more.
- putting consumer representatives on the boards of the network businesses, Energy Queensland and Powerlink.

Facilitating access to a quality workforce: Since Labor's election, training commencements have decreased by 2,600 and completions have fallen by more than 10,000²⁵. The LNP will boost the number of school-based apprentices by 5,000 through our \$27.1 million *School 2 Work* program. This comprehensive plan will result in more students earning a qualification and facilitate better access to a trained workforce for businesses in key sectors.

Making it easier to do business: The LNP will commission a stocktake of regulations that affect key subsectors of the manufacturing industry. The stocktake will include priority areas for reform that will contribute to improved productivity, including:



- Reducing unnecessary regulatory burden and pursuing regulatory objectives in more efficient (less costly) ways, and
- Better coordinating action across all of government to reduce overlaps.

This stocktake will be a key plank of the LNP's 20 per cent red tape reduction target.

Consolidating and improving the design of innovation programs: Many manufacturing firms have indicated they avoid government programs because the costs of navigating and complying with the program are higher than the benefits²⁶. While there are 25 innovation and entrepreneurial programs, firms are either not aware of the programs or find it difficult to find one tailored to their needs. The LNP will simplify and consolidate government assistance programs to focus on fewer, well-designed programs and to better promote awareness of these programs within the industry.

Investing more: We will also invest more in advanced manufacturing technology, with a \$3 million grants program as part of our plan to boost services, science and technology.

Stronger Advanced Manufacturing

While Queensland, like other advanced economies, has limited ability to compete successfully against low-wage, poorly regulated countries, we need to capitalise on our advantages:

- Highly-skilled and adaptive workforce
- Reputation for safe, high-quality manufacturing
- High standards of recognised quality assurance
- Recognised high environmental and sustainability standards
- Strong established links to universities and R&D centres of excellence, and
- World-class storage and transport logistics with direct road/rail networks to ports for sea and international air-links.

Through Trade and Investment Queensland we will continue to promote Queensland's leading businesses and their competitive advantages across the globe.

More Jobs within High Tech Defence Industries

Create jobs and support high tech manufacturing jobs within defence industries in Queensland through a targeted and dedicated plan to put industry first and give a leg up to Queensland based 'prime' contractors (Primes) and small and medium-sized enterprises (SMEs).

- Allocating \$35 million over four years to:
 - **\$5 million to develop, implement and execute - in partnership with industry** - a dedicated Queensland defence assets export plan to

drive job creation and exports from Queensland in conjunction with Trade and Investment Queensland.

- **\$8 million to facilitate supply chain depth and development through strategic alliances and partnerships together with networking and trade opportunities.**
- **\$10 million to develop a strategic cyber warfare and cyber security capability amongst key Defence Industry Primes, SMEs and Queensland Universities.**
- **\$7 million to support Queensland SME product development and supply chain capability, readiness and integration.**
- **\$5 million to create and support the work of the Queensland Defence Industry Advisory Council.**
- Ensuring that product development and collaborative research is matched to industry need and not theoretical concepts, resulting in our research dollars going further while shortening the commercialisation lifecycle.
- Ensuring that Queensland Primes and SMEs continue to have a capability, innovation and readiness edge over other competitors in Australia and abroad.
- Specialising in cyber warfare and cyber security and protection capabilities for defence and civilian purposes.
- Building and nurture relationships with all key stakeholders including, the Commonwealth Government, defence contractors, defence industry associations, the Defence Department, Army, Navy, Airforce and Intelligence organisations.
- Appointing a Council of senior Defence and Defence industry personnel to the Queensland Defence Industries Advisory Council to support and boost the work and networks of Defence Industries Queensland.
- Working collaboratively with all companies involved in Defence industries to partner and develop opportunities to participate with the Centre for Defence Industry Capability (CDIC) Defence Innovation Hub (DIH - \$640m over ten years) and the Next Gen Tech Fund (NGTF - \$730m over ten years).
- Reducing red tape and unnecessary bureaucracy to ensure the defence industry hubs can grow and thrive as part of a modern industrial manufacturing industry in Queensland
- Developing a long term defence hub and centre of excellence for advanced manufacturing and skills training within our VET and University sectors
- Providing AIDN Queensland with three staff funded by the Queensland Government for the further development of the Australian Industry & Defence Network in Queensland and to support SME's and their ability to win contracts and create jobs.

²⁴ Queensland Productivity Commission: Draft Report – Manufacturing in Queensland

²⁵ National Centre for Vocational Education Research – Australian Vocational Education and Training Statistics

²⁶ Queensland Productivity Commission: Draft Report – Manufacturing in Queensland



To learn more about Our Plan visit
betterqueensland.org.au