

6 September 2017

Queensland Productivity Commission  
PO Box 12112  
George St QLD 4003  
Submission provided via: [www.qpc.qld.gov.au](http://www.qpc.qld.gov.au)

Dear Commissioner

**RE: Manufacturing in Queensland Inquiry**

Jobs Queensland welcomes the opportunity to make a submission in response to the Queensland Productivity Commission's *Manufacturing in Queensland* draft report.

The Queensland Government established Jobs Queensland in January 2016 as an independent statutory authority to provide advice to government on:

- the skills required for industries and regions;
- future workforce planning and development; and
- the apprenticeship and traineeship system.

By providing independent advice, Jobs Queensland provides a voice for industry, the regions and the community on future skills and workforce planning and development issues. In doing so, Jobs Queensland plays a key role to foster a skilled and productive workforce for Queensland's changing economy and support Queenslanders into the jobs of the future.

Jobs Queensland welcomes the progress made by the Commission thus far on the Manufacturing in Queensland Inquiry and the production of an informative draft report. Manufacturing is a key industry for Queensland, particularly with respect to the potential opportunities arising from technological advancement, as well as its composition of primarily micro to medium-sized businesses and overall significance as an employer. While emerging technologies will have a profound effect on all industries, manufacturing will be at the forefront of this change.

A highly skilled manufacturing workforce will be essential to support the growth of the industry and provide Queenslanders with access to high skill and high wage employment opportunities. There is a role for Government in ensuring that policy settings support the workforce to transition into different kinds of manufacturing work, including advanced forms of manufacturing, as new jobs are created. As the Commission has correctly identified, there are a range of workforce issues which stem from such technological change that must be considered by policymakers. These issues include:

- providing assistance to workers currently or soon-to-be in transition;
- targeting workers that face barriers to re-employment;
- providing early training assistance for planned closures; and
- creating practical solutions for older low-skilled displaced workers.

In addition, skilling workers specifically for highly specialised tasks can present risk, as this practice can result in elements of the workforce having too narrow a skill set that is limited in transferability. This can potentially create vulnerability for individuals in the manufacturing industry. While skills must be matched to the manufacturing jobs of the future, the skill sets should also be broad enough to promote longevity of employment within the industry for individuals and an adaptable workforce for the industry more broadly.

In attempting to address the skills needs of the future, focus should also be maintained on the skills needs of the present. Some of the basic features of current manufacturing skills may change little, such as cutting, bending, shaping and/or joining materials, and it will be important to ensure of steady pipeline of these skills into the future.

Furthermore, given the decentralised nature of Queensland with many regional and rural towns relying on employment from the manufacturing industry, investing in a strong future skills base must extend beyond consideration of apprentices, young people and new entrants to the industry. It must also involve the reskilling and skills upgrade for existing tradespeople in the manufacturing industry as the skill requirements associated with their roles adjusts in response to technological change. The Vocational Education and Training system must remain responsive to the diverse and evolving skills requirements of the manufacturing industry.

### ***Draft Recommendations***

In accordance with the remit of Jobs Queensland, specific comment is made in relation to two recommendations made in the *Manufacturing in Queensland* draft report.

#### ***Recommendation 5***

The Vocational Education and Training system in Australia is a shared responsibility of the Commonwealth and State Governments. Industry also plays a key role within the system. Any recommendation to undertake system reform must be considered in the context of these longstanding structural factors and take into consideration the roles and responsibilities of all of the key parties within the system. The primary role of Jobs Queensland is to provide advice to the Minister for Training and Skills on matters relating to skills demand, future workforce planning and apprenticeships and traineeships. This includes advice to inform VET investment planning.

Jobs Queensland agrees that there is a role for the Queensland VET system in adapting and responding to emerging training needs and thin markets. Jobs Queensland notes the specific concerns in the report raised by Queensland manufacturers in regards to the existing skills profile of the manufacturing workforce, compared with emerging industry needs. Jobs Queensland will be consulting with industry to develop an Advanced Manufacturing Skills, Training and Workforce Development Strategy that will consider the skills required by the manufacturing in the transition from broad-based to advanced manufacturing models. Jobs Queensland is also undertaking a substantive body of work on anticipating future skills needs, with a focus on specific regions and key Queensland industries such as manufacturing.

Jobs Queensland also supports Recommendation 5's focus on ensuring "the right level of training for the right people both within VET and across tertiary education". The Queensland VET System needs to ensure that its training results in job-ready graduates, who have the right skills and right level of training for manufacturing and other industry's specific needs. However consistent with comments made previously in this submission, Jobs Queensland notes the need to ensure that a balance is maintained in skills investment between high skill specialisation and broad-based transferrable skills, to promote graduates longevity of employment within industries and a more adaptable workforce for industry more broadly.

Jobs Queensland agrees in principle with the recommendation to reduce unnecessary compliance costs on businesses and students in the VET system. However, Jobs Queensland stresses that training fundamentally must be of a quality standard, particularly given the context of recent quality issues highlighted within the broader training system. Appropriate mechanisms must therefore be in place to ensure an appropriate level of quality within the system. Similarly, any reforms to funding models should be carefully considered and approached with caution given the potential for funding arrangements to drive behaviour within the training system (with both positive and negative consequences).

#### *Recommendation 10*

Jobs Queensland agrees that there is a role for government in supporting workforce transition associated with structural adjustment, both in specific industry and regional contexts and across the economy more broadly. While there a range of policy settings and interventions that may be required in response to particular circumstances, Jobs Queensland would stress that support directed at supporting employees impacted by structural adjustment, be it through (re)training and/or broader measures, should be considered a high priority.

#### ***Relevant Jobs Queensland Activity***

Jobs Queensland is currently undertaking several projects that could potentially inform the work of the Commission. Jobs Queensland would be pleased to further engage with the Commission in relation to these activities.

#### *Advanced Manufacturing Skills, Training and Workforce Development Strategy*

Jobs Queensland is consulting with industry to develop the Advanced Manufacturing Skills, Training and Workforce Development Strategy. This project is being undertaken in collaboration with Department of State Development as part of the Advanced Manufacturing 10-Year Roadmap and Action Plan. The project includes consideration of:

- the skills required to transition from a broad-based manufacturing model to advanced manufacturing
- alternative training approaches
- options to increase industry's mentoring role for businesses transitioning to advanced manufacturing
- options to improve business capability including the skills needed to engage in global supply chains
- a stronger focus on training and education in design for application in additive manufacturing and other processes
- methods for integrating design graduates into the workforce

Elements of the project include:

- Establishment of the Jobs Queensland Advanced Manufacturing Committee, comprised of industry representatives, to inform industry engagement and shape the direction of the workforce strategy.
- An Environmental Scan of the manufacturing industry in Queensland (with a focus on Advanced Manufacturing), examining workforce supply and demand within the sector, current and future skills needs and use of the apprenticeship and traineeship system.
- Engagement with the industry through a survey (recently completed) and regional forums with industry representatives (upcoming).

- Analysis of the environmental scan and industry engagement to develop the Advanced Manufacturing Skills, Training and Workforce Development Strategy.

#### *Best Practice - Structural Adjustment*

Jobs Queensland has recently commenced a workforce-related research project to identify best practice structural adjustment strategies, particularly in relation to changing skill requirements and workforce adjustment issues generally associated with structural adjustment. Included in scope for this project is:

- Research on broad range of structural adjustment programs and projects, with a particular focus identifying and defining best practice in managing issues related to the workforce and skills supply
- Identification and analysis of case studies of best practice in responding to the workforce implications of structural adjustment
- Analysis of implications for future skills/workforce-related structural adjustment interventions by governments, industry and others settings involve skills and workforce related adjustment issues and implications for future public policy in this area

The Commission has recognised the importance of effective strategies for responding to structural adjustment across the manufacturing industry. The outcomes of this project will provide an evidence base for future action and policy settings in relation to responding to the workforce implications of structural adjustment.

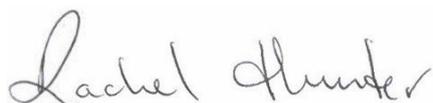
#### *Anticipating Skills Needs*

In consultation with industry and key stakeholders, Jobs Queensland is developing new ways to examine and forecast skills needs in particular regions and industries, including manufacturing. Through a combination of scenario planning and economic modelling, data will be produced at the regional and industry level to anticipate future skills needs over a three to five year period.

Jobs Queensland would like to thank the Commission for the opportunity to provide a submission and would be pleased to further engage with the Commission to inform the *Manufacturing in Queensland Inquiry*.

Should you wish to discuss the contents of this submission further, please contact Dr Caroline Smith, Executive Director, Jobs Queensland Secretariat on 07 3436 6189 or [Caroline.Smith@jobsqueensland.qld.gov.au](mailto:Caroline.Smith@jobsqueensland.qld.gov.au)

Yours Sincerely



Rachel Hunter  
Chair  
Jobs Queensland