

growing regions | strengthening industries



Local Industry Policy

A fair go for local industry

January 2008



Contents

<i>Section 1: Overview – a fair go for local industry</i>	2
<i>Section 2: Key initiatives</i>	3
<i>Section 3: Introduction</i>	4
<i>Section 4: Local industry participation</i>	5
<i>Section 5: Public sector infrastructure, projects and asset purchases funded by government</i>	6
<i>Section 5: Government Owned Corporations</i>	7
<i>Section 6: Local Industry Participation Plans</i>	7
<i>Section 7: Manufacturing Leaders Group</i>	8
<i>Section 8: A vision and framework for manufacturing</i>	9
<i>Section 8: The role for Government</i>	9
<i>Section 9: The Government’s strategic approach</i>	9
<i>Section 10: Role of the Industry Capability Network (Queensland)</i>	10
<i>Section 11: Private sector involvement in public infrastructure and service delivery</i>	10
<i>Section 12: Training and skills development</i>	11
<i>Attachment A: State Government’s priorities</i>	12

Section 1

Overview – a fair go for local industry

The Queensland Government is committed to delivering on its key priorities – priorities that meet the needs of the community while also ensuring strong, stable and fiscally responsible Government:

- improving health care and strengthening services to the community
- realising the Smart State through education, skills and innovation
- protecting our children and enhancing community safety
- managing urban growth and building Queensland's regions
- protecting the environment for a sustainable future
- growing a diverse economy and creating jobs
- delivering responsive Government.

At the heart of the Government's priorities is a commitment to a 'Queensland first' philosophy and creating jobs for Queenslanders: jobs that are sustainable and will assist in achieving a more highly-skilled workforce in key industries and deliver on the Government's economic priorities.

A major focus for creating jobs is fostering and supporting private sector investment.

The Government is also committed to providing support to a range of key industries to assist in creating a diversified manufacturing economy that is responsive to the changes in global supply chains for infrastructure and resource-based projects.

Government has an obligation to ensure that local industry is given a full, fair and reasonable opportunity to be considered for major work being undertaken in Queensland, in both the

public and private sectors. This can only be achieved through a proactive approach by all stakeholders. On the one hand project proponents are encouraged to seek out capable local industry, while on the other local industry is encouraged and assisted where necessary to become internationally competitive and to be ready to take advantage of the opportunities available from participating in global supply chains.

For the purposes of Government projects, 'local industry' is defined as Queensland and Australian small and medium-sized enterprises (SMEs) in the manufacturing or service sector and New Zealand suppliers of goods or services.

The Queensland Government is steadfast in its determination to ensure that competitive local industry is given every opportunity to participate in infrastructure and resource-based projects. Support for local industry participation in these projects will be provided in two ways:

- ensuring an ongoing commitment to this policy and expanding the arrangements to ensure local industry is given opportunities in infrastructure and resource-based projects and asset acquisitions where it is globally competitive, through a cooperative approach involving project proponents, industry and key service providers
- working with local industry to promote innovation, flexibility and best practice through the ongoing implementation of the Government's advanced manufacturing initiatives. These have been designed to ensure local industry has the capacity to meet the needs of project proponents and is globally competitive.

Government is also committed to ensuring that its training and skills development programs are responsive to the needs of local industry to underpin supply capabilities. The Queensland Skills Plan outlines a new framework for skills policy to ensure the vocational and education training sector meets the skills challenges of the 21st century, so that local industry has the highly-skilled staff it needs and skilled job opportunities are available to Queenslanders.





Section 2

Key initiatives

The central components of the Local Industry Policy are:

- commitment to local industry being given full, fair and reasonable opportunity to tender for infrastructure and resource-based project work (section 4)
- support for use of Australian Standards in project specifications (section 4)
- support for use of Australian design services where these are competitive with respect to cost, quality and timeliness (section 4)
- requirement that project proponents develop Local Industry Participation Plans for:
 - Government-funded infrastructure and resource-based projects valued at more than \$5 million (section 5)
 - Government-funded infrastructure and resource-based projects in regional and rural Queensland valued at more than \$2.5 million (section 5)
 - major infrastructure or resource-based projects where the Government has provided a significant contribution (section 5)
- encouragement for private sector infrastructure or resource-based project proponents to voluntarily apply the Policy to projects that are not formally subject to the provisions of the Policy (section 5)
- inclusion under the policy of capital asset acquisitions by departments and agencies (excluding Information and Communications Technology goods and services) valued at more than \$5 million per contract or Standing Offer Arrangement (section 5)
- all Government Owned Corporations are requested to report annually on levels of local industry involvement in projects undertaken and prepare Local Industry Participation Plans for projects valued in excess of \$5 million (section 5)
- comprehensive criteria for developing Local Industry Participation Plans (section 6)
- Manufacturing Leaders Group to oversight ongoing implementation of the Policy and report annually to the Minister for Tourism, Regional Development and Industry (section 7)
- support for the manufacturing sector to promote innovation, flexibility and best practice to ensure local industry has the capability to meet the needs of project developers (section 9)
- support for the role of the Industry Capability Network Queensland (ICN) in working with Government, project proponents and local industry (section 10)
- integration of this approach with the State Procurement Policy, the Government's approach to private sector investment in infrastructure (section 11) and training and skills development programs (section 12).

Section 3

Introduction

There is a continuing trend among project proponents to source a large proportion of design services, fabrication and manufactured products overseas. Many of these proponents are set up to take advantage of global supply chains which may not provide an opportunity for local industries to bid for key elements of project work. This trend, combined with the implementation of bilateral and multilateral trade arrangements, means the Queensland marketplace for infrastructure, resource projects and capital assets is becoming increasingly competitive and complex for local suppliers.

In the past, Governments could take for granted that facilitating major projects would guarantee a major flow-on in terms of jobs and local industry participation. This will not necessarily be the case for many projects and capital assets acquisitions in the future. Many key major projects are undertaken by global firms which frequently have their own proven and tested global supply chain arrangements. This can result in a wide range of both goods and services being imported even when competitive local capability exists.

Government has an obligation to ensure that local industry is given full, fair and reasonable opportunity to be considered for major work being undertaken in Queensland, in both the

public and private sectors. This can only be achieved through a proactive approach where, on the one hand, proponents are encouraged to seek out capable local industry, and on the other hand, local industry is assisted to become internationally competitive - to be ready to take advantage of opportunities to participate in global supply chains for local and international projects.

Providing effective support for Queensland industry in this way also underpins key aspects of the Government's economic priorities - growing a diverse economy and creating jobs, and managing urban growth and building Queensland's regions.

To help achieve regional growth, a special arrangement which introduces a lower threshold value of \$2.5 million for the publicly funded infrastructure or resource-based projects of Government departments and agencies taking place in regional and rural areas will apply.

A strong and diversified industry base in Queensland will assist in creating secure and sustainable jobs, many in areas that require high levels of skills. This will be achieved whilst meeting the Queensland Government's obligations under the Australia New Zealand Government Procurement Agreement, the Australia United States Free Trade Agreement and the Australian Industry Participation Framework.

The Local Industry Policy is consistent with and complements the State Procurement Policy.

Case Study 1: Comalco Alumina Refinery (CAR) Gladstone

Construction of stage one of the \$1.4 billion Comalco Alumina Refinery (CAR) delivered significant business for Queensland and Australian suppliers. The refinery is situated 10 kilometres north west of Gladstone and processes 1.4 million tonnes of smelter grade alumina per year. Comalco's commitment to work with local industry certainly paid off. More than \$1.0 billion worth of contracts were placed with Australian and Queensland companies reaching 87 per cent local content.

The project was subject to the Australian Industry Participation Framework and the Local Industry Policy. Supplier Access to Major Projects (SAMP) funding allowed the Industry Capability Network (ICN) Queensland to assist with development and implementation of an Australian Industry Participation Plan that addressed the requirements of both policies. The ICN's role on the project varied from provision of a full-time presence on-site with EPCM procurement staff for eight months during the mid point of construction. Access to ICN staff for specific one-off enquiries was provided throughout the life of the project.

Early engagement with the ICN resulted in Queensland and Australian companies being included on the bid list for most work packages and ensured that they were given every opportunity to participate in the project. The local manufacture of jacketed pipe units in Gladstone valued at \$16 million by Stork ICM resulted in the transfer of technology and innovation into the region as a result of the project. In addition, some 16,000 tonnes of structural steel was sourced locally.

The combination of the high level of Australian Industry Participation, commitment to employee training and sustainable environmental practices earned CAR the Local Content Award for Major Queensland Industry Projects in 2003.

(Extract from ICN National Network Report Summer 2003/04)



Section 4

Local industry participation

The Queensland Government is committed to supporting competitive local industry and to ensuring that local industry is provided with full, fair and reasonable opportunity to tender for work on infrastructure and resource-based projects and major procurements in Queensland.

Accordingly, the Government expects that project proponents, developers and operators will:

- recognise that involving local industry in projects and capital asset acquisitions provides economic benefits to all parties and is crucial to the long-term development of a strategic manufacturing and service industry capability that underpins a strong and diversified Queensland economy
- ensure that Queensland and Australian suppliers, contractors and manufacturers are given full, fair and reasonable opportunity to tender and participate in all stages of projects and acquisitions subject to this policy
- use Australian standards and codes in the formulation of specifications, tenders and the letting of contracts (except where it is unreasonable to do so)

- seek to maximise levels of goods and services, including design services, from local companies where they are competitive with respect to cost, quality and timeliness
- seek to incorporate this Policy into contracts entered into with third parties for the supply of goods and services
- encourage private sector project proponents, who are not formally subject to the provisions of the policy, to apply the principles espoused in the policy to their projects on a voluntary basis as ‘good corporate citizens’.

This approach of providing effective opportunities for local industry is designed to ensure that investment decisions in key projects are not adversely affected.

While this policy places an obligation on project developers to provide local industry with tendering opportunities, there is also a responsibility on local suppliers to take steps to ensure that they are achieving best practice and pursue international competitiveness. The Department of Tourism, Regional Development and Industry provides support to develop local industry capability to meet the requirements of project developers.

The Department will also continue to work to achieve a cooperative relationship between project developers, local industry and the Industry Capability Network (Queensland).

Section 5

Public sector infrastructure, projects and asset purchases funded by Government

While local content is frequently thought of in the context of major resource projects and infrastructure associated with the resources sector, it is also important that local industry be given full, fair and reasonable consideration in relation to other types of major infrastructure projects.

As part of this policy, the Government requires that the proponents of any infrastructure or projects funded by the public sector with a value greater than \$5 million will be required to develop Local Industry Participation Plans. In addition any projects above this value put out to tender will be required to have local content as one of the general tender evaluation criteria. This requirement will apply to publicly funded projects with a value greater than \$2.5 million in regional and rural Queensland where these projects are being tendered by Government departments and agencies.

In addition, capital asset acquisitions by all Government agencies valued at more than \$5 million per contract or Standing Offer Arrangement being put out to tender (excluding information and communications technology goods and services) will be required to have local industry participation as one of the general tender evaluation criteria.

Case Study 2: Ergon Energy pole nails

Ergon Energy applied the principles of the Local Industry Policy to their Standing Offer Arrangement for the acquisition of 'pole nails' for use throughout Queensland. Pole nails are galvanised pressed steel sections that support and reinforce power poles at their base. The requirement includes the supply of nails, bolts, connectors and backplates. In the year leading up to the tender the Industry Capability Network (ICN), North Queensland worked with Mr Steve Pollard, Managing Director, Pollards Pty Ltd Cairns to develop its ability to tender competitively and comply with the specified requirements for the product.

Pollards' success story illustrates the significance of the Local Industry Policy for capital asset acquisitions although not covered under the policy at that time. In planning for the procurement Ergon Energy determined that the significance of the their requirements in terms of value, critical requirement, technology and logistics warranted a project based approach and decided to apply the principles of the Local Industry Policy. The objective of which is to provide competitive local suppliers the opportunity to tender for project requirements in terms of compliance with specified requirements, reliability, safety, on-time delivery and value for money.

The estimated value of Standing Offer Arrangements won by the company as a result of this initiative now stands at some \$12.0 million and has supported the firm invest in new technology and manufacturing activities. The company is now accredited to manufacture a range of fabricated metal products for road, bridge and lighting applications.

(Extract from ICN Update December 2004)



Where the purchase covered by the policy involves a capital asset, the Significant Procurement Plans already used by Government agencies will be expanded to incorporate the necessary elements of Local Industry Participation Plans to ensure that full, fair and reasonable opportunity to tender is provided to local industry.

The Policy also requires that the proponents of any major private sector projects that involve a significant financial contribution by Government (as defined in the Guidelines) will prepare Local Industry Participation Plans.

In making decisions on its projects, Government agencies need to consider the Policy's requirement that local industry is given full, fair and reasonable opportunity to be considered for major work being undertaken in Queensland as one aspect of securing value for money in expending Government funds.

All agencies should also give emphasis to the Policy for projects valued at less than \$5 million that are of regional or strategic significance to Queensland. The same emphasis should apply to the projects of Government departments valued at less than \$2.5 million in regional and rural Queensland.

The Minister for Tourism, Regional Development and Industry is required to report to Cabinet annually on the ongoing implementation of the Local Industry Policy.

Agencies are required to submit a report on the outcome of their Local Industry Participation Plans to the chair of the Local Industry Committee on a six-monthly basis. The reports are required as at 30 May and 30 October, and are due within 10 working days of the close of the reporting period.

Government Owned Corporations

The objective of the corporatisation of Government Owned Corporations (GOCs) was to enable GOCs to be commercially successful in the conduct of their activities. The four key principles of corporatisation are: clarity of objectives; management autonomy and authority; strict accountability for performance; and competitive neutrality.

These principles seek to focus the GOCs on operating commercially as independent entities responsible for their own performance in the conduct of their business.

It is however still important that GOCs are able to respond to Government priorities and indicate to shareholding Ministers in their Annual Statements of Corporate Intent how opportunities for local industry involvement in the provision of goods and services will be maximised.

Under the Local Industry Policy, GOCs are required to report to portfolio Ministers annually on the level of local industry involvement in projects valued at over \$5 million undertaken by them in general, and down to a value of \$2.5 million in relation to infrastructure projects in regional and rural areas of Queensland. These reports are also to be submitted

through agencies' Local Industry Committee representatives as at 30 October each year.

For all projects and capital asset acquisitions (excluding Information and Communications Technology goods and services) with a value in excess of \$5 million, GOCs are required to ensure either that a Local Industry Participation Plan is prepared or, in the case of capital assets, that the relevant elements of the Local Industry Participation Plan are incorporated into their Significant Procurement Plans.

For any major projects undertaken by GOCs that require a significant contribution by Government over and above the normal level of assistance in the form of financial support, GOCs are required to prepare a Local Industry Participation Plan and to include local content as one of their general tender evaluation criteria.

Section 6 Local Industry Participation Plans

Local Industry Participation Plans are designed to support the involvement of local industry in purchases subject to the provisions of the Local Industry Policy. Each Plan lists competitive local suppliers that will be invited to tender and will detail the level of local industry participation expected in projects and the benefits that would flow to Queensland in industry development, technology transfer, job creation and skills development.

The Department of Tourism, Regional Development and Industry will support the Industry Capability Network (Queensland) to work with project developers and GOCs to develop Local Industry Participation Plans. The preparation of the Plans will be undertaken in concert with the development of the project and in advance of the procurement process commencing. The Government will actively monitor Local Industry Participation Plans.

Local Industry Participation Plans developed by project proponents are required to address the following issues:

Proponent Commitment

Project proponents are required to commit to:

- ensuring that local industry is provided with information in an equitable and timely manner
- appropriate design and procurement strategies to provide equitable access for local industry
- providing local industry with the opportunity to supply under the same terms, standards and conditions as existing supply chain partners
- awarding contracts on the basis of the most competitive proposal, which should include due consideration of direct and indirect cost factors such as reliability, maintainability, servicing, and procurement administration costs

- including performance measurement, reporting and feedback mechanisms.

The criteria below will be used to evaluate project proponents' Local Industry Participation Plans. Project proponents should address those criteria applicable to the specific project. Other opportunities to deliver on the objectives of the Local Industry Policy should also be incorporated in Local Industry Participation Plans. The Plans should address in quantifiable and qualitative terms the economic benefits to Queensland and Australia arising from activities proposed in the Local Industry Participation Plans and address how the proposed project will support the key criteria.

Key criteria

1. **development of long-term, internationally competitive local manufacturing and services industry sectors in Queensland and Australia**
2. **employment, training and skill development**
3. **support for regional and rural development**
4. **promotion of value-adding activities**
5. **opportunities for participation by local industry**
6. **support for other industry development activities, such as new investment, innovation and research and development**

Section 7 Manufacturing Leaders Group

The ongoing implementation of the Local Industry Policy will be monitored by the Manufacturing Leaders Group, chaired by the Minister for Tourism, Regional Development and Industry. The Manufacturing Leaders Group's membership includes representatives from key stakeholder organisations including industry, unions and Government. Manufacturing representatives are from heavy engineering, aviation, electronic, marine and other sectors.

The Director-General, Department of Tourism, Regional Development and Industry is a member of the Manufacturing Leaders Group and will be requested to report regularly on progress with the Policy's implementation.

The Government's own Local Industry Committee will also convene regularly to oversee effective whole-of-Government mechanisms to enhance the Policy's implementation, including among GOCs. The Committee will be chaired by the Department of Tourism, Regional Development and Industry and include representatives from the Department of Infrastructure and Planning, key Government agencies with significant procurement programs, GOCs and the Industry Capability Network (Queensland).

The Committee will seek to develop and implement initiatives to ensure that local industry participation issues are taken into account at the earliest opportunity during project planning.

The Committee will integrate its activities with the Government's approach on private sector investment in infrastructure and will also work with the Department of Education, Training and the Arts to link skills profiles to the Government's capital works program and to planned major private sector projects.

Project proponents will be encouraged to use the services of the Industry Capability Network (Queensland) at the earliest opportunity to prepare Local Industry Participation Plans.

Case Study 3: Queensland Health – Ayr Hospital Redevelopment

The Ayr Hospital Redevelopment Project was a community multiplier for local business in the Burdekin Shire. Local businesses welcomed the work to replace the old hospital after the downturn in the sugar industry affected local business and industry.

Because the project was greater than \$5 million threshold (now reduced to \$2.5 million for regional and rural projects) a Local Industry Participation Plan was required. The Industry Capability Network (ICN) North Queensland developed the plan detailing how the project would meet the requirements of the Local Industry Policy.

The contractor, Abigroup Constructions made a significant effort to support the principles of the Policy and worked with the ICN North Queensland to identify local capabilities. The main tender document included a list of local interested businesses allowing contractors to contact local suppliers who had registered interest in the project. Initially, 27 Burdekin subcontractors were awarded work on the project.

A workshop on public tendering was organised to advise local businesses on tendering techniques for government projects. To win work, suppliers were encouraged to form partnerships with other suppliers. This approach made it possible for small suppliers to bid for work packages that would usually be beyond their reach. An example being in the masonry area with four Burdekin suppliers working with a Townsville supplier for on-site work.

Queensland Health's Director of Project Coordination Unit (Northern) stated; "the initiatives to involve local suppliers not only created confidence amongst minor suppliers to bid for contract work of superior value, but also demonstrated the importance of getting the local community to join forces when it is needed the most. Overall there are three winners for this project; the local community that has been given state of the art medical facilities; the local industry being given the opportunity to win work, therefore creating local employment across a battling regional community."

(Extract from ICN Update April 2005)

Section 8

A vision and framework for manufacturing

The Queensland Government has a clear agenda for manufacturing industry development and is implementing a comprehensive range of advanced manufacturing initiatives through the Office of Advanced Manufacturing. These identify drivers which are central to the future growth of Queensland manufacturing and have introduced practical, sector-wide assistance in support of each driver.

These encompass:

- developing international competitiveness
- enhancing manufacturing's image and profile
- developing a leading-edge, highly-skilled workforce
- growing manufacturing investment
- increasing innovation, research and development activities and technology adoption
- supporting regional and rural manufacturers
- embracing environmentally sustainable work practices.

The role for Government

The approach to manufacturing industry development reflects the Queensland Government's Priorities for Queensland (Attachment A).

The development of a viable and sustainable advanced manufacturing industry is central to achieving the Government's economic priorities, developing the Smart State through provision of highly skilled and rewarding jobs, building the capability of the regions and indirectly contributing to the achievement of social priorities.

The Government's role is to establish the priorities for the allocation of public resources based on return on investment and meeting the broad economic, social and environmental objectives. This will translate into strategies to:

- provide the policy and infrastructure for long term and sustainable manufacturing industry development
- advance the priority sectors in partnership with industry
- support regional and rural growth through the 'Centres of Enterprise' initiative
- enhance the competitiveness of individual firms and supply chains.

To meet the challenges of the new economy and global markets, the ongoing implementation of initiatives launched under the Government's advanced manufacturing agenda is the vehicle for the continued development of the manufacturing sector.

Section 9

The Government's strategic approach

Strategic priorities will be achieved by continuing the integrated industry support process based on the Manufacturing Strategy (2003) and Advanced Manufacturing Plan (2004), augmented by the Government's Advanced Manufacturing: Building Excellence and Sustainability initiative (2006), including:

- establishment of the Office of Advanced Manufacturing to better facilitate development of this growing industry sector
- sectoral prioritisation based on sound analytical assessment of opportunities for Queensland in the emerging business environment for manufacturing
- Centres of Enterprise to build the economic strength of Queensland's regions
- a comprehensive and structured approach to industry development that addresses the underlying issues of productive efficiency, international competitiveness and sustainability over the long term
- targeted support for individual firms, supply chains, networks and acquisition of capital assets
- leveraging infrastructure and procurement policy frameworks to maximise industry productivity, profitability and competitiveness
- assisting the private sector to identify key market opportunities both within Australia and overseas.

The approach is founded on a close and constructive partnership between the Government, the private sector, industry groups, unions, research institutions and academia, embodied in forums such as the Manufacturing Leaders Group, to deliver key initiatives that promote sustained economic and job growth in manufacturing and related services sectors.

Section 10

Role of the Industry Capability Network (Queensland)

The Industry Capability Network (Queensland) [ICN], is part of an Australia-wide network of offices that provide industry capability information on Australian manufacturing and service companies. The ICN has merged with QMI Solutions Limited (QMI) and is now a discreet business unit, retaining the ICN identity. The Queensland Government funds the majority of its operations.

The implementation of the Local Industry Policy relies heavily on the ICN to support major project proponents, to find globally competitive suppliers of locally-made substitutes for goods manufactured overseas. The Department of Tourism, Regional Development and Industry has a coordination role in ensuring the provision of early advice to the ICN on projects and proponents' contact details.

The ICN's role is to:

- provide advice to senior Government staff and their agents on the capabilities and competitiveness of Queensland and Australian industry for the supply of goods, equipment and services
- actively assist Queensland Government officers with the identification of relevant projects and promote early intervention to achieve the objectives of the policy
- provide direct and dedicated services to major project proponents on the capacity of Queensland and Australian industry to provide inputs to major projects
- represent the principles and benefits of the Local Industry Policy to all departments, agencies, GOCs, private sector project proponents and their contractors and subcontractors
- provide assistance to major project proponents on the development of Local Industry Participation Plans for all projects subject to the provisions of the policy
- provide services of specialist staff to major project teams to pre-qualify Queensland and Australian industry capabilities against specific project requirements
- identify to major project proponents and Queensland and Australian industry the potential for the uptake of new technology
- identify, where appropriate, the needs for Queensland industry to undertake innovation and/or research and development of technology required in major projects, and provide the appropriate referrals
- evaluate the outcomes of Local Industry Participation Plans and report to the Department of Tourism, Regional Development and Industry on the benefits to Queensland from the Local Industry Policy.

Section 11

Private sector involvement in public infrastructure and service delivery – Public Private Partnerships

The Queensland Government accepts that in creating effective and efficient infrastructure in Queensland there is a role to be played by all sectors of the economy for the optimal delivery of infrastructure and services. The Government is committed to securing the best value for money in its acquisition of infrastructure and services through the responsible use of both public and private sector resources.

The Queensland Government fully recognises its responsibility and accountability for the delivery of services to the community. The Government recognises that through undertaking a rigorous examination of the social, economic and financial aspects of potential projects it will be in a position to secure the optimal delivery of infrastructure projects and related services through the use of innovative contractual relationships with the private sector.

Future potential projects are likely to be drawn from the infrastructure projects listed in:

- the South East Queensland Infrastructure Plan 2006-2026
- Projects Queensland
- agency and Departmental forward programs
- infrastructure proposals put forward by the private sector.

The South East Queensland Infrastructure Plan to be implemented progressively to 2026 details \$66 billion of projects across the broad range of infrastructure required in the south-east region of the State. Some projects may have the potential to be provided in whole or part by the private sector, in line with the Government's prioritisation of individual project delivery.

Private sector involvement in the provision of a public infrastructure need or service should be encouraged in projects where it can be shown that the State will achieve a better value for money outcome, including the generation of new employment opportunities throughout Queensland. In undertaking projects in a contractual relationship with the private sector the Government will have regard for the development of industry, investment, recruitment, and skill development and transfer.

The Government's policy for private sector involvement in public infrastructure and service delivery is accommodated and integrated within the Local Industry Policy. The Department of Tourism, Regional Development and Industry will ensure that the Local Industry Policy forms a key plank in its consideration of private sector participation in key Government projects and infrastructure.

Section 12

Training and skills development

A critical component of local content is the integration of training and skill development into infrastructure proposals. A core objective under the Government's advanced manufacturing initiatives is the development of a leading-edge, highly-skilled workforce.

Queensland needs highly educated professionals, associate professionals, and tradespeople of the highest standard and managers who are equipped to lead enterprises to success.

The Government's Queensland Skills Plan outlines a new framework for skills policy to ensure the vocational and education training sector meets the skills challenges of the 21st century. Through the Queensland Skills Plan the Government is developing a new training system that is more responsive to the changing needs of Queensland's labour market.

The Government will work with industry, employers and unions to ensure training provided by Queensland's vocational education and training system is better targeted to economic demands and the creation of a highly-skilled workforce. It will introduce a range of strategies for working with industry, including partnership arrangements with project proponents, to ensure Queensland has a highly-skilled trades workforce. It will lead to the development of a new approach to providing vocational education and training

to support individuals in achieving their maximum working potential, better linking qualifications and actual jobs.

The Department of Education, Training and the Arts has responsibility for implementation of the Queensland Skills Plan which delivers on the Queensland Government's commitment to create one of the most flexible, modern and innovative vocational education and training systems in Australia. This will be achieved by working in partnership with industry, training providers, unions and the community. Innovative and local approaches to skill development, together with local employment, can provide flexibility, value for money and a quality outcome for project proponents.

For Government-funded projects in Queensland, the Government Building and Construction Contracts Structured Training and Employment Policies (the '10% Training Policy' and 'Indigenous Employment Policy') are supported by the Local Industry Policy.

Further support for skill development in a broader range of projects will be encouraged through the inclusion of training and skills development as criteria for Local Industry Participation Plans. The Queensland Government's Local Industry Committee will integrate its activities with the Government's approach on private sector investment in infrastructure and will also work with the Department of Education, Training and the Arts to link skills profiles to the Government's capital works program and to planned major private sector projects.



Attachment A

The State Government's priorities

The Queensland Government priorities are the key directional statement of Government. They represent those areas where the Government is seeking significant improvements as a result of an enhanced focus.

Growing a diverse economy and creating jobs

- expand market access, export and trade opportunities
- create additional job opportunities and break the unemployment cycle
- maintain a competitive tax environment for business development and job growth
- ensure a fairer industrial relations system and improve workforce management by putting people, safe jobs and workplaces first
- diversify and strengthen the economy through value adding, productivity growth and the development of future growth industries.

Realising the Smart State through education, skills and innovation

- implement education and training reforms and upgrade education and training facilities
- improve workforce skills for current and future needs by focusing on lifelong learning
- encourage world-class research that builds on Queensland's unique resources
- encourage and reward ideas, innovation, entrepreneurship and hard work across all sectors of the Queensland community, industry and Government.

Managing urban growth and building Queensland's regions

- support Queensland's regions through statewide infrastructure development and regional job creation
- ensure that accelerated growth in South East Queensland is managed in an integrated and coordinated manner
- link Queensland through efficient and integrated transport options
- build on the strengths of Queensland's diverse regions.

Improving health care and strengthening services to the community

- improve the standard and accessibility of hospital and health services
- support an increased quality of life through disease prevention and active participation
- develop and implement strategies to support Queensland families
- improve the lives of people with a disability, their families and carers
- work with Aboriginal and Torres Strait Islander communities to improve economic and social wellbeing
- improve Queenslanders' access to affordable housing.

Protecting our children and enhancing community safety

- reform the child protection system for the wellbeing of Queensland children
- implement strategies which contribute to safe communities
- address crime and the social and economic causes of crime
- minimise the risk and impact of accidents, emergencies and disasters.

Protecting the environment for a sustainable future

- protect Queensland's unique environmental and heritage assets
- promote sustainable development through responsible use of the State's natural resources
- encourage the development of environmentally sustainable industries and jobs protect Queensland's diverse plants and animals.

Delivering responsive Government

- engage communities in Government decisions and processes
- ensure service provision is financially sustainable and that Total State Worth is at least maintained
- strengthen Government policy development and implementation to focus on future policy challenges
- support a responsive public sector, focused on improving Government service delivery.

With a statewide network of Department of Tourism,
Regional Development and Industry centres, use the
contacts below to find one near you.

1300 363 711 (Interstate callers • 07 3001 6359)
www.dtrdi.qld.gov.au



Queensland Government