

Manufacturing in Queensland

ASI “Competitive Manufacturing in Australia” seminar
Newnham Hotel, 516 Newnham Road
Upper Mount Gravatt
Wednesday, 23 October 2019



Queensland
Government

The Importance of Manufacturing

- The Queensland government is committed to growing and diversifying the economy to strengthen its international competitiveness and generate the high-value, high-skilled jobs of the future.
- Manufacturing is the most innovative sector of the economy generating better than average productivity growth, good jobs and exports and is vital to the economic success of the economy.
- Manufacturing plays a crucial role in the economy. In addition to its contribution to innovation and productivity, no other sector does more to generate broad-scale economic growth - and, ultimately, higher living standards - than manufacturing.

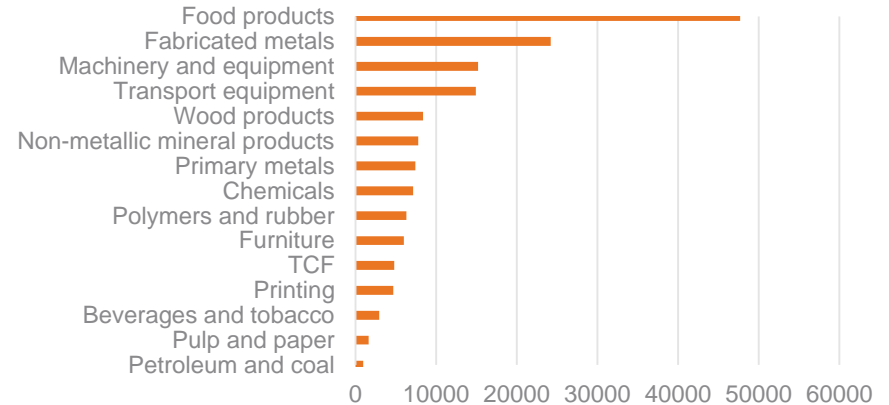
Queensland Manufacturing

- Queensland's manufacturing industry has been more resilient compared with other states and the nation overall, with more stable growth rates for employment and economic contribution over the last five years.
- Queensland's manufacturing industry
 - 16,393 businesses (figure as at FY2016-17)
 - contributes \$20.3B to Queensland economy (2017–18)
 - In the four quarters to September quarter 2019, Queensland's manufacturing industry was the sixth- largest employing industry with around 165,000 employees – 26.6 percent women.
 - \$361m in BERD (18.5 per cent of state's BERD)
 - Export value of around \$17.2B in 2018-19.
 - Queensland's contribution to the national manufacturing industry in gross value-added terms increased by 2.6 per cent while New South Wales' share recorded a lower increase of 1.8 per cent and Victoria's share remained unchanged.
 - In terms of labour productivity, Queensland has also performed well compared to other states. From June 2014-15 to June 2018-19, labour productivity in Queensland's manufacturing industry rose 3.9 per cent which was well above New South Wales rise of 1.1 per cent and Victoria's fall of 1.8 per cent.
- Data calculated from the Ai Group's Performance of Manufacturing Index (Australian PMI®), show that Queensland has recorded 43 consecutive months of positive scores above 50 since March 2016.

Diversity

- Around 30 per cent of Queensland's total GVA is generated outside SEQ
- 45 per cent of total manufacturing employment occurs outside the Greater Brisbane area (Dec 2015)

Queensland Manufacturing Industry
Employment by Sector



Queensland Government Support

Our Vision

By 2026, Queensland manufacturers will be international market leaders in the delivery of advanced manufacturing technologies, systems, products and services that are innovative, sustainable, and embedded in local and global supply chains.

<http://www.dsdmip.qld.gov.au/industry-development/advanced-manufacturing.html>

INVESTED IN QUEENSLAND



2019 Queensland Budget – Business Support

- Increased funding of \$105 million from 2018–19 to continue funding programs under the Advance Queensland initiative including:
 - \$45 million for the Advance Queensland Industry Attraction Fund
 - \$25 million for the Research Infrastructure Co-Investment Funds
 - \$19 million for the Queensland Hydrogen Industry Development Strategy
 - \$5 million for Biofutures 2.0
 - \$4 million in additional grant funding for the Advancing Small Business Queensland Strategy 2016–2020
 - \$6 million in additional funding for the Made in Queensland grants program
- Increased funding of up to \$14 million over two years for the Back to Work program in SEQ in areas facing significant labour market challenges
- \$14.8 million in 2019–20 has been allocated to the regional Business Energy Savers Program.
- \$885 million over four years in a series of targeted payroll tax initiatives including:
 - the payroll tax exemptions threshold will rise from \$1.1 million to \$1.3 million.
 - from 1 July 2019 a 1% payroll tax discount will apply for eligible employers with 85% of their employees outside of South East Queensland.
 - for two years from 1 July 2019, Queensland employers that have increased their number of full-time employees will be eligible for a payroll tax rebate of the payroll tax paid for these additional employees, capped at \$20,000 annually.
 - the 50% payroll tax rebate for apprentices and trainees, especially for employers in regional Queensland, will be extended until 30 June 2021.

Lots of Grants

- Queensland Grants Finder www.grants.services.qld.gov.au
- Made in Queensland Program www.dsdmip.qld.gov.au/miq - Round 3 currently closed for assessment. 75 advanced manufacturing projects throughout the state - with 40 per cent of these located in regional Queensland. These projects will generate over 930 new jobs and more than \$92 million in private sector investment.
- Jobs and Regional Growth Fund <https://statedevelopment.qld.gov.au/industry-development/about-the-jobs-and-regional-growth-fund.html> - to facilitate private sector projects that create long term employment and economic growth opportunities in regional areas of Queensland and areas with higher than average unemployment. One-off financial assistance is available to medium to large business in Queensland ranging from \$100,000 to over \$10 million in either direct grants or relief of state charges (for example, payroll tax and stamp duty), determined on a case-by-case basis against assessment criteria.
- Advanced Queensland <https://advance.qld.gov.au> - funding of \$650M is supporting programs that drive innovation, build on Queensland's natural advantages and helps raise our profile as an attractive investment destination.
- Business Growth Fund Program <https://www.business.qld.gov.au/starting-business/advice-support/grants/growth-fund> - The fund will enable successful applicants to purchase and implement specialised equipment or services to help them seize growth opportunities
- Business.gov.au Grants Finder <https://www.business.gov.au/Assistance>
- R&D Tax Incentive <https://www.business.gov.au/assistance/research-and-development-tax-incentive> - tax offset for some of a company's cost of doing eligible research and development (R&D) activities by reducing a company's income tax liability.
- Entrepreneurs' Program business.gov.au/ep/ - support is available for businesses including advice from people with relevant private sector experience, co-funded grants to commercialise new products, processes and services, funding for growth opportunities, and connection and collaboration opportunities through four elements: Accelerating Commercialisation, Business Management, Incubator Support and Connections.



What to expect

- Our duty of care to ensure that taxpayers' money is spent effectively and fairly – we are not a bank more like a purchase than a loan
- You need to show us how your project aligns with the aims of the program (eg employment outcomes)
- All grants are 50/50 – skin in the game
- A lot are competitive – you have to put your best foot forward
- We will undertake due diligence
- Everything is covered by commercial-in-confidence
- There will be a contract

What you need to do

- Check the program is accepting submissions
- Read the guidelines!!
- Provide documentation that clearly supports your claims.
- Quantify with real, verifiable numbers as much as possible
- Qualify with statements that can be directly supported by references and other material to validate.
- Provide accurate corporate identification data - your application is a legal document.
- No clarifications will be requested by the department if your corporate information is incorrect. Instead it will be marked as ineligible. Due diligence.
- Be clear and consistent throughout your submission.
- Cross reference the data and information between each document to ensure it all matches up and makes sense.
- If you decide to engage a consultant, make sure they use your input and expertise to address all criteria

Other Assistance

- Manufacturing Hubs established in Cairns, Townsville and Rockhampton to support local manufacturers grow and to generate highly-skilled jobs. The three hubs are fully staffed and operational.
- Inside Advanced Manufacturing Week - 20 of Queensland's advanced manufacturers hosted tours to showcase advanced manufacturing in action and share insights, inspire best practice and encourage collaboration with other manufacturers. Over 300 manufacturers and stakeholders attended these events.
- In 2018-19, more than 2,600 people attended 140 manufacturing industry development sessions on topics such as design in manufacturing, Industry 4.0 masterclasses, digital capability, supply chain capability, women in manufacturing, regional manufacturing network events and Industry 4.0.
- Between 1 July and 11 October 2019, 39 manufacturing industry development workshops and events have been held with over 1,600 attendees.
- Industry development workshops and events continue to be delivered across Queensland, supporting manufacturers to better position themselves to take advantage of emerging opportunities.

Thank you

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