
Queensland Budget 2015-16

Jobs Now, Jobs for the Future

Queensland Government employment plan

2015-16 Queensland Budget Papers

- 1. Budget Speech**
- 2. Budget Strategy and Outlook**
- 3. Capital Statement**
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Jobs Now, Jobs for the Future - Queensland Government employment plan

Budget Highlights

The suite of Budget Papers is similar to that published in 2014-15.

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State Budget 2015-16

Jobs Now,
Jobs for the Future

Queensland Government employment plan

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1 Overview

The Queensland labour market has performed strongly for most of the last 20 years, underpinned by a sustained period of above trend economic growth. Over 865,000 new jobs have been created since 1994-95, providing the opportunity for more Queenslanders to enjoy a higher quality of life.

However, in recent years, Queensland's labour market has been characterised by weak employment growth, a falling participation rate and a rising unemployment rate. Under the former government, the number of Queenslanders in full-time employment fell by 6,300 and over 29,000 additional Queenslanders became unemployed.

While there are tentative signs of improvement, conditions remain challenging, particularly for a number of cohorts within our community including youth, older workers, Aboriginal and Torres Strait Islanders and the long-term unemployed. It is incumbent on the Government to take action to improve this situation.

Labour market outcomes in Queensland are determined by the interaction of a range of policy and non-policy factors. These factors include economic conditions, climatic conditions, population growth, participation and technological change, as well as policy settings at various levels of Government in areas such as labour market regulation, the tax and transfer payment system, education and training, and employment programs.

Reflecting the role policy can play in influencing labour market decisions, the Government has identified job creation as its core policy objective to lead Queensland to a prosperous and inclusive future. To achieve this, the Government is implementing its *Working Queensland* jobs plan.

Working Queensland is a \$1.6 billion package that will help boost the confidence of business to create jobs, increase the productivity of our labour force through skills development, foster emerging and innovative industries and support investment in productive infrastructure.

Working Queensland recognises that improving employment outcomes will require a combination of approaches – broader economic policies to create an environment conducive to business confidence and economic growth, as well as specific programs targeting key groups within the labour market.

To ensure the State's economy grows for the benefit of all, *Working Queensland* focuses on:

- enhancing productivity and efficiency of business
- improving skills and training
- fostering emerging and innovative industries
- growing our regions
- boosting the delivery of government and social services.

Key initiatives such as Skilling Queenslanders for Work, Building our Regions and the Government's broader infrastructure investment will provide immediate employment opportunities for Queenslanders.

In coming years, *Working Queensland* will also help create the high paid jobs of tomorrow by revitalising science and innovation and fostering emerging and innovative industries through Advance Queensland and the Business Development Fund.

The job creation measures outlined in the 2015-16 State Budget will be complemented by additional policies and programs in the future as the Government continues to consult widely with industry, communities and other stakeholders on ways to increase employment opportunities for Queenslanders.

Through *Working Queensland*, the Government will help grow the State's economy and create real and sustainable jobs for Queenslanders.

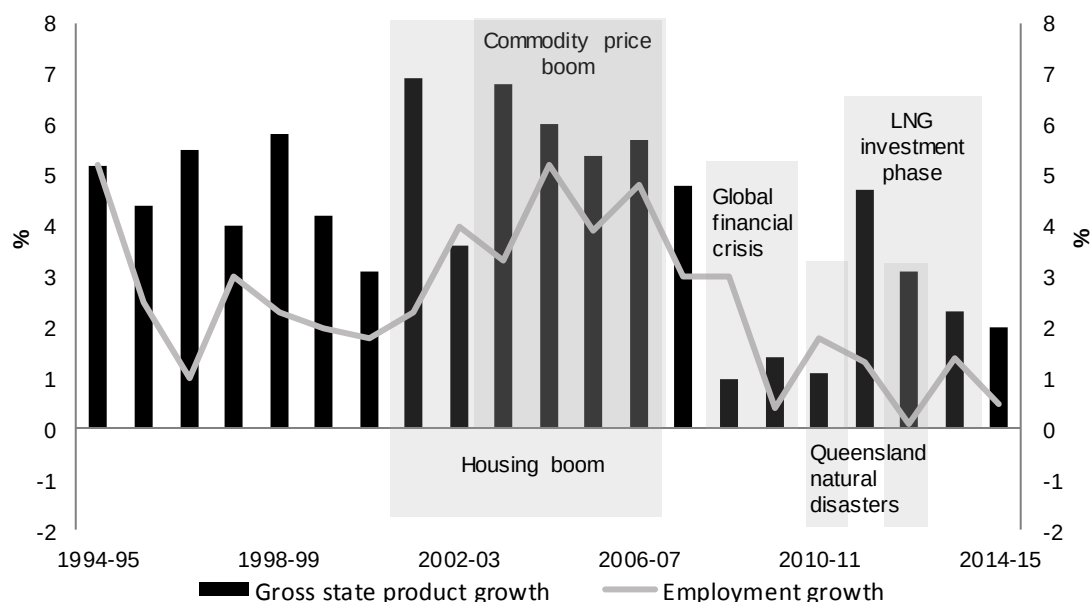
2 The Queensland labour market

The creation of over 865,000 new jobs in Queensland in the last 20 years has been one of the State's most important economic and social success stories. However, in recent times, conditions in the Queensland labour market have been soft. This has been the result of a number of factors, including tougher global economic conditions and a subdued domestic economy. As a consequence, the unemployment rate currently sits near decade highs. The subdued outlook for the Queensland labour market highlights the need for a strong Government focus on improving employment outcomes.

2.1 Recent performance

The Queensland labour market is currently experiencing a period of relative weakness, in contrast to its performance for most of the last 20 years (Chart 2.1). This has occurred during a period of softer economic growth as Queensland transitions from the historic surge in resources investment towards broader based drivers of growth. Weaker growth in Queensland's major trading partners and falls in world commodity prices (including coal and oil) have also impacted business and household incomes, with flow-on effects to economic activity and employment opportunities.

Chart 2.1 Gross state product¹ and employment growth², Queensland



Notes:

1. CVM reference year 2012-13, percentage change on previous year. 2014-15 is an estimate.
2. Annual percentage change.

Sources: ABS 5220.0, 6202.0 and Queensland Treasury.

To help better understand the recent performance of the Queensland labour market, it is useful to examine developments from three different perspectives – employment, participation and unemployment.

2.1.1 Employment

The total number of people employed¹ in Queensland has increased from around 1.5 million in the mid-1990s to more than 2.3 million today.

Through the mid-2000s, Queensland experienced a sustained period of historically strong employment growth, driven by robust activity across most sectors of the economy, including the housing and mining boom periods highlighted in Chart 2.1.

This sustained period of growth resulted in the unemployment rate falling to its lowest level in a generation, resulting in skills shortages, rising prices and higher interest rates.

Since the global financial crisis in the late 2000s, employment growth slowed significantly.

Prior to the global financial crisis, employment growth averaged over 3% per annum and peaked at over 5% in 2004-05, consistently stronger than the rest of Australia. However, since 2008-09, employment growth has been below its long-run average, at just 0.7% on average across the period 2012-13 to 2014-15, with growth of 0.1% in 2012-13 the lowest since the early 1990s.

Modest employment growth over the past year has been driven primarily by the accommodation and food services, professional, scientific and technical services industries and health care and social assistance.

This outcome is consistent with the longer-run trend of job creation in Queensland being led by health, professional services and tourism related industries, as the State's economy continues its ongoing structural shift and diversification into services (Chart 2.2). The share of jobs in health care and social assistance has increased from 8.7% to 12.5% since 1994-95, while professional, scientific and technical services has increased from 5.4% to 7.8%.

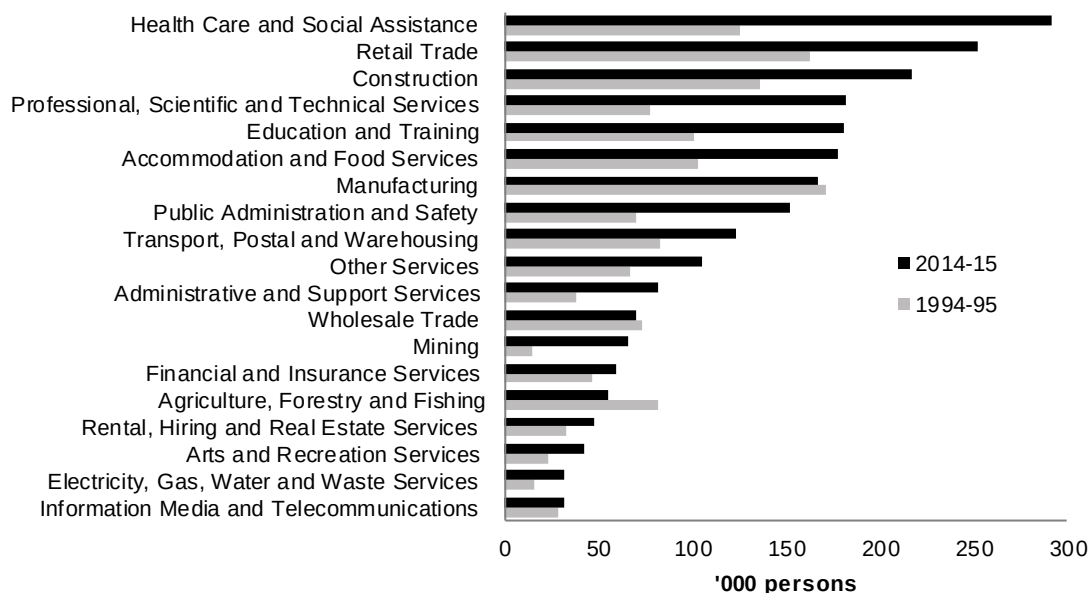
Gains over the past year have been partially offset by falls in retail trade, construction and manufacturing employment. Mining employment has also fallen sharply over the past year as conditions in the sector have deteriorated. While mining employment has grown as a proportion of the State's labour market over the past 20 years, its capital-intensive nature means it remains outside the top 10 employing industries in Queensland. Many of the jobs created during the construction phase of the resources boom have been classified by the Australian Bureau of Statistics (ABS) as construction industry and professional services industry employment.

Previous strong rates of employment growth were a key factor in attracting many new residents to Queensland. Strong rates of interstate and overseas migration underpinned population growth of around 2% each year over the past two decades, well above the national average. However, in recent years, net interstate migration has fallen significantly and currently sits at historical lows.

¹ Employment is defined as persons aged 15 years and over who are in paid work of one or more hours a week.

This outcome is the result of a number of factors, including a reduction in employment opportunities in Queensland relative to other States, particularly Victoria and New South Wales in recent times. However, it also reflects the maturing of the Queensland economy, with the cost of living differential between Queensland and other major states having reduced over time.

Chart 2.2 Employment by industry¹, Queensland



Note:

1. Average number of persons employed in the financial year.

Source: ABS 6291.0.55.003.

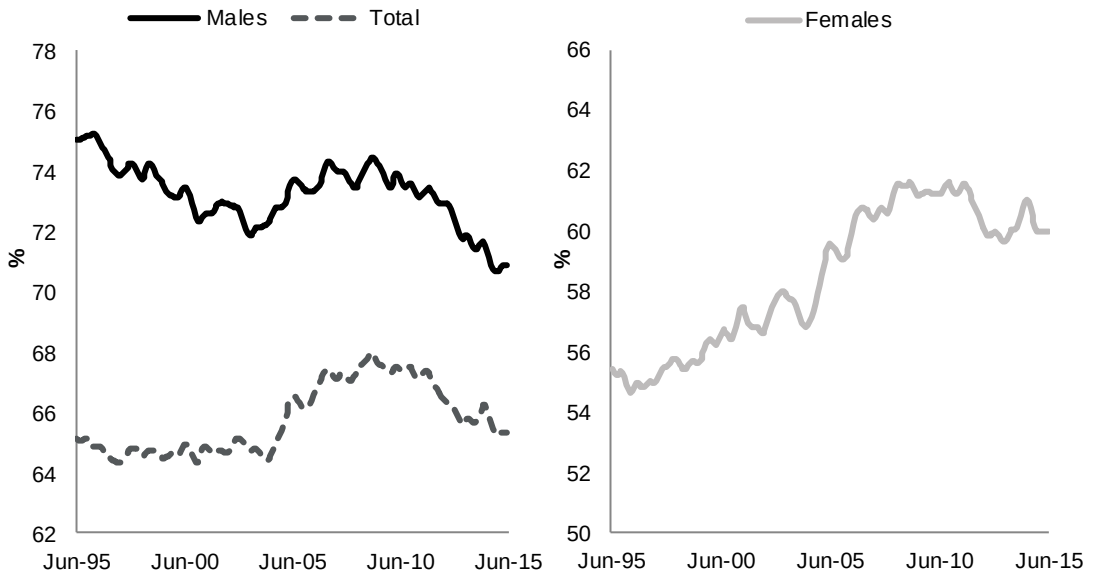
2.1.2 Participation

Queensland's trend participation rate² has fallen sharply, down nearly one percentage point to 65.4% over the past year. Weaker labour market conditions have discouraged job seekers from actively looking for work (and therefore being classified as participating in the labour market). As a result, aggregate participation currently sits at levels last seen prior to the start of the commodity price boom (Chart 2.3). This underscores the importance of the Government's *Working Queensland* plan to create the policy settings that will encourage increased workforce participation.

² The participation rate is defined as the ratio of the labour force to the population aged 15 years and over, where the labour force is defined as all persons who are employed or unemployed.

Recent falls in the participation rate contrasts with the gains made in previous decades as increased job opportunities encouraged more people to enter and remain in the workforce. The rise in the State's participation rate over this period was driven by increasing female participation in the labour force, boosted by skills and educational attainment and industry structural change.

Chart 2.3 Participation rates¹, Queensland



Note:

1. Monthly, trend.

Source: ABS 6202.0.

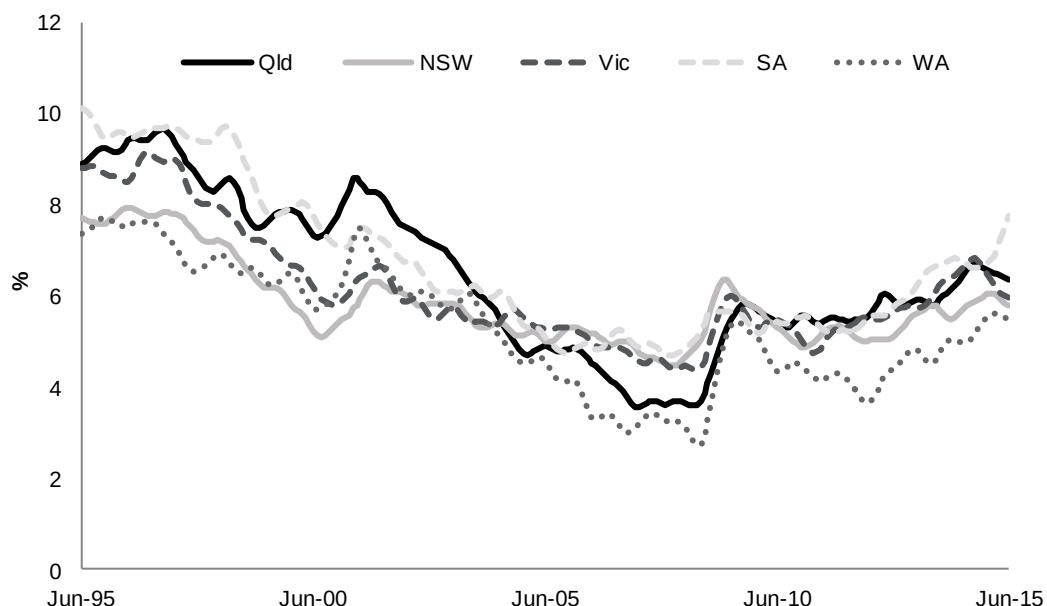
Increasing female participation in the labour force has more than offset the long-run decline in male participation. Female participation rose significantly during the 1990s and 2000s, encouraged by increased workforce flexibility and greater job opportunities. While female participation has eased slightly over recent years in line with the broader downturn in labour market conditions, it remains well above rates recorded prior to the start of the commodity price boom.

While cyclical factors are currently weighing on Queensland's participation rate, the ageing of the State's population is also exerting downward pressure on participation, with lower rates of participation traditionally recorded amongst older age groups. Over the next 40 years, the number of persons over the age of 65 for each person of working age in Queensland will almost double. As a result, encouraging greater participation by all Queenslanders, especially older Queenslanders, will be important for boosting the supply of labour and therefore the potential output of the Queensland economy. Further details of the importance of labour market participation for potential economic growth are discussed in Chapter 3.

2.1.3 Unemployment

The State's trend unemployment rate³ currently sits at 6.3%, above the national rate of 6.0%. Queensland currently has the second highest rate of unemployment of the mainland states (Chart 2.4), highlighting the need for the Government to take action to help deliver jobs now and jobs for the future.

Chart 2.4 State unemployment rates¹



Note:

1. Monthly, trend.

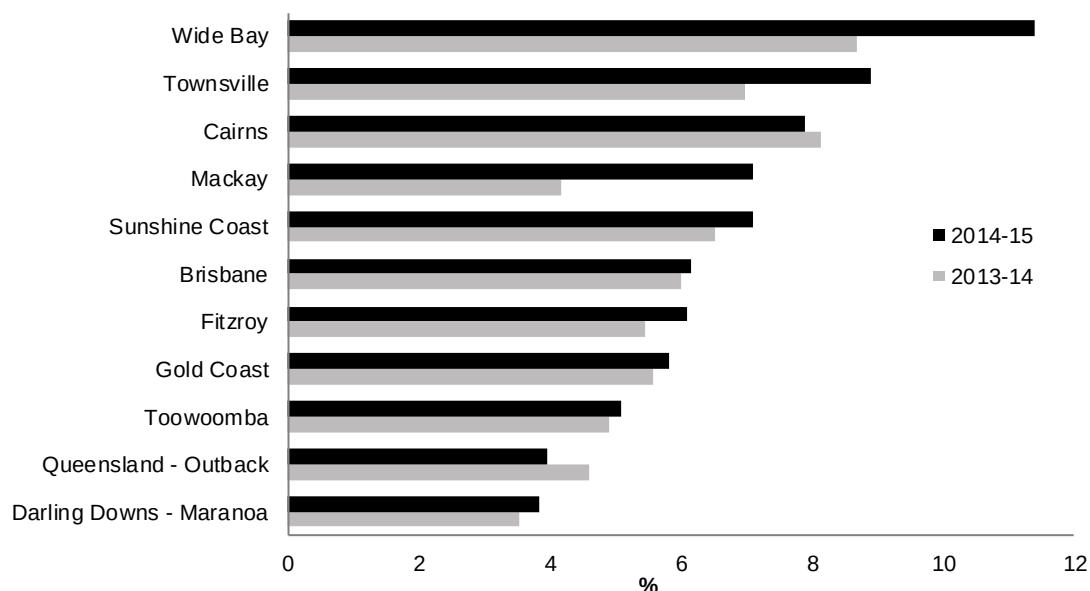
Source: ABS 6202.0.

The rise in the unemployment rate reflects employment growth not keeping pace with labour force growth in Queensland over recent years. In addition to rises in the headline rate of unemployment, ABS measures of labour underutilisation⁴ have also trended higher in recent years.

Weaker employment outcomes have been experienced across Queensland, with average unemployment rates rising in all regions except Cairns and the Outback over the past year. Regions heavily exposed to slowing activity in the resources sector, including Mackay, Townsville and Fitzroy, have been amongst the hardest hit (Chart 2.5).

³ The unemployment rate is defined as the number of unemployed persons as a proportion of the labour force.

⁴ Labour underutilisation is defined as the sum of the number of persons unemployed and the number of persons in underemployment, where underemployment refers to employed persons aged 15 years and over who want, and are available for, more hours of work than they currently have.

Chart 2.5 Regional unemployment rates^{1,2}, Queensland

Notes:

1. Monthly, original. Average unemployment rate in the financial year.
2. 2014-15 is average unemployment rate for 12 months to May 2015.

Sources: ABS 6291.0.55.003 and Queensland Treasury.

Recent weakness contrasts with the improvement in employment opportunities experienced across the State over the last 20 years. While up from recent lows, regional unemployment rates are on average lower and the variation across the State is also lower than what has been experienced through much of the past two decades. An important factor, playing at least some role, in lowering unemployment rates has been an increased willingness of people to travel or move to areas where there are greater employment opportunities. This has particularly been the case during the resources boom where many jobs have been in regional or remote areas.

The recent decline in job opportunities has impacted on a range of labour market groups. For example, youth⁵ currently account for almost 40% of the total number of unemployed persons in Queensland, despite only representing around 20% of the State's working age population. Youth unemployment rates have historically risen more quickly and recovered more slowly than aggregate unemployment after periods of slower economic growth, reflecting the lower degree of attachment youth have to the labour market and their less-developed skill sets.

⁵ Youth are defined as those aged between 15 and 24.

2.2 Outlook

Looking forward, the outlook for the Queensland labour market remains modest as the State continues its transition from resources-led construction to production and services and broader-based drivers of growth. This emphasises the need for the Queensland Government to have a strong focus on improving employment outcomes.

Weak household income growth as a result of the fall in the terms of trade is constraining employment growth in labour intensive service industries such as retail trade. Meanwhile, drought conditions impacting Queensland's agricultural industry are expected to be sustained by the current El Niño weather pattern.

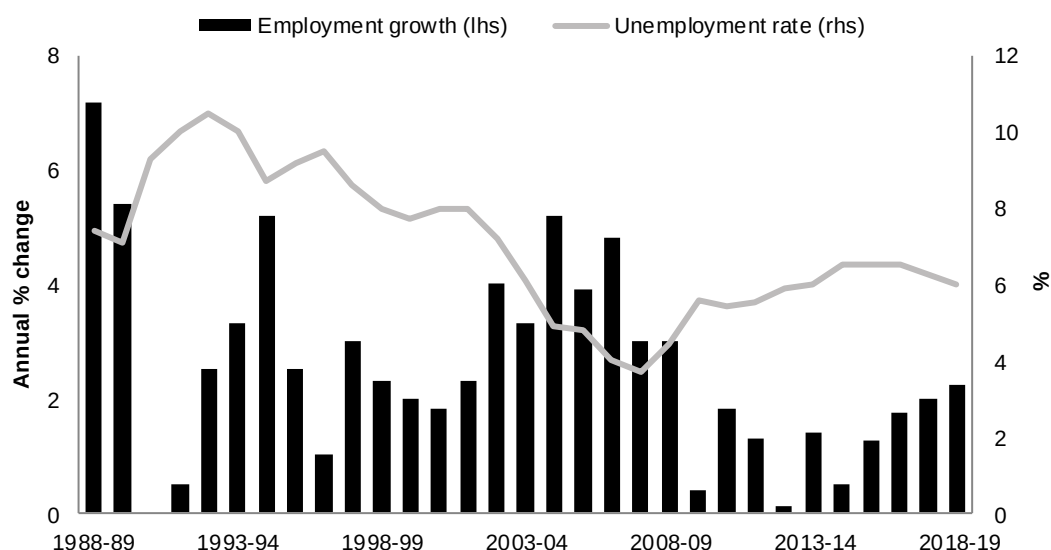
Employment supported by the construction of major resources projects is expected to continue to decline in 2015-16 as these projects are completed. In an environment of low commodity prices, mining operators have begun reducing their workforce and continue to target efficiency gains to maintain profitability. This is also having an impact on employment in industries servicing the resources sector, such as professional services and equipment hiring.

The forecast acceleration in Queensland's economic growth in 2015-16 is expected to be driven largely by liquefied natural gas (LNG) exports, which is unlikely to provide a significant boost to employment. LNG production and exports are less labour intensive than both LNG construction and the economy more generally. As a result, employment and labour income growth will be more subdued than in other periods of similar economic growth.

Employment growth is expected to improve, partly reflecting the forecast acceleration in dwelling investment as work on the significant pipeline of medium to high density projects is undertaken. Continued population growth and improved competitiveness for trade exposed sectors outside of mining, such as tourism and education, should also support jobs growth.

Further ahead, employment outcomes are forecast to continue to improve as non-resources investment gradually recovers and domestic demand strengthens. Labour market outcomes are also expected to be supported by the roll out of the Government's \$1.6 billion *Working Queensland* jobs package, discussed further in Chapter 5.

Queensland's unemployment rate is forecast to gradually fall over the forward estimates as domestic activity strengthens (see Chart 2.6). Queensland's participation rate is expected to be marginally lower over the period ahead, having already fallen significantly from its peak. The ageing of the population is expected to continue to place downward pressure on the participation rate as more people enter age cohorts which tend to rely less on employment related income.

Chart 2.6 Labour market¹, Queensland

Note:

1. Year average. 2014-15 are actual outcomes, 2015-16 to 2017-18 are forecasts and 2018-19 are projections.

Sources: ABS 6202.0 and Queensland Treasury.

These developments are expected to occur alongside continuous structural change in the Queensland labour market, as the economy continues to diversify and workplace flexibility increases. The diversification of the economy will be assisted by the Government's \$180 million Advance Queensland plan for working smarter and working together to grow the jobs of the future, particularly in the knowledge economy.

Structural change is creating new employment opportunities across the State. In particular, the ageing of the Queensland population, combined with recent policy shifts at the State and Federal level, should lead to increased employment in key sectors delivering social services, including disability services and aged care. For example, it is estimated that the number of disability care workers in Queensland will double by the end of the decade, following the introduction of the National Disability Insurance Scheme from 1 July 2016.

New technology and work practices are also increasing the flexibility and mobility of the Queensland workforce. Greater flexibility will provide new employment opportunities for Queenslanders, including for many who have not previously been attached to the workforce.

It is important for the Queensland Government to support the further diversification of the State's industries, including opportunities to expand our knowledge-intensive and technology-intensive industries, such as bio-manufacturing and eHealth. Such fields have the potential to be significant creators of the jobs of the future, as well as becoming leading contributors to the State's economic growth.

Further details of the current conditions and outlook for the Queensland economy and labour market are available in Budget Paper 2, Chapter 2.

3 **Employment, economic growth and living standards**

Economic and employment growth are both key drivers of higher living standards and an improved quality of life. Increased output in the economy and improved employment outcomes lead to higher incomes, on average, for Queenslanders. The income individuals receive determines the quantity and quality of goods and services they are able to demand or consume, commonly referred to as their standard of living.

By their nature, economic growth and labour market outcomes are inter-dependent. Higher economic growth tends to result in greater demand for labour and, therefore, more jobs. Meanwhile, improved and more productive participation in employment contributes to greater production and output, resulting in economic growth.

Economic growth can be analysed by disaggregating overall growth into the contributions from the three key elements (working age population, employment participation and labour productivity) that determine the quantity and quality of labour utilised in an economy.

The way in which each of these three elements contributes to economic and employment growth, often referred to as the 3Ps framework, is outlined below.

Working age population

The potential workforce available to contribute to economic activity at any time is determined by the working age population (15 years and over).

Overall population growth is a function of three factors: the natural population increase (births less deaths); net interstate migration; and net overseas migration. However, the extent to which changes in the total population are reflected in the working age population depends on the specific characteristics of the population (for example, the extent to which the population is ageing and the proportion of interstate and overseas migrants in various age cohorts).

Employment participation

Potential output in an economy and total income received are dependent on the extent to which the working age population participates in employment (reflecting both the number of people in employment and the hours they work on average).

Labour productivity

Economic output is also determined by the productivity of the labour supply in an economy (that is, the average output produced per hour worked).

The more productive workers become, the more output is able to be produced and, therefore, the more people's incomes and quality of life are likely to improve.

Increases in labour productivity over time can occur as a result of a range of factors including: a more highly and appropriately-skilled workforce; capital deepening (increases in the capital to

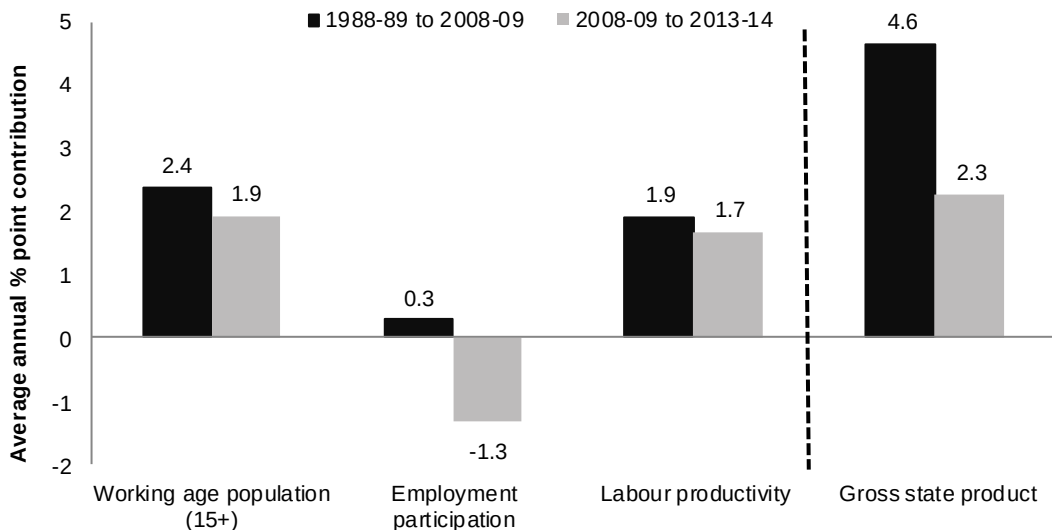
labour ratio, including investment in strategic economic infrastructure); efficiency improvements (making better use of existing labour and capital, including reducing the burden of red tape); and technological change and innovation.

Contribution of the 3Ps to Queensland's economic growth

The extent to which each of these factors contributes to economic growth (and, therefore, incomes and living standards) can vary in different years and over different time periods, depending on underlying economic and labour market conditions, changes in the structure of the economy and other external influences.

This is highlighted by analysis of the relative contribution to Queensland's economic growth over the last 25 years from each of these key elements, as shown below (Chart 3.1).

Chart 3.1 Drivers of real economic growth, Queensland (1988-89 to 2013-14)



Sources: ABS 3101.0, 6202.0, 5220.0 and Queensland Treasury.

As highlighted above increases in the working age population, employment participation and labour productivity all contributed to Queensland's economic growth over the 20 years to 2008-09. However, in the five years to 2013-14 since the global financial crisis, the reduction in employment participation detracted from economic growth, while growth in the working age population and labour productivity slowed and, therefore, contributed to growth to a lesser extent.

Understanding the role policy can play in influencing these drivers of economic growth and labour market outcomes more broadly is discussed in Chapter 4.

4 Policy and labour market outcomes

Employment outcomes are determined by a wide range of policy and non-policy factors that influence interactions between various labour market participants, including employers, employees and their agents (unions, employer groups and industry bodies).

Each of these factors influence, to varying degrees, the demand for labour (that is, the amount and type of labour required by employers) and/or the supply of labour (that is, the amount and quality of labour available from workers) in the economy.

It is the intersection of labour demand and supply that ultimately determines the total number of persons employed and the extent to which they are employed, as well as other important outcomes such as wages and income levels.

The combination of these labour market outcomes contributes significantly to the standard of living and quality of life of individuals, families and their communities.

At any point in time, labour market conditions in Queensland are influenced by a variety of broad underlying external factors, such as the national and international economic environment, technological developments and prevailing climatic conditions. These factors impact on the demand for goods and services in the Queensland economy and, therefore, the need for employees with the appropriate skills and attributes to produce those goods and services.

4.1 Policy levers and the role of government

Different levels of government have roles in helping shape employment outcomes, both at an aggregate level and for individuals, through the various economic, fiscal and social policy levers that directly or indirectly influence labour demand and supply.

Some of the more significant areas where government policies can influence labour market outcomes and the ways in which policy decisions can impact on labour demand or supply are discussed below.

Key demand side policy levers, aimed at creating an environment conducive to increased business confidence and investment, fostering emerging and innovative industries and increasing the productivity and competitiveness of business and industry, include:

- Monetary policy – lower interest rates reduce the cost of borrowing and increase the level of capital investment, thereby increasing the capacity of business to employ labour. Lower borrowing costs also boost the disposable income of households, encouraging higher levels of consumption, which stimulates economic activity and the demand for labour.
- Sustainable government finances – sustainable government finances enhance business and consumer confidence because taxation and expenditure policy settings are relatively predictable and provide government with the capacity to respond to emerging priorities.
- Taxation system – more efficient and competitive taxes can act as an incentive for business to increase employment.

- Expenditure on capital works and economic infrastructure – capital expenditure supports jobs in the short term, while improving the productivity of labour and the efficiency of businesses in the longer term, boosting economic activity and increasing employment demand.
- Removing unnecessary regulation and providing business support – reducing costs for business and non-government organisations enables them to grow and create more employment opportunities.
- Regional development – supporting economic growth through both infrastructure delivery and support for new industry development in regional areas creates more local employment opportunities.

Key supply side policy levers, aimed at improving the participation and productivity of the workforce, include:

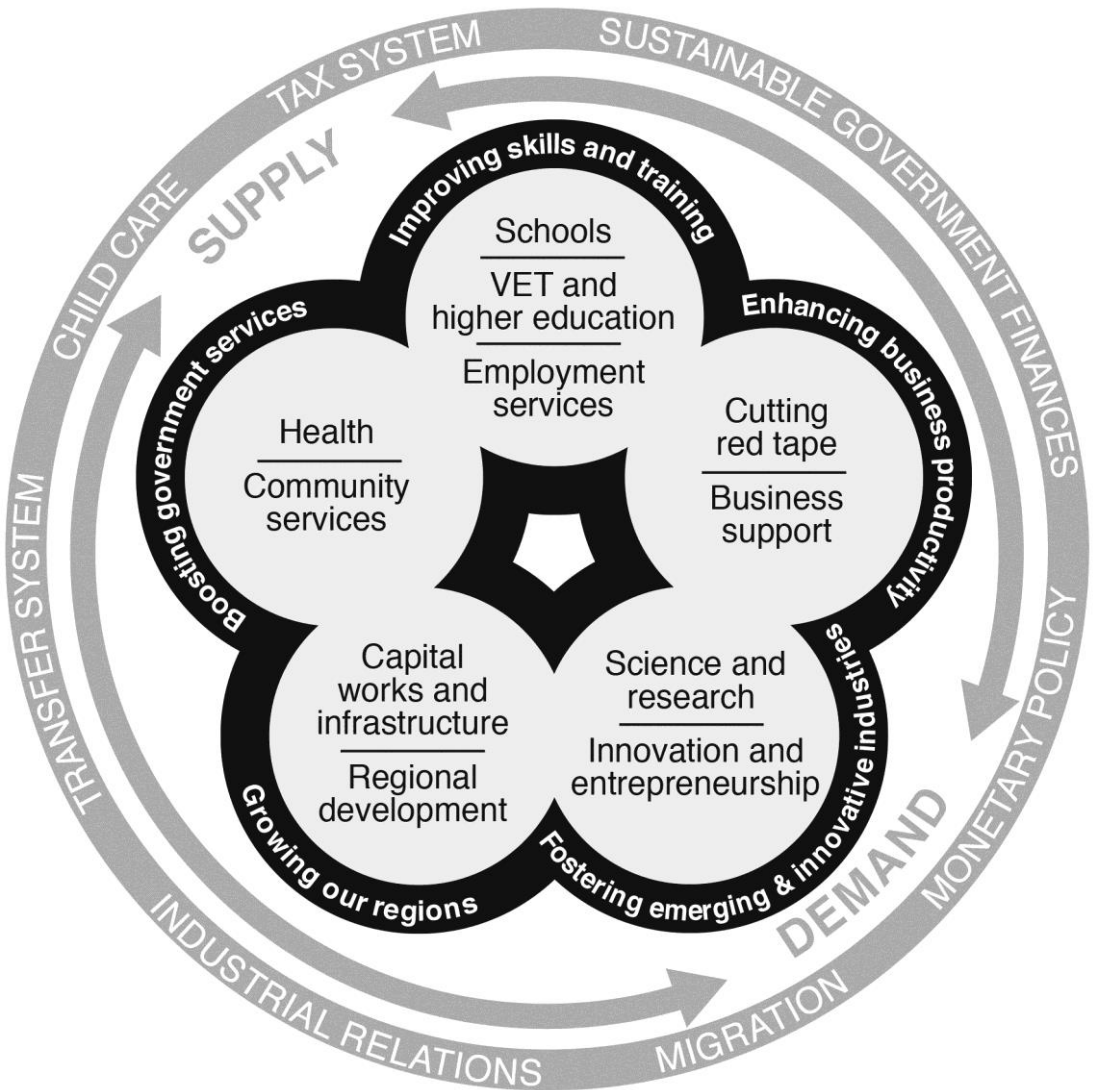
- Childcare – enabling parents to return to the workforce, should they choose, as well as supporting early engagement in education.
- Schools, vocational education and training (VET) and higher education – increasing the skills and capacity of individuals, and enabling greater workforce flexibility to meet labour demand.
- Employment services – assisting the unemployed and under-employed to enter or re-enter the workforce.
- Transfer system – providing a social safety net that provides financial support for those seeking assistance to encourage greater workforce participation.

The complexity of the labour market means that some important policy levers have both demand and supply side impacts, for example:

- Industrial relations – appropriate industrial relations settings can provide incentives for businesses to employ workers and encourage greater workforce participation by individuals.
- Science and research, innovation and entrepreneurship – fostering the development of knowledge and skills in these areas builds human capital and supports industry growth, particularly in new and emerging sectors.
- Migration – attracting new entrants to the labour market to address skills and labour shortages that cannot be met from the existing workforce. Migration is also an important source of population growth, which boosts the demand for goods and services.
- Health and community services – effective public and social services provide employment opportunities and allow individuals to participate more effectively in the labour market.
- Strong and sustainable public service – a public service capable of efficiently delivering services to the community is critical and is also a key employer in a wide range of occupations including teachers, doctors and nurses, particularly in regional Queensland.

The diagram on the following page provides a stylised representation of the labour market and the potential impacts of various key policy levers discussed above (Diagram 4.1).

Diagram 4.1 Illustrative model of the Queensland labour market



4.2 The Queensland Government's employment policy framework

Queensland's economic and labour market performance is heavily influenced by national policy settings in a range of key areas, including monetary policy, taxation and transfer payments, industrial relations, migration and child care.

However, within this context and prevailing external economic conditions, the State Government has an important role to play in shaping and improving employment outcomes at the state level, through the development and implementation of its employment policy.

Given the complex nature of labour markets, the Queensland Government's employment policy framework is multi-faceted – including policies and programs aimed at:

- generating more employment opportunities for Queenslanders
- increasing the capacity of Queenslanders to participate in the labour market and the supply of appropriately skilled workers
- helping facilitate more efficient and effective matching of skilled workers with the employment opportunities provided by employers.

To achieve effective and sustainable improvements in employment outcomes for both current job seekers and future generations of Queenslanders, the Government's employment policy also balances measures focussed on the short, medium and longer terms.

By its nature, the Government's employment policy framework comprises a broad range of approaches, directed at various elements of the labour market on both the demand and supply sides including:

- broad economic policies aimed at creating an environment conducive to business investment and economic growth
- policies and programs to foster the growth of new businesses and industries, as well as supporting the continued growth of existing industries
- specific employment programs aimed at improving the participation and employment outcomes for targeted key groups within the labour market
- providing direct assistance to individuals in securing employment.

The extent to which various policy options are likely to be effective is also dependent on the prevailing economic conditions at any time. Therefore, another key element of the Government's employment policy framework is ensuring resources are efficiently and effectively allocated where they will achieve the greatest economic and employment benefits for Queenslanders.

4.3 Key employment policy channels

In general, the Queensland Government can influence employment outcomes through a number of broad policy channels.

To foster increased employment demand, particularly in the private and non-government sector, one of the Government's key policy focuses is **enhancing the productivity and efficiency of business**.

To create the conditions and provide the incentives for business and industry to develop, invest, grow and innovate, the Government will be reducing costs for business, cutting red tape and unnecessary regulation, ensuring state taxes are competitive and reducing barriers to investment.

Another key role for the Government is encouraging and facilitating investment in the key economic and social infrastructure needed to meet Queensland's increasing service needs, improve the productivity and efficiency of business, and support economic growth.

Given Queensland's vast size, the regionalised nature of the State's population and workforce, and its diversified industry structure, the Government's employment policy also has a specific focus on **growing the State's regions** and creating employment in rural and regional areas.

In particular, enhancing the productivity and efficiency of the State's key export-oriented industries, such as agriculture, tourism and mining, will help make them more competitive in international markets. Improved competitiveness will increase the sustainability and profitability of these industries and therefore enable them to employ more people.

The combination of these measures will not only help existing Queensland businesses and organisations to grow and prosper but will also make Queensland a more attractive location for interstate and overseas businesses looking to expand or relocate.

In the medium to longer term, the Government's employment policy will also **support the growth of emerging and innovative industries**, which will create and support many of the jobs of the future, including for Queensland's youth.

Fostering the innovation and entrepreneurial thinking needed to help drive the development of new ideas, products and services is crucial to achieving sustainable economic and employment growth in Queensland in the medium to longer term.

In terms of labour supply, the Government has a vital role in **improving labour force skills and training**. This includes the provision of quality education and training for both current job seekers and future generations of Queenslanders.

The Government's employment policy includes a focus on identifying areas where skill shortages may develop and designing the delivery of school, VET and other targeted skills and training programs accordingly.

The Government will also be assisting disadvantaged cohorts in the labour market through tailored programs and policies to maximise the opportunities for these individuals to gain productive, meaningful and sustainable employment.

The provision of effective and forward-focussed education, training and skills development is also critical to ensure the Queensland workforce is flexible and able to adapt to structural changes in the economy.

Finally, the Government has a vital role in ensuring Queenslanders have the capacity to engage productively in employment through the **efficient and effective delivery of government and social services**.

In particular, the Government has direct responsibility for the delivery of important health and community services, as well as working closely with the private and not-for-profit sectors to ensure an appropriately skilled workforce is available to deliver social services more broadly throughout Queensland.

An ongoing policy focus in this area will maximise employment opportunities in the social services sector, as well as ensuring individuals, families and communities throughout Queensland have access to the services they need to allow them to live healthy, productive lives.

5 Working Queensland

Working Queensland is the Queensland Government's employment policy response to the State's current labour market performance and outlook, taking into account the wide range of policy and non-policy factors currently influencing the Queensland labour market.

Working Queensland is a \$1.6 billion package that will help boost the confidence of business to create jobs, increase the productivity of our labour force through skills development, foster emerging and innovative industries and support investment in productive infrastructure.

In addition to supporting jobs in areas of the State where they are most needed now, *Working Queensland* will also put in place the building blocks for future employment growth.

As the Queensland economy transitions from resources-led construction to production and services, it has never been more important that the State continues to shift towards a knowledge-based economy that supports highly skilled workers in well-paid jobs.

Working Queensland represents a significant investment in the human capital of the Queensland workforce. It will help deliver the jobs of tomorrow by revitalising science and innovation and fostering emerging and innovative industries. This will support the State's economic growth for years to come.

Another key component of *Working Queensland* is the Government's infrastructure investment, which will support economic growth and prosperity across Queensland by increasing productive capacity, generating jobs, and expanding business and labour market opportunities.

While many of the *Working Queensland* programs and initiatives will help address broader issues contributing to unemployment in Queensland, some are also targeted at assisting groups of people within the economy who face significant challenges in achieving and maintaining employment, particularly our youth.

The diagram on the following page highlights the major *Working Queensland* initiatives and demonstrates how they align with the key policy channels through which the Government can influence labour market outcomes (Diagram 5.1).

Diagram 5.1 Major *Working Queensland* initiatives



5.1 Enhancing productivity and efficiency of business

Working Queensland will create jobs for Queenslanders by enhancing the productivity and efficiency of business. It will deliver the right economic settings for business to have confidence in investing in the future and growing their businesses. This will boost the demand for labour.

To achieve this, the Government is committed to removing regulatory requirements that are not needed to achieve the desired social, environmental and/or economic outcomes. Excessive

regulation detracts from Queensland's economic competitiveness and productivity and discourages the new investment needed to transform the State's economy.

To create an environment conducive to strong, profitable and globally competitive business, the Government is establishing the **Red Tape Reduction Advisory Council** to recommend areas in which regulation could be reduced for small business.

The Government is also providing \$7.8 million over the next four years to deliver its election commitment to establish the independent **Queensland Productivity Commission**, which will formulate policy proposals and recommendations to encourage economic growth, productivity and improved living standards across Queensland.

Other measures the Government is implementing aimed at enhancing the productivity and efficiency of business include:

- **Payroll tax rebate for apprentices and trainees** – in keeping with its election commitment, the Government is providing a payroll tax rebate of 25% on the wages of apprentices and trainees in addition to their wages being exempt from payroll tax up to 30 June 2018. The rebate will be used as an offset against payroll tax payable on the wages of other employees, and will enable Queensland to continue developing a highly skilled workforce into the future. The Government is providing this incentive at an estimated cost of \$45 million over the next three years.
- **Building Queensland** – as per its election commitment, the Government is providing \$20.2 million to establish Building Queensland as a statutory authority to provide independent, expert advice on infrastructure priorities. Advice will be based on rigorous cost-benefit analysis and community benefits.
- **Business and Industry Portal** – the Government is providing additional funding of \$4.7 million in 2015-16 to continue enhancing and transforming how the Queensland Government delivers online services and to make it easier for business and industry customers to interact with government.
- **Queensland Small Business Advisory Council** – the Council will provide direct input to the Government on issues facing the small business sector.

5.2 Improving skills and training

Working Queensland is not just about creating jobs, but providing people with the appropriate knowledge and skills needed to take advantage of new opportunities. As industries evolve and new industries emerge, there will be a need for employees who can meet new skill set requirements. There will also be a need for people to retrain or upskill to remain employable as industries change.

Reflecting this, the Government is investing significantly in improving skills and training. In particular, the Government is delivering its election commitment to provide \$240 million over four years to reinstate the highly successful **Skilling Queenslanders for Work** initiative. Skilling Queenslanders for Work will support up to 32,000 Queenslanders into work through a suite of targeted skills and training programs. It will provide Queensland job seekers with tailored

support, inclusive services, literacy and numeracy skills, job preparation skills, work placement training opportunities and subsidised work placements (Box 5.1).

Other measures the Government is implementing aimed at improving skills and training include:

- **Rescuing TAFE** – additional funding of \$34 million over three years, and further ongoing funding of \$0.5 million per annum from 2018-19, to restore TAFE Queensland's status as Queensland's premier provider of VET as part of the Rescuing TAFE election commitment. Funding will be directed at helping TAFE Queensland deliver foundation courses, increase the number of qualifications available through VET in schools and hire additional teaching and support staff. The Government will also ensure Queensland regains its reputation as a quality training provider, by establishing an independent Training Ombudsman to investigate complaints made by students and apprentices.
- **Jobs Queensland** – the Government is providing \$40 million over four years to establish Jobs Queensland as an independent statutory authority as part of the election commitment to provide advice to government on skills demand and long-term workforce planning.
- **Extending the Queensland Building and Construction Training Policy** – the Government is leading by example on employing apprentices and trainees by requiring 10% of total labour hours on eligible government-funded infrastructure projects is allocated to apprentices and trainees. The Policy has been extended to include government owned corporations.

For projects in Indigenous communities and other declared Indigenous Projects, the required labour hours must be met by Aboriginal or Torres Strait Islander apprentices and trainees and local Aboriginal and Torres Strait Islander workers. In addition, a further 10% of total labour hours for these projects must be provided toward an agreed Indigenous Economic Opportunities Plan that maximises the economic opportunities for local communities.

Box 5.1 Skilling Queenslanders for Work

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Skilling Queenslanders for Work	60,000	60,000	60,000	60,000

The Government has reinstated the highly successful Skilling Queenslanders for Work (SQW) initiative. SQW represents a significant investment of \$240 million over four years to support up to 32,000 Queenslanders into work.

The initiative is designed to boost the skills of individuals and provide assistance to those Queenslanders that require support to enter and stay in the workforce. SQW provides training to people who are under-utilised or under-employed in the labour market, as well as building the skills of young people, Aboriginal and Torres Strait Islanders, people with disability, mature-age job seekers and people from culturally and linguistically diverse backgrounds.

The initiative is supported by a state-wide regional network, working closely and forming partnerships with community organisations and local employers to determine local skills and entry-level industry and labour needs.

SQW has a proven track record of delivering Queenslanders real employment opportunities. It will also pay for itself, with an independent evaluation conducted by Deloitte Access Economics in 2012 finding that for every dollar invested in the program, it generated nearly eight dollars in return for the community.

SQW comprises a suite of six targeted skills and training programs:

- **Community Work Skills** – will assist disadvantaged Queenslanders gain nationally recognised skills and qualifications up to a certificate III level, or to be employed on community, construction or environmental projects whilst undertaking a Work Skills Traineeship. Paid work placements in these projects will be for up to six months.
- **Get Set for Work** – will provide intensive employment and training assistance over a 12 month period to young, disengaged Queenslanders aged 15-19. The program is directed at transitioning youth to work, entering further training or returning them to school.
- **Ready for Work** – will assist young people aged 15-24 to transition into the workforce by providing six to eight week courses focused on job search assistance and training. The program will deliver basic job preparation and employability skills courses.
- **Youth Skills** – will provide nationally recognised training and employment support to 15-19 year olds who are subject to court orders or bail.
- **First Start** – will provide wage subsidies to local councils to employ additional trainees. The program will allow young people and disadvantaged job seekers to gain nationally recognised qualifications and 12 months employment by undertaking a traineeship.
- **Work Start** – is an incentive program that rewards private sector employers with a one-off \$2,000 payment, after a qualifying period, if they employ a Queenslanders in a traineeship or apprenticeship who has previously participated in a Community Work Skills, Get Set for Work, Ready for Work or Youth Skills project.

The first funding round of the reinstated SQW initiative closed on 19 June 2015 with over 550 applications received. Successful projects will be announced shortly, with the second funding round opening later in 2015.

5.3 Fostering emerging and innovative industries

Another important focus for *Working Queensland* is fostering emerging and innovative industries by providing opportunities for research and entrepreneurship. Science and innovation is a key opportunity for Queensland's economy, and is important if Queensland is to be competitive at a global level. By investing in research and development, we will be able to create the well-paid, knowledge-based jobs of the future, ensure workers maintain their standard of living and drive productivity improvements.

With the Queensland economy currently in the midst of a major transition from resources-led sources of growth, it has never been more important that the State continues to diversify and shift towards a knowledge-based economy.

To ensure this, the Government is delivering a \$180 million **Advance Queensland** investment in innovation, skills, education, business development and a startup culture to deliver knowledge-based jobs now and into the future. This Advance Queensland investment is expected to co-leverage funding and generate total investment of approximately \$300 million into the State.

The package delivers the Government's Advance Queensland and **Business Development Fund** election commitments and includes further funding for a suite of programs to drive collaboration between researchers and industry, commercialisation of new ideas and to create an environment that boosts entrepreneurship (Boxes 5.2 and 5.3).

Other programs and initiatives the Government is implementing to foster emerging and innovative industries include:

- **Queensland Entrepreneurs of Tomorrow** – in keeping with its election commitment, the Government is providing funding of \$2 million over three years for the Queensland Entrepreneurs of Tomorrow. The program comprises two sub-programs:
 - Schools Program – providing up to \$1 million over three years to support entrepreneurship through school education in computational science and business development.
 - Home Based Business Program – providing \$1 million over three years to support stay-at-home parents who want to establish and develop home-based businesses, while maintaining a healthy balance between work and family (Box 5.4).

Box 5.2 Advance Queensland

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Advance Queensland	37,062	38,082	38,112	22,547

The Government is focused on harnessing the opportunities that are available in startups, innovative businesses and our science and research base so that the Queensland workers of today have access to the new jobs of the future.

Queensland's geographical proximity and shared time zone with Asia and our shared tropical climate with almost half the world's population positions us perfectly as a gateway to the fastest growing regions in the world. This presents Queensland with immense global opportunities by both building on our world recognised expertise in areas such as medical science, biotechnology and robotics, and by unlocking our untapped startup potential to turn innovative ideas into new products and services.

It is not just our geographical location, our pristine environment and our resources that make Queensland the best place to live. The source of Queensland's enormous potential continues to be our people – our human capital. The Government is positive about Queensland's future because we believe in the ability of the current and next generation to drive innovation, build a stronger economy and create jobs.

The Smart State investment of previous Labor governments attracted great scientists and researchers and led to the development of world leading research capability in science, technology, engineering and maths in Queensland. But the competition for global talent and investment is fierce. We are witnessing other developed and emerging economies make ever greater investments in their innovation systems.

So we need to act now if we want to remain and thrive as a global innovation hub. Advance Queensland is the next important step. We want to attract and develop the best and brightest talent in Queensland, translate our science and technology ideas into commercial and employment outcomes, and play our role in supporting a thriving startup ecosystem.

The \$180 million Advance Queensland investment incorporates a range of initiatives including:

- \$50 million to develop, attract and retain world-class talent and skills by:
 - delivering new Fellowships and Scholarships to increase research talent
 - Global Partnership Awards to support collaboration between Queensland graduates and entrepreneurs with international companies and institutions
 - a future schools review of the teaching of science, technology, engineering and maths (STEM) including coding and computational science, ICT and robotics so that our kids have the jobs of the future
 - Knowledge Transfer Partnerships to link industry and universities through funding opportunities for small and medium enterprises (SMEs) to have people with postgraduate qualifications work in their business on an identified problem or project

- a \$45 million investment through an Advance Queensland Future Jobs Strategy to make Queensland the nation's largest source of investment for industry-research collaboration projects through:
 - Advance Queensland Innovation Partnerships of \$25 million to support collaborative research and development projects in priority areas
 - the Advance Queensland Innovations Challenges program with \$20 million to support large collaborative proposals that drive Queensland forward in areas such as agriculture, innovation, health services delivery and renewable energy. Opportunities under this program will support the development of Queensland's emerging biofuels agenda with funding matched by partner contributions
- \$2.3 million over four years to run an engagement strategy to build shared understanding across the community of the importance of science, innovation and STEM education to support the development of a vibrant knowledge-based economy.

As a Government, we know that the real drivers of economic change are entrepreneurs and ambitious businesses. Startups can reshape the way entire industries work by displacing established players through technology and business model innovation.

Currently only 7% of Australia's tech startups are in Brisbane. Tech startups are vital to job creation and prosperity – studies have found that each technology job created leads to five additional jobs in other sectors. So we are determined to play our role in supporting high growth, technology based businesses and help to develop the entrepreneurial skills of the workforce. This includes:

- a \$24 million Startup Queensland program to increase startup formation and attraction in Queensland. This will include funding:
 - for innovation advisory and skills development services
 - innovation and technology vouchers for partnering research and/or technology and SMEs
 - support to scale up successful incubators and accelerators and programs supporting startup and student entrepreneurship

Alongside improved support for existing startups and SMEs, Government will also look to develop a new program designed to attract overseas entrepreneurs to set up in Queensland. This program will be modelled on international successes such as Startup Chile and Sirius in the UK. For domestic entrepreneurs, we will examine opportunities to offer a time-limited research and development tax credit matching program for technology startups establishing or relocating to Queensland.

- a \$52 million investment to improve access to finance and management support for startups and SMEs with ambition to grow in international markets through
 - a \$12 million Queensland Commercialisation Program to support proof of concept projects designed to lead to new products and services
 - the \$40 million Business Development Fund to provide seed co-investment to encourage greater angel and venture capital investment in Queensland businesses to help turn good ideas into a commercial reality (further details on the Business Development Fund are available in Box 5.3)

We also recognise the need to diversify our economy in the face of greater competition, policy changes that could impact key markets and digital disruption. That is why we will provide dedicated funding of \$1 million to work with industry and establish 10-year roadmaps and investment prospectuses for key industries such as industrial biotechnology (including biofuels) that could spur future growth in jobs and new applications for existing industries and products.

These roadmaps will target high potential areas with global growth potential. They will help to identify the policy, regulation and standard settings that can best provide the certainty to help new industries to emerge, alongside identifying priorities for investment in research, technology demonstrators and to support commercialisation.

Remaining funds will be retained to allow the flexibility to respond to new opportunities as they arise, particularly as the Government develops roadmaps with industry partners.

Arrangements for Advance Queensland are currently being developed, including guidelines and assessment processes for applications for funding, to ensure the program objectives are met and the program is well subscribed.

The suite of programs will be rolled out over August to November 2015.

Box 5.3 Business Development Fund

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Business Development Fund	10,000	10,000	10,000	10,000

To assist emerging and innovative Queensland industries, including niche manufacturing businesses, and to ensure they have access to the startup capital they need, the Government is establishing the Business Development Fund (the Fund). The Fund will help Queensland's best and brightest turn their ideas and innovations into a commercial reality and create jobs for Queenslanders.

The Fund will provide early stage venture capital of \$40 million over the next four years to emerging and innovative Queensland businesses. Investments, up to a defined limit, will be made on a matching basis with private sector co-investors.

Administration of the Fund

QIC has been tasked to administer the Fund. A Business Development Fund Investment Panel will be established to assess proposals for co-investment. The Panel will be made up of independent experienced investors with a strong history in entrepreneurship and early stage investment, particularly in innovative startups or growing businesses. Investment proposals will be brought to the Panel by co-investors.

Investment criteria

To maximise long-term business and employment outcomes, the Fund will have a range of investment criteria, including:

- businesses having the majority of their assets and employees located in Queensland
- having at least matching private sector co-investment funding
- commercialising research, an innovative idea or an innovative product or service
- creating opportunities for new high value and skilled employment.

Investigation is currently underway on the detailed design and delivery of the Fund to leverage private sector investment in Queensland-based startup businesses. The opening of applications for funding is expected in the second half of 2015.

Box 5.4 Home Based Business Program

The Queensland Government is making grants available to home-based entrepreneurs in what is the only program of its type in Australia.

Under the Queensland Entrepreneurs of Tomorrow Home Based Business program, funding will be available to stay-at-home parents seeking to establish or grow their home-based business.

The Government has committed \$1 million over three years to support this program with funding of up to \$5,000 provided to successful applicants.

Grants of up to \$2,500 may be provided to stay-at-home parents to assist them to engage a consultant for professional advice, to help establish or develop a home-based business.

Successful recipients may then be eligible for matching grant funding (dollar-for-dollar) of up to a further \$2,500 to make improvements or establish the business.

To be eligible for the grant, home-based business owners must have at least one child under the age of 12 residing in care for 50% of the time or more, be an Australian resident, have an Australian Business Number (ABN) and be based in Queensland.

5.4 Growing our regions

Regional unemployment rates have risen in most regions across Queensland over the past year. Regions heavily exposed to slowing activity in the resources sector have been amongst the hardest hit. To ensure the future of our regions, a range of measures under *Working Queensland* are specifically designed to support regional employment.

In keeping with its election commitment, the Government is implementing **Building our Regions**, a \$200 million Regional Infrastructure Fund to deliver critical infrastructure and jobs in regional Queensland. Funding will be targeted to meet the specific needs of communities and support economic development. In recognition of the need to invest in regional economies, funding has been brought forward by one year, with \$100 million to be invested in each of 2015-16 and 2016-17, rather than 2016-17 and 2017-18 as originally announced. This scheme complements the Government's broader infrastructure investment through the Queensland Government capital works program.

Other programs and initiatives the Government is implementing to support employment in our regions include:

- **Locals First** – taking a 'locals first' approach to all new major projects and development opportunities to help local communities take full advantage of these as they emerge in Queensland regions. As part of this commitment, the Government is also undertaking a review of fly-in, fly-out (FIFO) mines where the operation is located near a resource town or regional community. An expert panel will provide recommendations to the Government on FIFO operations near regional communities.

- **Rural Job Agency** – exploring the establishment of a Rural Job Agency in conjunction with industry to provide greater opportunities for facilitating the employment of rural workers with rural employers by matching workers with appropriate skills with the employers that require them.
- **Grow and promote events for Queensland** – the Government is providing increased funding of \$40 million over four years in keeping with its election commitment to assist Tourism and Events Queensland to grow and promote events for Queensland, particularly in the regions. The increased funding will provide an environment that allows new and exciting events to be established and expands the tourism product offerings.
- **Queensland Government capital works program** – the 2015-16 capital program is focused on ensuring a consistent flow of works to support jobs and the economy and reduce the risk of backlogs emerging. To ensure Government assets continue to efficiently deliver key social services and support the development of the State, capital expenditure will focus on the needs of local communities and support local employment opportunities (Box 5.5).
- **Jobs generated from new infrastructure investment in regional Queensland** including:
 - \$90 million over four years to deliver a new primary school and a new high school in Townsville
 - a \$40 million Western Roads package
 - a \$24 million Regional Transport Boost
 - \$25 million to revitalise the Yeppoon foreshore following Tropical Cyclone Marcia
 - \$15 million to restore the Rockhampton Riverbank following Tropical Cyclone Marcia.

Box 5.5 State Government capital works program

	2014-15 \$'000	2015-16 \$'000
Capital Purchases	8,169,813	8,574,343
Capital Grants	1,548,671	1,530,921

The State Government plays an important role in providing essential infrastructure and capital works to meet the State's increasing service needs and to facilitate improved productivity and efficiency for the State's industries.

The Government's capital works program supports a significant amount of economic activity and jobs across Queensland, particularly in the construction industry and sectors providing associated support services. While the key focus of the capital works program is meeting service needs, it does play an important role in creating employment opportunities for Queenslanders.

In 2015-16, the State's capital works program is estimated to be \$10.105 billion (including \$1.531 billion in capital grants predominantly to local governments and non-state schools).

The Government will invest \$3.931 billion in capital expenditure on roads and transport infrastructure. There will be a continuation of the reconstruction effort following Tropical Cyclone Marcia and other natural disasters of 2013 to 2015. In addition, there will be significant investments in health, education, housing and other services, to address population growth and improve the productivity and prosperity of the State.

The Government is committed to providing a consistent flow of capital works across the State and ensuring Government assets continue to meet the needs of Queenslanders. To help achieve this, capital expenditure will focus on the needs of local communities and support local employment opportunities.

Queensland Treasury estimates that the construction component of the State's capital works program in 2015-16 will directly support approximately 27,500 full-time equivalent jobs in Queensland. The capital works program is also likely to result in significant flow-on employment impacts in other sectors of the economy.

Table 5.1 outlines the regional impacts of the Government's 2015-16 capital works program, identifying major projects in the construction phase, total capital expenditure and the estimated employment impacts.

Table 5.1 Regional capital works and associated employment impacts

Region	Key projects ¹	Total capital purchases and grants \$'000	Estimated employment supported ²
Brisbane	- Gateway Motorway North - Lawnton to Petrie, Third Track	2,166,067	6,000
Ipswich	- New Generation Rollingstock and Wulkuraka Maintenance Centre - Energex Sub Transmission - Ipswich	484,049	1,500
Wide Bay	- Meandu Mine - Tarong Power Station	572,545	1,500
Darling Downs	- Toowoomba Second Range Crossing - Warrego Highway (Toowoomba - Dalby)	1,126,554	3,000
Gold Coast	- Carrara Precinct - Coomera To Helensvale Rail Duplication	1,193,814	3,000
Mackay	- Peak Downs Highway - Mackay Base Hospital Redevelopment	350,907	1,000
Outback	- Outback Social Housing - Peninsula Developmental Road (Coen – Weipa)	832,633	2,500
Cairns	- Cairns Hospital Redevelopment - Cairns Social Housing	443,797	1,000
Fitzroy	- RG Tanna Coal Terminal Projects - Stanwell Power Station	892,897	2,500
Sunshine Coast	- Sunshine Coast Public University Hospital - Moreton Bay Rail Link, Petrie Station to Kippa-Ring Station	1,499,069	4,000
Townsville	- Bruce Highway, Townsville Ring Road (Stage 4) - Townsville Social Housing	542,932	1,500

Notes:

1. Selected key projects in the construction phase during 2015-16. Total capital purchases and grants include a range of projects not listed.
2. Estimated direct employment, derived from a conservative estimate of the direct employment impacts of each \$1 million spent on the construction component of capital works. In addition to the direct employment supported in the construction industry and the construction services sector, the Government capital works program is also likely to result in significant flow-on employment impacts in other sectors of the economy.

Source: Queensland Treasury.

5.5 Boosting the delivery of government and social services

The Government is committed to boosting social service delivery, particularly in areas such as education and health. To provide these services, the Government is increasing the number of frontline jobs across the public sector, in particular more teachers and nurses. Boosting social service delivery will not only direct much needed resources into these valuable areas, but will also directly create hundreds of jobs for Queenslanders.

The Government is implementing a number of programs and initiatives to boost the delivery of government and social services including:

Extra Teachers

To help improve our schools, this Budget delivers the Government's commitment to boost teacher numbers. The Government is providing additional funding of \$152.4 million over three years and ongoing funding of \$96.3 million per annum as part of the Government's election commitment to provide an extra 875 teachers, with 275 specialist teachers directed to high schools.

Every Queensland high school will be eligible to benefit from the employment of an additional senior teacher to specialise in an area of learning or area of need. This will improve the delivery of the necessary skills and learning our children need to be successful in the workforce.

This \$248.7 million commitment will help take the pressure off growing class sizes. It is an investment in our State's future human capital.

Refresh Nursing

The Government is serious about improving patient safety in our public hospitals and establishing safe nurse to patient ratios. To help achieve this, the Government will boost the number of front line nurses in Queensland hospitals and re-invigorate the Queensland nursing and midwifery workforce.

The Government is providing funding of \$110.7 million over four years in addition to internal funding to deliver on its Refresh Nursing election commitment to support up to 4,000 new one year graduate nursing places in our Hospital and Health Services.

Nursing Guarantee

The Government is also providing funding of \$101.6 million in addition to internal funding over four years to deliver on its election commitment to support 400 Nurse Navigator positions in Hospital and Health Services across Queensland. These positions will work with patients, assisting them to navigate across the health system.

Queensland National Disability Insurance Scheme Launch Site

In keeping with the election commitment, the Government is providing additional funding of \$1.9 million in 2015-16 to fund a National Disability Insurance Scheme (NDIS) launch site in Queensland. Additional funds will enable up to 600 people with a disability to progressively commence access to reasonable and necessary services and fund NDIS participant and provider readiness activities for the launch.

The Government will also continue to work closely with the health and community service industry to ensure an appropriately skilled workforce is available to meet the growth in labour demand expected in the social services sector as the NDIS is rolled out across the State.

6 Future direction

The policies and initiatives being implemented under *Working Queensland* will help grow the State's economy and improve opportunities for Queenslanders to gain employment in the short, medium and longer term.

Given the economic challenges the State faces in the short term and the significant demographic and structural changes expected to impact on the labour market in the longer run, the Queensland Government will play an important ongoing role in helping address these issues.

In line with several key elements of *Working Queensland*, an important focus of the Government's further employment policy development will be on creating the economic environment and conditions to encourage business and industry to develop, invest, grow and innovate.

To inform the direction of this policy development, the Government will continue to consult closely with stakeholders and the community on how best to reduce costs and red tape for business, encourage and facilitate private sector investment in key economic and social infrastructure, and improve the productivity, efficiency and competitiveness of the State's industries.

This consultation will include a focus on creating employment opportunities in rural and regional areas, as well as supporting the growth of emerging and innovative industries.

Hand in hand with policies to enhance the demand for employment, the Government will continue to work with industry, the not-for-profit sector, and employer and employee organisations to ensure Queenslanders have access to the education, training and skills development they need to take advantage of new employment opportunities.

It will also be important the Government's ongoing policy development includes a strong focus on those job seekers and labour market participants who have historically experienced less favourable employment outcomes. This will include specific policies and programs for

- **youth**
- **older Queenslanders**
- **Queenslanders with a disability**
- **Aboriginal and Torres Strait Islanders**
- **long-term unemployed.**

In addition, policy development will focus on

- **region-specific employment**
- **sector and industry specific employment**
- **enhancing workforce participation**
- **business migration.**

The Government has made a commitment to improve employment outcomes for all Queenslanders. The \$1.6 billion package of employment policies and programs included in this Budget will help achieve this aim by boosting the confidence of business to create jobs, increasing the productivity of Queensland's labour force through skills development, fostering emerging and innovative industries and supporting investment in productive infrastructure.

Leveraging off the *Working Queensland* initiatives, the Government's ongoing efforts to work with stakeholders and the community on additional approaches to improve employment demand and ensure an adequately skilled labour supply should help create a significant and sustainable improvement in employment outcomes for all Queenslanders.

