

RISING TO THE GLOBAL CHALLENGE

AUSTRALIA'S manufacturing challenge was summed up neatly in one graphic beamed to a room full of academics, government representatives and industry professionals at a manufacturing and future industries forum at the Sofitel on 7 June.

The graphic showed a mass of criss-crossing lines circling the globe. The lines represented the links between the major manufacturing countries - China, the US, Japan, China and the United Kingdom.

Alone at the bottom of the world was Australia.

Closer ties with the rest of the world were crucial to Australia's future manufacturing prosperity, especially when it comes to smart manufacturing, delegates were told.

Hosted by the Committee for the Economic Development of Australia, and sponsored by the Casey Cardinia Region, the forum discussed the current state of manufacturing in Australia as well as the outlook for the future.

Chief economist with the Australian Industry Group Julie Toth said finance and mining still dominate the manufacturing sector.

However, on the rise were industries such as food, beverages and groceries. Pharmaceuticals were also on a growth trajectory, as were cosmetics, toiletries and vitamin and health supplements.

"These are all areas of production where quality control is paramount and they have

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also benefited from the (lower) Australian dollar," Ms Toth said.

"Another area that has held its own because the dollar and quality control is the building industry supply chain. Things like building materials, industrial textiles and furniture."

She said a strong focus on product control gave Australia an advantage.

Ms Toth said Australia was slowly building an advanced manufacturing sector in everything from food to metals. At present 20,000 businesses are identified as advanced manufacturers.

She listed company tax rates, regulations and the fluctuating Australian dollar as impediments to manufacturing growth.

When looking at drivers of manufacturing success overseas she cited talent, innovation policy, energy policy and physical infrastructure.

CSIRO manufacturing director Cathy Foley backed the view that Australia needed to integrate into global supply chains.

She cited the CSIRO's relationship with Boeing as helping pave the way for other Australian partnerships with large multi-nationals.

She also said it was vital that Australia's full human potential was harnessed including encouraging more girls and children from disadvantaged backgrounds to study STEM (science, technology, engineering and maths) subjects.

Ms Foley predicts manufacturers of the future will become service providers and that businesses will become "multi-faceted" responsible for the recycling of products.

She said environmental responsibility would become a vital part of manufacturing.

She said the problem of clothing going to landfill could be solved by "dissolve on demand" threads and instead of buying a refrigerator, customers would purchase "cooling hours", with the manufacturer responsible for monitoring when the appliance needed fixing and recycling it at the end of its life.



From left, CSIRO manufacturing deputy director Cathy Foley, executive director of the Australian Advanced Manufacturing Council Jennifer Conley, executive director of the Future Industries Project Michael Green, Ray Keefe from Successful Endeavours, Tim Leeds from Melbourne Rotomould and chief economist with the Australian Industry Group Julie Toth.