

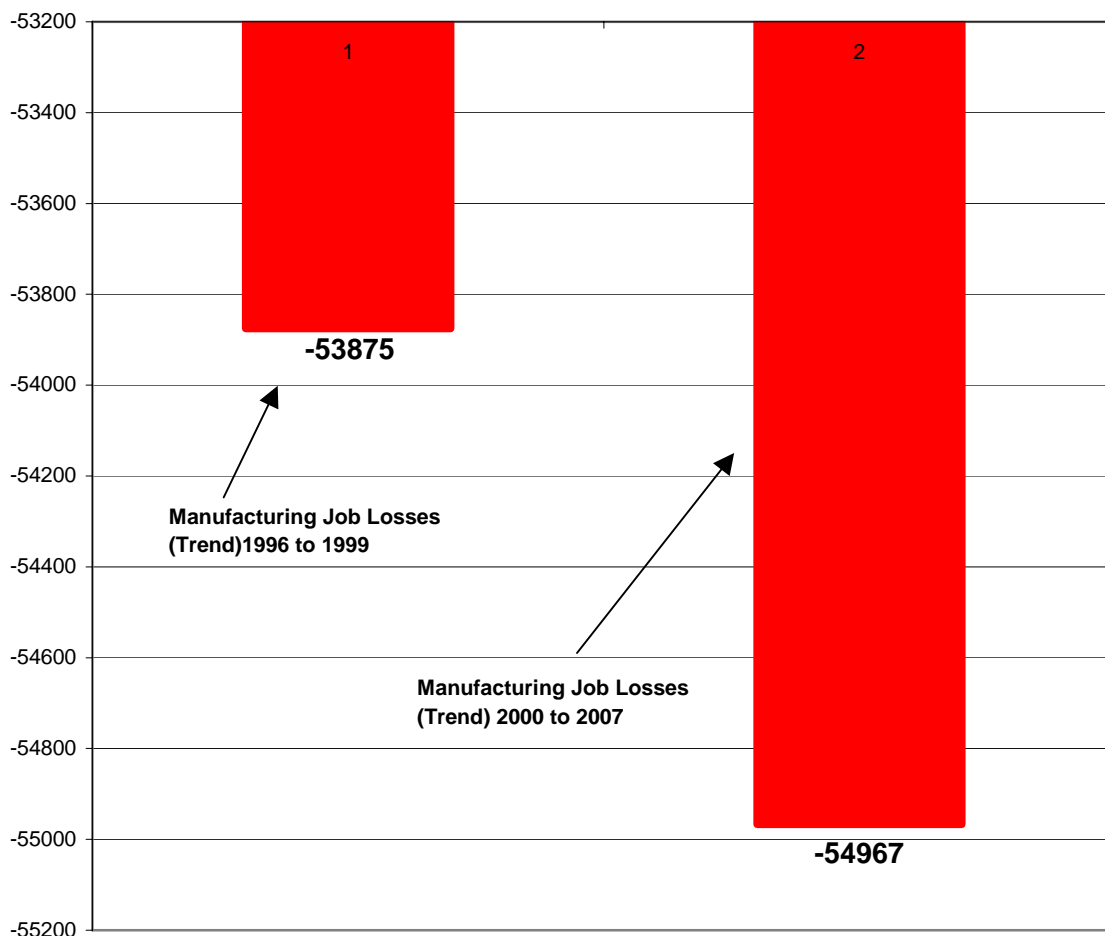
Australian manufacturing in decline

Australia's manufacturing sector has been in recession for two out of the last three years. This fall in output has not been isolated to labour intensive-low technology sectors that are shifting production offshore but includes important high tech sectors such as the auto component industry.

In the past some commentators have been relaxed about job losses in manufacturing employment, seeing them as the inevitable outcome of capital intensification and greater productivity. However, when the trend of declining employment is combined with declining manufacturing output, we have real cause for concern. This is not a sector producing more with less, it is a sector in real trouble and facing significant challenges.

Since the election of the Howard Government in 1996, Australia has lost 108,842 manufacturing jobs as the graph below shows.

Australia Has Lost More Than 100,000 Manufacturing Jobs Under the Howard Government (Trend)



Note: ABS data series breaks pre and post feb 2000 (ABS 6203 Nov 1999)

Breakdown of job losses

The big manufacturing job losses have been in the high value added sectors of chemicals, building products, machinery and equipment and the automotive sectors.

In the last five years the Australian automotive industry alone has lost thousands of jobs.

South Australia has been one of the hardest hit States. Since 1996 the South Australian automotive industry has lost nearly 7,000 jobs.

The South Australia Government has found that the loss of jobs in the automotive industry results in three times as many jobs being lost in the supplying industries and another six to seven jobs lost in the wider economy. So a result of the Federal Government's lack of attention to manufacturing is that the 7,000 automotive jobs disappearing in South Australia has caused a further 70,000 flow-on job losses.

All States except the resource-rich States of Western Australia and Queensland have experienced a major decline in manufacturing jobs under the Howard Government. NSW has fared the worst of all the States, losing more than 60,000 jobs under the Howard Government.

Victoria has also been hit hard by the decline in the auto component industry with more than 50,000 jobs lost. South Australia has lost 10,700 manufacturing jobs — equating to almost more than 75 manufacturing jobs lost each and every month of the Howard Government.

**Manufacturing Job Losses Under the Howard Govt
Feb 1996 - Aug 2007***

	1996-1999	2000 to 2007	Total
NSW	-29,700	-31,500	-61,200
VIC	-21,400	-30,600	-52,000
QLD	+2,200	+10,900	+13,100
SA	-3,800	-6,900	-10,700
WA	+1,800	+5,000	+6,800
TAS	-400	-1,900	-2,300
AUST	-51,300	-55,000	-106,300

* Excludes NT and ACT

Source: ABS 6291.0 55003 Aug 2007. The table compares calendar year 1996 to 1999 and 2000 to 12 months to Aug 2007 owing to non-comparability of pre and post 2000 ABS data.

Examples of manufacturing job losses since 2004

The Howard Government has stood by while thousands of jobs in Australia's manufacturing industries have been lost to local communities. Here is a list of some of the more well-known closures and job cuts in John Howard and Peter Costello's last term of government.

NSW

Electrolux whitegoods: 200 jobs lost from Orange — now importing from Thailand, China.

Conex metal manufacturing: 180 jobs lost from Ingleburn

Gates Rubber: 100 jobs lost from Nowra

Ion auto components : 200 jobs lost from Albury

Spicer Axle auto components: 200 jobs lost from Yennora

Tristar auto components: 72 jobs lost from Marrickville

Dairy Farmers Milk: 100 jobs lost from Bomaderry

Herd Bars & Bodies auto components: 100 jobs lost from Kemblawarra, Wollongong

Qantas engineering: 480 jobs lost from NSW, VIC (some relocated to Brisbane)

Dana auto components: 300 jobs lost from NSW, SA and Vic, most expected lost from Yennora

BlueScope Steel – Port Kembla: 175 jobs lost

Ion Transmissions auto components: 200 jobs lost from Albury

Fairfax Press: more than 30 jobs lost in Nowra and South Coast region

Nowra pulp & paper mill: 70 jobs lost

Masterfoods: more than 40 jobs lost (NSW/VIC border)

SA

Electrolux whitegoods: 40 jobs lost from Dudley Park (SA) — now importing from Thailand, China

Air International auto components: 620 jobs lost from Golden Grove, Edinburgh Park, Salisbury — relocating part production to Thailand

Australian Arrow auto components: 6 jobs lost from Edinburgh

Clipsal electrical equipment: 127 jobs lost from Murray Bridge

Holden cars: 1,400 jobs lost from Elizabeth SA

Ion auto components : 1,250 jobs lost from Wingfield, North Plympton

Mitsubishi cars: 1,250 jobs lost from Lonsdale

Plexicor auto components: 7 jobs lost from Edinburgh Park

Berri fruit juice: 2 jobs lost from Renmark

Bridgestone TG auto components: 45 jobs lost from Edwardstown

Hills Hoist: 87 jobs lost from Edwardstown — stiff competition with China

Tenneco auto components : 156 jobs lost from O'Sullivan's Beach and Clovelly Park — now sourced from Asia

QLD

NQEA ship building: 100 jobs lost from North Qld — lost market to Chinese competition

SE Qld Abattoir: 390 jobs lost

KR Castlemaine meat processing: 350 jobs lost from Toowoomba

Dairy Farmers cheese and butter factory: 160 jobs lost from Toowoomba

TAS

Blundstones boot factory: over 300 jobs lost — moved offshore

ACL Bearings, Launceston: 90 jobs lost

Vestas wind turbines: 55 jobs lost in Wynyard

VIC

Agfa Photo: 70 jobs lost

Autoliv auto components: 88 jobs lost from Campbellfield

Calsonic auto components: 25 jobs lost from Port Melbourne

Cyclone flyscreen wire: 40 jobs lost

Feltex carpet manufacturer: 250 jobs lost — moving overseas

Ford cars: 500 jobs lost

GUD: 60 jobs lost from Sunshine

Icon Automotive: 120 jobs lost from Huntingdale

Kemalex auto components: 85 jobs lost from Dandenong

Kenman Kandy Confectioner: 40 jobs lost from Scoresby

PBR auto components: 184 jobs lost from East Bentleigh, Braeside — relocating to Thailand

Pilkington Glass auto components: 120 jobs lost — competition from Thailand

Sara Lee food products: 170 jobs lost from Melbourne

Silcraft auto components: 80 jobs lost from Mount Waverly

Trico auto components: 55 jobs lost from Springvale — moving to China

VOA Webco auto components: 65 jobs lost from Thomastown

Autoliv auto components: 214 jobs lost from Campbellfield

Calsonic: 160 jobs lost from Port Melbourne

Kraft biscuit making: 151 jobs lost from Broadmeadows — moving to China

Trico auto components: 80 jobs lost from Springvale

Silcraft auto components: 200 jobs lost from Mount Waverly — loss to Taiwan

Empire Rubber (Huon Corporation) Bendigo: more than 100 jobs lost

Sigma Pharmaceuticals Clayton: more than 80 jobs lost

GE Plastics Dandenong: 40 jobs lost

VisyPak: 64 jobs lost

Yakka: 63 Jobs lost

Drivetrain: 42 jobs lost

Goodman Fielder: 44 jobs lost

WA

Wave Master International ferries: 30 jobs lost

Peters & Brownes dairy foods processing: 82 jobs lost

Thiess Fabrication: 40 jobs lost – moved operations to China

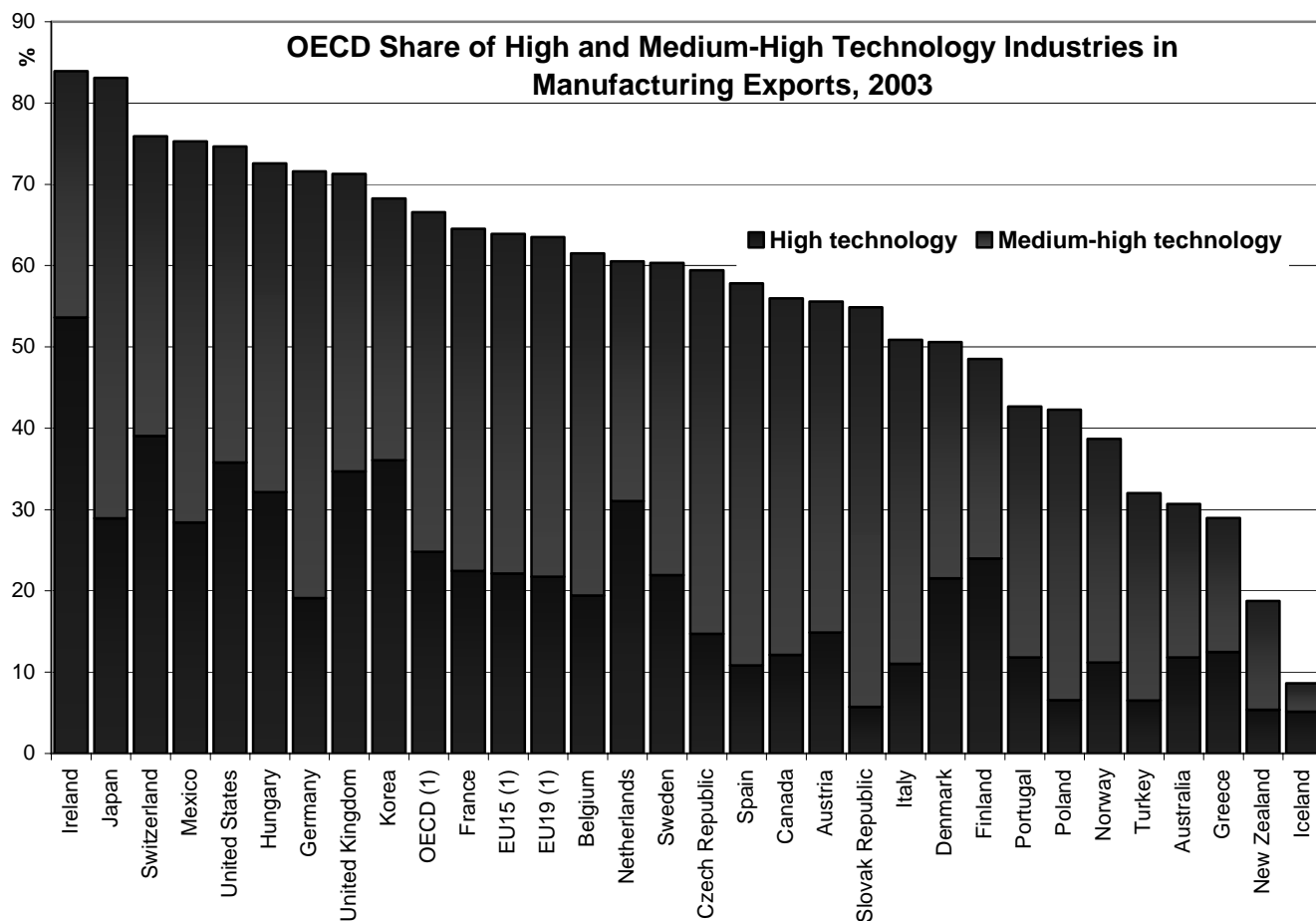
Matilda Bay Brewery in North Fremantle: more than 100 jobs lost

Australia's poor international performance

Australia also ranks poorly in terms of our exports of high and medium high technology goods internationally.

The only OECD countries we perform better than are Greece, New Zealand and Iceland.

In the last year of comparable statistics, Australia was overtaken by Turkey in terms of advanced exports.



Future directions for manufacturing

Instead of supporting Australian manufacturing the Howard Government is committed to a 'race to the bottom'.

The Coalition believes that driving down wages and conditions through WorkChoices and the exploitative 457 visa system is the only way Australia can compete with the rest of the world. But this is the wrong approach — it is the 'low road' approach to economic development and is not sustainable.

It is not too late to turn this around. The Australian Manufacturing Workers' Union (AMWU) has proposed the following policy options to assist manufacturing:

- A network of benchmarking centres in every state dedicated to manufacturing and adopting a consistent approach, tools and databases to improve Australian manufacturers.
- Return to a 150% R&D tax concession and a 175% tax concession for companies who invest more than 2% of their sales on R&D.
- Government assistance to support manufacturers seeking to conduct applied research.
- Contract a leading global merchant bank to attract greenfield FDI, specifically in knowledge intensive manufacturing sectors.
- To refocus Australia's trade efforts, the trade department should be transferred from DFAT to a super Department of Industry and Trade.
- Introduce mutual obligation into the Automotive Competitiveness and Investment Scheme (ACIS) and consider establishing a 'Green Car' levy to penalise car makers who don't invest in environmentally sustainable technology and provide funding for car makers and component suppliers who do invest.
- Adopt a tripartite approach to industry development and establish an Australian Manufacturing Council with employer and employee representation.

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