

OPINION: A decline in manufacturing affects us all

By ADRIAN
PRICE

July 16, 2014, 9 p.m.



GEOFF Jolly made a very clear case for the NSW government to build public trains, buses and ferries in the Hunter in his opinion piece on Saturday.

We have excellent rail and road vehicle and ship builders, all of which have excess capacity.

It is becoming clear that a great deal of the lack of competitiveness of Australian manufacturing has been artificially created by forces outside this country that have distorted the value of our currency. That will not always be the case, but what happens then, when we have no manufacturing left?

The Australian Industry Group Hunter Region organised the Showcase of Hunter Manufacturing and Engineering at NSW Parliament House in 2012 that Mr Jolly referred to. It was an attempt to impress on the elected O'Farrell government the importance of Hunter manufacturing and engineering to the economy of the Hunter and to NSW.

At the time manufacturing employed 36,000 people. We are now down to 28,000. Thirty local companies invested their time and money but it is hard to identify one major order from the NSW government that has come to the Hunter since.

The state government announcement in June that the next new intercity train order would be bought "off the shelf" caused concern among manufacturers and unions alike.

The Hunter Business Chamber, Newcastle Trades Hall, HunterNet and the Australian Industry Group wrote a joint letter of concern to the Premier, Mike Baird, advocating the two Hunter-based train manufacturers be given a fair chance to compete for the work.

We pointed out that upwards of 65 companies supply into that kind of order. The financial effects are not only felt by the employees and families of the prime contractor, but by all the subcontractors, their families and communities.

A dollar spent in manufacturing provides a multiplier effect three to five times the original spend.

There is also a deeper question at heart: the community investment in the "skills eco-system" that underpins the region's ability to sustain the capacities of our industries. Hunter industry has built up over the years strong connections with high schools, TAFE and the University of Newcastle. We have a strong supply of capable young people into our industry which would be the envy of other regions worldwide.

Twenty years of active promotion and a continuity of "trade families" have brought this about.

The ME program is helping us to meet our future needs in engineering, design and higher technology. The potential is awesome – but it all depends on future jobs being created in a strong industry sector.

These are important questions for the Hunter community and the Hunter economy.

Australian Industry Group, HunterNet, the Hunter Business Chamber, NSW Department of Trade and Investment, the Hunter Valley Research Foundation and Regional Development Australia Hunter will hold The Future for Manufacturing and Engineering Summit at the end of this month to provide the answers and to chart a new future for our industry.

Adrian Price is the regional manager for the Australia Industry Group in the Hunter Central Coast and Northern NSW