SUBMISSION TO THE VICTORIAN GOVERNMENT INQUIRY
INTO MANUFACTURING IN VICTORIA

The purpose of this submission is to advise the inquiry of the Commonwealth Government’s Future Manufacturing Industry Innovation Council (FMIIC).

Background

The Australian manufacturing sector is a significant contributor to the Australian economy. It produces around 12 per cent of gross domestic product and almost 40 per cent of exports. It also conducts 31 per cent of business research and development nationally.

However, Australian manufacturers are under increasing pressure from global competition, the rise of low cost, low wage manufacturing economies, and the changes that will need to be made to reduce emissions and become more sustainable.

The future of the manufacturing industry in Australia is tied to its willingness and capacity to innovate. It needs to focus on high technology, high-skill, and high-wage manufacturing where it is globally competitive and where Australia has world-class capabilities and technology.

Future Manufacturing Industry Innovation Council

In October 2008, the Minister for Innovation, Industry, Science, and Research Senator the Hon Kim Carr established the Future Manufacturing Industry Innovation Council (FMIIC).

The Minister appointed Mr Philip Binns, Managing Director of Varian Australia Inc. as the Chair of the FMIIC. Membership of the FMIIC includes leaders in innovation from business, the science and research community, unions, professional associations and the Commonwealth Government. (Attachment A refers)

The Future Manufacturing Industry Innovation Council is one of a number of Industry Innovation Councils (IICs) established by the Commonwealth Government. The Councils are providing strategic advice on innovation priorities to the Minister as well as championing innovation in industry and building connections with industry stakeholders.

Through the IICs, the Government and stakeholders are partnering to:

- improve Australian industry's productivity, global competitiveness and market access;
- build a highly skilled and flexible workforce for the 21st century through best practice in employment and training;
- ensure the sustainable development of Australian industry; and
- respond to challenges including climate change and social inclusion.
The FMIIC’s primary role is as an advisory body to the Minister. The FMIIC is also championing innovation in manufacturing and helping build connections between government and industry stakeholders.

Its focus is on innovation-intensive, high technology, high value-add, high-skill manufacturing. This includes manufacturers using advanced processes, materials and technologies, such as the scientific and medical instruments, specialist engineering and aerospace industries, and related services.

The FMIIC also focuses on the growing area of manufacturing services and at opportunities for Australian manufacturers in the global response to climate change, such as clean energy and water technologies.

**Long-term goals and priorities**

The FMIIC is working with industry to build a strong innovation culture where business, the research sector, the workforce and governments work together and invest in technology and practices that are more productive, cleaner and responsive than those traditionally used.

The FMIIC is helping develop strategies for boosting Australia’s competitive advantage and exploiting new and existing opportunities in manufacturing by:

- supporting and promoting innovation in the manufacturing sector;
- identifying emerging industries and opportunities for manufacturers; and
- identifying enabling technologies of significant benefit to industry.
Current projects and work commissioned on behalf of the FMIIC.

The FMIIC is currently working upon a series of milestones related to its strategic goals (Attachment B refers).

The Government’s new Commonwealth Commercialisation Institute (CCI) will bring research, business and finance together to help commercialise new ideas and technologies, to assist Australian enterprises to cross the ‘Valley of Death’, and to deliver new-to-market innovations.

Through the Institute, the Government will provide hands on support that is tailored to the individual needs of enterprises. Such support will improve the capacity of Australian research institutions and entrepreneurs to produce and absorb knowledge, and to apply it to create new value. It will help Australia capitalise on its large investment in public sector research and infrastructure.

Recently, the FMIIC has made a submission to the CCI in order to influence the design and operation of the Institute.

Work commissioned on behalf of the FMIIC at present includes:

- An innovation quiz (Attachment C refers) has been developed in conjunction with the Australian Institute of Commercialisation (AIC). The quiz is accessible on the FMIIC website (www.innovation.gov.au/FMIIC) and is available for use by interested parties. However, please note that the AIC retains copyright over the quiz.

- A consultancy is underway to develop a profile of Australia’s future manufacturing sector.

- A consultancy is being undertaken to examine opportunities for Australian manufacturers in the clean energy industry.
Membership of the Future Manufacturing Industry Innovation Council

Mr Philip Binns (Chair) Managing Director, Varian Australia Pty Ltd
Mr Pat Boland Joint Managing Director, ANCA
Mr Lyle Bruce Chief Executive Officer, GroundProbe Pty Ltd
Ms Sharan Burrow National President, Australian Council of Trade Unions
Mr Peter Cockbain Past President, Engineers Australia and Founder and Technical Director, Ampcontrol Pty Ltd
Dr Calum Drummond Chief, CSIRO Materials Science and Engineering
Mr Brad Dunstan Chief Executive Officer, Victorian Centre for Advanced Materials Manufacturing
Dr Bronwyn Evans Senior Vice President, Cochlear Ltd
Mr Bruce Grey Convenor, Faculty of Engineering and IT Industry Advisory Network, University of Technology, Sydney
Ms Lusia Guthrie Chief Executive Officer and Managing Director, LabTech Systems Ltd
Professor Erol Harvey Research Leader, Industrial Research Institute Swinburne and CEO, MiniFab Pty Ltd
Mr Erich Hofmann Managing Director, Hofmann Engineering Pty Ltd
Mr Paul Howes National Secretary, Australian Workers Union
Mr David Malloch Chief Executive Officer, Malloch Digital Design Pty Ltd
Mr Dave Oliver National Secretary, Australian Manufacturing Workers Union
Mr Tony Quick Director, Defence Materials Technology Centre
Dr Leanna Read Managing Director and Chief Executive Officer, TGR BioSciences Pty Ltd
Mr Rohan Stocker General Manager, Marand Precision Engineering Pty Ltd
Professor Elizabeth Taylor AO Pro Vice Chancellor and Executive Dean, Sciences, Engineering, and Health, Central Queensland University
Ms Diane Tompson Managing Director, Powercom Group Pty Ltd
Ms Sylvia Tulloch Managing Director, Dyesol Industries Pty Ltd
Mr Gary Zamel Managing Director, Latitude Investments Pty Ltd

Australian Government Representative
Dr Michael Green General Manager, Manufacturing Innovation Branch, Department of Innovation, Industry, Science and Research
Future Manufacturing Industry Innovation Council
Strategic Road Map 2009-2014

March 2010 Milestones | 2014 Targets | 2014 Outcomes
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- Identified needs and barriers for manufacturing companies supporting key national priorities of energy, water and health (PB)
- Implementation of Commonwealth Commercialisation Institute supports manufacturing innovation (BG)
- New government funded clean energy infrastructure projects use more than 40% of Australian manufacturers (CD)
- Govt procurement initiatives support Australian manufacturers within WTO rules (TQ)
- Taxation relates to national wealth creation (PC)
- Influenced education revolution to support the manufacturing sector eg. lean philosophy (ET)
- Secured positive exposure for innovative manufacturing in Australia (DM)
- Identified regulatory barriers to commercialising products in Australia (LG)

Pathways

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