

Dear Sir

I have consulted to the manufacturing industry for over 30 years and previously headed research and development divisions in large manufacturing companies and consulted to over 400 companies in 15 countries and worked in the world's best, including Panasonic and Honda,

If Australia cannot make Aluminium and Aluminium components competitively, what country can? Here we are with abundant bauxite, and energy, the two key ingredients for Aluminium production, two Alumina refineries reputed to be the largest and most efficient in the world, and power stations built on top of coal seams and yet the Point Henry and maybe the Hunter Valley Aluminium smelters are threatened with closure. In 1969, Australia was one of the few countries where Nuclear power could not compete because our power was too cheap.

Successive Australian governments have failed to formulate an integrated plan for manufacturing, a plan that should be based on where Australia has natural strengths and how we can capitalise on them for growth and prosperity.

When BHP CEO Anderson separated BHP into what became known as Onesteel and Bluescope, I believed that this would be the beginning of the end of these companies as we knew them and down the line the end of the car industry.

Manufacturing does matter. We can't be all things to all men. We need to strategically focus on those industries where we can succeed, the Aluminium industry is one of them. We can make high value forged, die-cast and machined Aluminium products for the transport and aerospace industry here and ship them around the world cheaper and more efficiently than anywhere else if we had the appropriate investment and capital.

At the last Manufacturing Summit I attended in 2005, the CSIRO presented a paper that clearly demonstrated that 50% of their funds were spent in areas of manufacturing where Australia does not have a competitive advantage. Is this smart?

To be globally competitive in the real world we have to be proactive and recognise our strengths and take advantage of the opportunities they create. It is time to think outside the square and build our manufacturing industry like Japan did after the second world war, study Germany and capitalise on its superior design and engineering and South Korea's industrial plant integration exemplified by Hyundai. Time is running out.

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