

Vernier and the Manufacturing economy

- **Mission - For the Vernier Society to promote Australian Manufacturing Excellence through the society's influence, and use of its' combined experience, knowledge and wisdom.**
- *“Influencing the government, political parties and influential non government organisations to appreciate the value of a vibrant manufacturing industry to the Australian economy”.*

Manufacturing Portfolio - 'Jobs and Innovation'

- Who is the Minister for Jobs and Innovation?
- Senator for WA - Michaelia Cash



May Vernier Lunch 2018



Manufacturing Portfolio

- What other ministers in the Portfolio?
- Assistant Minister for Jobs, Innovation and Science
Zed Seselja
- Minister for Small Business
Craig Lundy
- Minister for Resources and Northern Australia
Matt Caravan



What is covered

- Employment policy, including employment services
- [Job Services Australia](#)
- Labour market programs for people of working age
- Workplace relations policy development, advocacy and implementation
- Promotion of flexible workplace relations policies and practices, including workplace productivity
- Co-ordination of labour market research
- [Occupational health and safety](#), rehabilitation and compensation
- [Equal employment opportunity](#)
- Work and family programs
- Reducing the burden of government regulation
- Small business policy and programmes
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- [Comcare](#)
- [Defence Force Remuneration Tribunal](#)
- [Equal Opportunity for Women in the Workplace Agency](#)
- [Australian Building and Construction Commission](#)
- [Fair Work Ombudsman](#)
- [Indigenous Business Australia](#)
- [National Occupational Health and Safety Commission](#) -
- [National Workplace Relations Consultative Council](#)
- [Remuneration Tribunal](#)
- [Safety, Rehabilitation and Compensation Commission](#)
- [Seafarers Safety, Rehabilitation and Compensation Authority](#)
- [Workplace Authority](#)
- [Workplace Relations Ministers' Council](#)
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What makes up Australian businesses?

- 1 person business - 60%
- 1-4 people business - 25%
- 5- 19 people business - 10%
- 20 -199 Medium enterprise and over 200 Large - 5%

- Total people employed 10.7 million (2016)
- Total in manufacturing 684,000 or 6.4%

Businesses by turnover

- \$0 to less than \$50k - 26%
- \$50k to \$200k - 34%
- \$200k to \$2m - 33%
- Above \$2m - 7%

Businesses by end of 2016-17

- There were 2,238,299 trading businesses in Australia
- an increase of 3.1% (66,755 units) from the end of 2015-16.
- Almost one-quarter of this increase (24.2%) is due to growth in the Transport, Postal and Warehousing Industry which increased by 12.1% (16,160 units) during 2016-17.
- During this period, the number of businesses entering the market sector (Entries) was 328,205, an increase of 5.7%
- The number of businesses exiting the market sector in 2016-17 was 261,450, an increase of 0.5%

Scott Morrison in 2018 budget

- already legislated tax cuts for small and medium sized businesses.
- Full implementation of our enterprise tax plan is needed to remain internationally competitive, invest, create more jobs, boost wages and increase trade for smaller businesses.
- For small business again extend the instant asset write off for businesses with a turnover up to \$10 million for purchases of up to \$20,000.
- announce a new 21st century medical industry plan for jobs in this fast growing sector. The health sector represents 7 % of our economy and 14 % of jobs.
- more support for medical research projects, new diagnostic tools, trials of new drugs, collaboration, and development of new medical technologies s.
- Back in Australian medical scientists through the largest single investment of the Medical Research Future Fund to date of \$500 million over ten years for Australia to become a world leader in genomic research.

Scott Morrison in 2018 budget

- invest more in our people, providing an additional \$250 million for the Skilling Australians Fund to deliver business with the people and skills they need to grow their business.
- The Government will invest more than \$2.4 billion in Australia's public technology infrastructure.
- To support companies genuinely investing in R&D we are refocusing the R&D tax incentive to give more support to companies that invest a higher proportion of what they spend in R&D, over and above what others would just do anyway.

Dick Smith argument

- “He’ll [Scott Morrison] reduce taxes and create false growth,” Smith predicts.
- “For a wealthy country, company tax cuts for small business is OK but for big wealthy companies, it’s outrageous,”
- Meanwhile, the government’s innovation agenda has lost momentum, this is because it’s “incredibly difficult” to drive business innovation if the key motivator is tax incentives or grants.
- Smith’s comments come amid research earlier this week that a majority of SMEs don’t believe the budget will hold any value to them 47% of the 300 businesses surveyed -
had no confidence the budget would have policies that make it easier to do business.

What conclusions can be drawn?

- This Portfolio is so complex, don't see how anyone can influence it.
- Until practical business people run this area - it will not get the focus it deserves
- For an SME getting a grant is just too laborious and too Bureaucratic
- if most businesses are in \$2m to \$10m to get new plant (\$500k) plus is a really big gamble
- Investment has to be highly focused
- One solution would be to give away money to small target market - fast process 3 months, no strings attached BUT
- really open to corruption!

Philosophical Question?

If a man offers his opinion

And his wife is not around

Is his opinion still wrong?