

Geelong **Manufacturing Council**



ANNUAL REPORT
2017

2017 FAST FACTS

GEELONG MANUFACTURING COUNCIL & ENGINEERING NETWORK GEELONG HAVE



120
MEMBERS



40+
EVENTS



150

DELEGATES ATTENDED THE ELECTRIC VEHICLE CONFERENCE



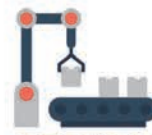
40+ BUSINESS REVIEWS

AND 60+ SUPPLIER IMPROVEMENT PLANS

COMPLETED THROUGH THE ENTREPRENEURS' PROGRAMME

\$180M

OPPORTUNITIES ASSISTED TO DATE THROUGH ENGINEERING NETWORK GEELONG



216

GEELONG MANUFACTURING COMPANIES AND OVER 1700 PEOPLE WERE ACTIVELY INVOLVED IN GMC PROGRAMS



\$310K

OF BUSINESS GROWTH GRANTS SUPPORTING \$790K IN PROJECTS THROUGH THE ENTREPRENEURS' PROGRAMME



163

INNOVATION PROJECTS PROPOSED THROUGH IIP OVER THE PROGRAM'S DURATION



ACCESS TO **\$230K**

IN SEED FUNDING THROUGH RICP

2016 LEADERSHIP FOR MANUFACTURING EXCELLENCE

TURNAROUND TIMES REDUCED BY FOLLOWING VALUE STREAM MAPPING



SAVINGS OF **\$125K** THROUGH IMPROVED JOB CARD SYSTEM

5S IMPLEMENTED

SAVING **\$25K** PER WORK AREA

REDESIGN SAVES LABOUR AND MATERIAL COSTS



\$150K SAVED IN TOOL SPEND FOLLOWING 5S PROJECT



\$70K SAVED DURING PAINT COATING PROCESS REDESIGN

PROJECT LEAD TIMES REDUCED
SAVING \$170K



\$900K BENEFIT GAINED

FOLLOWING 5S, VISUAL MANAGEMENT AND TEAM TOOLBOX MEETINGS



AN ENERGY EFFICIENCY TOOL CREATED SAVINGS OF **OVER \$400K**

PRODUCT QUALITY IMPROVEMENTS

SAVING **\$300K**



MANUAL HANDLING REDUCED AND PRODUCTION OUTPUT **INCREASED BY 20%**



QUALITY MANAGEMENT SYSTEM IMPLEMENTED



SHOPFLOOR BUY IN

GENERATED THROUGH 5S PROJECT

>\$30K

SAVED IN REDUCING INVENTORY HOLDING

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SPONSORS

MAJOR SPONSORS



INDUSTRY SPONSORS



GOVERNMENT PARTNERS



MEMBERS

GMC

AKD Softwoods
Air Radiators
AusPits
Austeng
AiGroup
Australian Lamb Co.
Avalon Airport
Bartlett's Environmental
Barrett Burston Malting
Barwon Water
Barwon South West Waste
Resource Recovery Group
Boomaroo Nurseries
Boral Cement
Boundary Bend Olives
Bulla Dairy Foods
Carbon Nexus
Carbon Revolution
Caron Laboratories
Chemring Australia
City of Greater Geelong
CMTP
Corio Waste Management
CSIRO Materials and
Engineering
Deakin University
Downer Group
Davidsons Accountants &
Business Consultants
Davies Collison Cave

Dow Chemicals
Emu Australia
Enterprise Geelong
Farm Foods
Ford Motor Company of
Australia
Fox Personnel
G-Force Employment
Solutions
GD Manufacturing Engineers
Geelong Galvanizing
Geelong and Region Trades
and Labour Council
Geelong Port
Geelong Textiles Australia
GHD
Godfrey Hirst Australia
Gordon McKay
GT Recycling
Hays
Huyck.Wangner
ICOA Australia
Incitec Pivot
Industrial Control Technology
Insulpak
IXL Group
Josies Transport Group
Karingal
Kempe
KPMG

Liberty Onesteel
Lifting Victoria
Lyondellbasell Australia
McHugh & Eastwood
Marand Engineering
Malteurop
MHG Glass
Nuchev
Phillips Ormonde Fitzpatrick
Plantic Technologies
Powercor Australia
Programmed
QA Electrical
Quickstep Automotive Pty Ltd
Rendine Constructions
RPC Technologies
Rydges Geelong
Sava Engineering
SNF (Australia)
Sykes Racing
TCA Partners
Terminals Pty Ltd
The Gordon
Victorian Regional Channels
Authority
Viva Energy Australia
Whitehead Advisory
Worley Parsons

ENG

Aikman Engineering
Allied Transport Services
Air Radiators
ATS Global
Austeng
Deakin University
ESIC Lighting
FE Welding
GD Engineers
Geelong Galvanizing
Geelong Port
Gforce
GHD

Gordon McKay
Green Earth Electrical
Hanlon Industries
ICD Asia Pacific
ICN – Industry Capability
Network
ICT Industrial Control
Technology
Insight Engineering
Insulpak
IXL Group
J. Anderson & Co.
JR Production Engineering

Kempe
Marand
McElligott Partners
People at Work
PM Design
Proficiency Contracting
RPC Technologies
Sava Engineering
The Gordon
VMS
Worley Parsons

ABOUT GMC

The Geelong Manufacturing Council is a non-political, not-for-profit organisation funded by industry partners who wish to promote the region as a dynamic and innovative manufacturing centre of the future.

Comprising over 100 manufacturers in the Greater Geelong and Colac regions who collectively employ over 9,000 people, stakeholders from government, education and service providers; Geelong Manufacturing Council members meet regularly to highlight, discuss and resolve issues pertaining to manufacturing to promote and support regional economic growth.

The Geelong Manufacturing Council's key areas of strategic importance are encapsulated in our vision.

To position the Geelong region as an internationally competitive manufacturing centre in the 21st century.

We will achieve this through facilitation and support for manufacturing to:

- Develop & share sustainable practices
- Encourage the growth of technologically advanced manufacturing
- Promote a favourable operating environment for manufacturing in Geelong

Mission

To have a positive impact on the sustainability of the Geelong region's manufacturing industry so that companies and investors are confident in the future of manufacturing in the region to ensure a vibrant, successful and prosperous community.

BOARD OF DIRECTORS

Jamie Baensch (Chairman)

Air Radiators

Lyn George (Deputy Chair)

Austeng

David Sinclair

Plantic Technologies

David Sykes

Sava Engineering

Bernard Brussow

Backwell IXL

Ian Kett

Deakin University

David Peart (Company Secretary)

Geelong Manufacturing Council

STAFF

David Peart

CEO

Kevin Foard

ENG Manager

Michael Williams

Industry Innovation Manager

Jenny Perks

Project Manager

Robert Delalande

Finance Manager

Leanne Nelson/Robyn Nagle

Executive Assistant

Vlado Baban

Business Adviser

Peter Veal

Business Adviser

Bryan Moroney

Supply Chain Facilitator

Brett Henderson

Supply Chain Facilitator

Mark Amirtharajah

Supply Chain Facilitator

CHAIRMAN'S REPORT

On behalf of the Board of the Geelong Manufacturing Council, my thanks go to our CEO, David Peart, and GMC team for all the hard work to deliver the many successful achievements of 2016/2017 as detailed in this report.

As you will see in the financial report the total income for the GMC in 2016/2017 was \$1,872,017 and we have retained earnings of \$481,373. This is a very healthy position.

GMC utilises its membership base of over 100 (including ENG members) to deliver services to members, most of which are heavily discounted or free to our members. One of the strengths of the GMC has been its ability to leverage additional funding for the benefit of members. The ability of any organisation to create momentum and influence beyond its own limited resources is often seen as a proxy for high level effectiveness. This, I believe is a demonstration of the confidence that the GMC team has built with local, state and federal government over the last decade.

However, it is the role of the Board to look forward and there are a number of important initiatives for 2017/2018 I would like to share with you.

Member Relationship Development

Despite our increasing revenue base our membership levels have remained relatively static for many years. As a member organisation it is important we deliver value to our current members and attract new members. To this end we will soon add a Relationship Development Manager to the GMC team. This role will enable us to get closer to the issues that you want help with, to understand the issues, determine if others are having similar issues and seek solutions. And of course this role will have a focus on growing our membership.

Manufacturing Sector Research

The manufacturing landscape is changing fast, and while the manufacturing sector remains the third largest employer in Australia, there have been many winners and losers in 2016/2017. Not a month goes by without another manufacturing report or policy document being published. The GMC has a role to review these documents, decipher them, and determine how they impact us in the Greater Geelong environment. To this end we will be commissioning a 3rd party organisation to:

- 1) Explore the key issues of the manufacturing environment in Great Geelong by talking to members and other stakeholders;
- 2) Reflect on the manufacturing context more broadly considering global trends, technologically, economically and socially; and
- 3) Determine the issues that are impacting our member's viability and/or growth and distil the issues into advocacy activities that the GMC can pursue with local, state and federal governments.

Broadening our Community Engagement

Only a few years ago, looking around the bi-monthly GMC meeting you saw a very male dominated audience. This lack of gender diversity was rightly noted by one of our key stakeholders. As a Board we acknowledged the issue and developed a number of initiatives which included creation of the Women in Manufacturing Network under the leadership of Lyn George and Jenny Perks. The attendance at the Women in Manufacturing Network events is impressive.

In 2017/2018 the GMC has been given the opportunity to take the lead role in delivering the Geelong Future Leaders of Industry (GFLOI) and Girls Leading in Advance Manufacturing (GLAM) programs. These programs take up to 50 young men and women at Year 10 level and provide training and industry exposure to encourage them to pursue a career in manufacturing.

The GMC enjoys many relationships with external stakeholders, and partner organisations including: Regional Development Victoria, AusIndustry, Australian Industry Group, G21, Enterprise Geelong, COGG, Deakin, GRIIF Committee, Future Proofing Geelong and Australian Industry Defence Network. On behalf of the GMC I thank these organisations for their ongoing support.

Finally, I would like to thank you, the members, for your contributions and attendance at the various meetings, events and functions conducted by the GMC. Without your participation the GMC does not have a purpose.



Jamie Baensch
Chairman

CEO'S REPORT

The Advanced Manufacturing Growth Centre recently published a report titled *"Advanced Manufacturing - A new definition for a new era"*. It notes that:

- Australian manufacturing is larger and more diverse than thought, supporting 1.27m direct and indirect jobs;
- Being advanced is not what a manufacturer makes but how it makes its products;
- Australian manufacturers compete on value not cost; and
- Every Australian manufacturer has the potential to be advanced.

These important findings reflect what we see in the Geelong and Colac region. The region has a great range of advanced manufacturers, including world leading carpet manufacturer (Godfrey Hirst), agribusiness leaders (Malteurop, Barrett Burston, AKD), food industry leaders (Boundary Bend, Farm Foods, Australian Lamb and Bulla), petroleum and chemical (Viva, Lyondellbasell, Dow), engineering (Austeng, Kempe and Marand), transport equipment (Air Radiators, Ford Australia Product Design and Testing), carbon fibre and advanced carbon fibre (Carbon Nexus, Carbon Revolution, Quikstep and Sykes Racing).

The Victorian Government also recently released *"Advancing Victorian Manufacturing - A blueprint for the future"*. This document will guide Victorian policy for the next few years under the key themes of preparing for jobs of the future, innovation to capture high-value manufacturing opportunities, building scale, capability and supply chain excellence, and fostering a globally competitive business environment.

The blueprint notes that manufacturing is Victoria's 3rd largest employer and employs 283,000 people, exporting around \$18b of manufactured goods pa. GMC programs noted as indicative of advancing manufacturing in the blueprint were Leadership for Manufacturing Excellence and Regional Industry Collaboration Program.

Advanced manufacturing essentially centres around sophisticated business models and production techniques and the companies above exhibit these in spades. In developing and delivering our programs and advocacy strategy during 2016-17, GMC maintained a focus on facilitating and expanding capability in these areas for all our members.

Attendance at GMC member meetings has been strong during the year. At the six meetings convened, 300 manufacturing leaders and guests took the opportunity to network and stay abreast of important industry information and best practice.

As we support the advancement of the region's manufacturing sector, GMC has delivered the following programs, tailored specifically to meet the needs of industry:

Entrepreneurs' Programme One of 10 industry partners nationally, GMC delivers 40+ business reviews, 60+ Supplier Improvement Plans and 5 new supply chain projects pa.

Leadership for Manufacturing Excellence Year on year this program delivers average benefits of \$300k per company. Over \$30m of benefits have been delivered via the Leadership for Manufacturing Excellence program in the past three years.

Regional Industry Collaboration Program Launched during the year with the objectives of increasing jobs and investment through greater R&D spending. A grant element was included in the program to make it easier for companies to undertake R&D.

Innovation Expo successfully held attracting over 200 attendees

Industry Innovation Program (ended late 2016) Worked with 36 companies in projects aimed at adding value to their operations.

Engineering Network Geelong Continued to provide returns for members, having now delivered \$180m in projects over its life and advising on \$200m in tenders annually.

Cleantech Innovations Geelong Supported sustainability initiatives including Closed Loop's industrial food waste recycling system implemented by Deakin Waurm Ponds, funding the establishment of ASPIRE in the region, funding regional access to Environmental Upgrade Agreements (EUA) and development of a tender specification for zero maintenance recreational bridges.

Women in Manufacturing Network The year saw a full program of events involving over 160 participants, both men and women, in an ongoing program to promote, support and encourage the participation of women in manufacturing and engineering roles.

The Geelong Advanced Fibre Cluster continued through its formation phase (GMC providing secretariat) and was successful in securing funding from the AMGC for member projects. Members saw growth over the period, in particular Carbon Revolution raising capital to expand its Geelong facility and the Lemond Composites \$58m deal to license technology developed by Deakin's world-leading carbon fibre research centre, Carbon Nexus.

Our advocacy agenda has seen submissions on issues important to the advancement of manufacturing in the region, such as:

- Mandated Local Content
- Industry policy supporting manufacturing with a minimum 10 year horizon
- Impact on industry from rising energy prices sent to State and Federal Ministers
- Moolap Coastal Plan
- R&D Tax Concessions

GMC works closely with local, Victorian and Commonwealth governments as we continue to position and grow Geelong and the wider region as an internationally competitive advanced manufacturing centre.

I would like to extend my appreciation to the Board and Chairman, Jamie Baensch and to the GMC staff for their ongoing support and contributions over the year, and look forward to working together with our members to achieve even greater outcomes over 2017-18.



David Peart
Chief Executive Officer

YEAR IN REVIEW

2016

JUN

GMC IIP Innovation Expo held at The Pier with 210 people in attendance

JUL

GMC attends Entrepreneurs' Programme conference in Canberra as one of ten national providers

AUG

Minister announces \$250K towards future projects undertaken by Geelong's Advanced Fibre Cluster

SEP

Carbon Revolution raises \$50m to expand production to 10,000 wheels/year by 2021

GMC & ENG attend Landforces 2016 in Adelaide, meeting with 30 key stakeholders & suppliers in the Land400 Program supply chain

OCT

Ford ceases manufacturing in Geelong

NOV

Australian Lamb Co signs contract to supply Coles, initiating a 40% increase in production

Twenty-three 2016 Leadership for Manufacturing Excellence participants graduate with GT Recycling winning the Best Project Award

GMC AGM conducted with Tom Dingle presenting Nuchev's planned \$400m+ investment in the region

DEC

Backwell IXL receives a grant from the \$33M LIFT fund to diversify into new areas

2017

JAN

Deakin, in partnership with Cleantech Innovations Geelong & CSIRO, completes initial CLO30 composter trial resulting in potential waste reduction of 12T/year at Waurin Ponds Estate

FEB

Trevor Perryman briefed over 50 GMC members on Malteurop's planned \$73M upgrade of the Geelong facility, doubling malting capacity

RICP announced by the Minister for Industry & Employment at Bartlett's Environmental

MAR

Joint Strike Fighters (F35s), manufactured with support from Geelong & Australian supply chain, make their Australian debut at Avalon Airshow

Over 140 delegates attend the Electric Vehicle Conference held in conjunction with Deakin

APR

Draft Moolap Coastal Strategic Framework Plan released

ENG Major Projects Briefing featuring opportunities for supplier engagement into Multiplex's Mercy Hospital Upgrade

MAY

GT Recycling announce launch of new processing system to recycle 1500T of polypropylene packaging pa

ENG & Entrepreneurs' Programme facilitate negotiations for Geelong region suppliers into SEM supply chain

JUN

Tony Frencham, Advisian, addresses over 80 GMC members & guests on Male Champions of Change

LeMond Composites & Deakin University announce \$58m deal to license technology developed at Carbon Nexus

OUR KEY THEMES

Geelong Manufacturing Council is committed to advancing Geelong's future in manufacturing through our five key themes

1

Positioning, Networking & Advocacy
An experienced, strong voice at local, state & federal level, dedicated to positioning Geelong as an internationally competitive manufacturing centre



2

Encouraging Operational Excellence
Programs focussed specifically on working with industry members to add value to Geelong's manufacturing sector



3

Building Industrial Synergies
Collaboration & sharing with the region's top manufacturers & support organisations




4

Developing Skills
An engaging & diverse schedule of best-practice workshops and leadership program



5

Growing Advanced Technology
Facilitation of leading edge innovation, research & commercialisation opportunities



POSITIONING, NETWORKING & ADVOCACY



GMC's advocacy plan responds to what our members and stakeholders see as important. During the year we regularly sought feedback from members to better understand their priorities and to determine how we could assist. The value of this input was evident in a busy program of CEO member meetings.

Energy costs were highlighted as an issue of concern for most members, but particularly energy intensive industry. Approaches to State and Commonwealth government ministers and local politicians were made on behalf of members, while GMC meetings featured ways to help and obtain assistance in reducing energy costs and best practice solutions. This issue remains a concern and despite actions from government, the impacts on markets forces are yet to fully play out.

Planning has also emerged as an issue for regional manufacturers. It is vital that consistent and well defined planning guidelines provide a solid base for future investment and this issue will be further progressed in the coming year.

Advocacy priorities identified by members and progressed were:

Government Policies

- Mandated local content in major project and government procurement
- Industry policy (bi-partisan) supporting manufacturing with a minimum 10 year horizon
- Continuation of the successful Entrepreneurs' Programme

Projects

- Land 400 Defence Project
- Advanced Fibre Cluster
- Industry Innovation Program

GMC regularly supports members with applications for grant funding, expansion, business case information and other information provision. Regular State and Commonwealth Government briefings on grants and assistance to manufacturing were a feature of this service. Regular updates and briefings by Ai Group and government departments ensured members were informed of current issues affecting industry.

This includes early and relevant information for our members. It was pleasing to see that a majority of GRIIF funding allocated over the past 3 years went to GMC members.

Key areas supported by GMC included:

- The Gordon Awards for Excellence
- Girls Big Day Out
- Women in Manufacturing

while submissions included:

- Energy Price Rises - Federal Minister For Industry
- Energy Price Rises - State Minister For Industry
- R&D Tax Concession
- Moolap Coastal Plan

GMC is one of 10 partner organisations Australia-wide under the Entrepreneurs' Programme, positioning the region to take advantage of this important assistance mechanism for business. GMC has a team of five business advisers and facilitators servicing Geelong, Western Victoria and Victoria.

GMC provides regional companies with an excellent opportunity to engage with the program. As well as 40+ Business Evaluations, over 60 supplier improvement plans were delivered during the year. Significant projects in mining equipment and specialist transport were commenced which will result in significant opportunities for supply chain participants to meet the needs of customers and grow their businesses.

Networking activities included working with over 200 companies via 40+ events across the year available for members to access.

The Annual Innovation Expo has stamped itself as an important event on the regions' calendar with 210 attendees, 23 exhibitors and a full program of speakers from industry and Deakin University.

An important part of Advocacy includes representation on relevant regional community and stakeholder committees including:

- G21 Economic Development Pillar
- Geelong Chamber of Commerce Board
- Northern Gateway Infrastructure Group
- Geelong Defence Alliance
- GRIIF Committee
- Victorian Government Geelong Local Automotive Taskforce (GLAT)
- G21 Leaders Group
- Future Proofing Geelong
- Cleantech Innovations Geelong
- AiGroup Victorian Council
- Australian Industry Defence Network (Victorian Chapter)

Being active in these committees ensures that Geelong's manufacturing interests are well understood and accommodated through the community.

Major briefings on important investment opportunities included:

- NucheV
- High Capacity Rail Project
- SEA 1000 (Future Submarine Project)
- Land 400 Defence Project

Collectively, these activities provide opportunity for members through positioning, networking and advocacy.



PROGRAMS

LEADERSHIP FOR MANUFACTURING EXCELLENCE



Encouraging
Operational
Excellence



Developing
Skills

Geelong Manufacturing Council developed the Leadership for Manufacturing Excellence Program using an expert team of facilitators and has established a strong reputation for delivering this unique program specifically designed for the needs of industry. Since 2012 the Leadership for Manufacturing Excellence Program has delivered an average return on investment to participating manufacturing companies of over \$300,000 pa.

The program is tailored for current and developing business leaders, middle managers and aspiring team leaders. It provides comprehensive skills set in innovation, lean and leadership and aims to develop the leadership capacity to succeed in today's manufacturing environment, brought together into an in-house improvement project of strategic significance.

To date over 120 manufacturing leaders have graduated the program.

This year participants were fortunate to attend an onsite Lean workshop hosted by Toyota Manufacturing at the Altona Plant. Throughout the day Toyota team members explained and demonstrated the lean philosophy, tools and methodologies that are synonymous with the successful manufacturing system. Participants completed a problem solving activity in the Powertrain plant. They observed the process, talking to operators to gain a detailed understanding in order to identify low cost opportunities to increase efficiency which they presented back to the Toyota team. In the afternoon participants worked through lean problem solving methodology on their own business area issues to

identify root causes and potential solutions, and identified key take aways with practical application for their businesses.

Successes from previous projects

- **Lean tools** including 5s, visual management and toolbox meetings were implemented to increase productivity and output, resulting in **returns of over \$900,000 pa**
- A timber processor saved over **\$350,000 pa in quality improvements** through the implementation of an optimised shuttle truck service which prevented storage damage.
- A decision making tool was created to prioritise and evaluate energy related maintenance requests which expedited repair works resulting in **energy reduction savings of ~\$400,000 pa.**
- **5S implementation** to a tool and equipment storage area resulted in **benefits of \$150,000 pa** through reduced tool expense and time lost.
- The production team was engaged to determine an **efficient layout** to reduce manual handling and increase output resulting in **savings of \$60,000 pa, 20% increase in output**, improved morale and OHS outcomes.
- **Lead times were reduced by 40%** and \$125,000 pa saved in error reduction through improvements to the job card system in preparation of a software implementation.

This popular program runs each year from April to November. Pre-registrations are being taken now by email to

Jenny.Perks@geelongmanufacturingcouncil.com.au

What people are saying about the GMC Leadership for Manufacturing Excellence Program

“

"This program is a great opportunity to learn some soft skills for leadership that will benefit us for the rest of the career life."

"It's interesting to see problems other manufacturers are facing and pick up problem solving skills and ideas from each other"

"Very practical, easy to learn and of great benefit to the individuals AND the business"

"This program provides a great opportunity from intercompany networking and cross-learning as well as developing individual leadership and communication skill."

WOMEN IN MANUFACTURING NETWORK



Encouraging
Operational
Excellence



Developing
Skills

The GMC Women in Manufacturing Network (WIMN) began in June 2015. With funding then obtained through the AusIndustry Women in STEM and Entrepreneurship (WISE) program in 2016/17, further initiatives and events have been delivered and the network has grown significantly.

The WIMN aims to increase participation rates of women across the manufacturing and engineering sectors in Geelong by promoting, supporting and encouraging women in the industry, and to the industry.

This is achieved through work in 4 key areas:

1. Raising awareness of the benefits of careers in manufacturing and engineering for young women
2. Creating a vibrant support network for women who have selected careers in manufacturing and engineering
3. Providing information to support career progression and skills development
4. Developing a community supportive of the mission and vision of GMC - WIMN

Following on from a successful 2015/16, the first event of the year was the well attended **Career and Professional Development Seminar** with author, keynote speaker and facilitator **Narelle Hooper**. Narelle opened the event presenting the compelling reasons for companies to increase the number of women in their business. She shared insights from her research on how organisational diversity delivers better results for companies; increasing their innovation potential and harnessing all available talent.



Craig Biddiscombe from Elite Team Dynamics, an expert in leadership and team dynamics, explored the importance of managing stress and increasing resilience to achieve optimum performance, and Maree Herath, experienced recruiter at Harvest Recruitment, assisted

participants to identify and develop a path to achieving their career goals.

The next event was an **Industry Panel and Networking** evening, featuring local Geelong industry leaders Marina Krasic Advanced Product Marketing Manager - Global Ranger/Everest, Ford Motor Company; Jasmine Leed-Leamer, Plant Manager, Barrett Burstons Malting; Michael Thornton, General Manager, Rendine Constructions; and Greg Ure, CEO, Caronlab. The panel was expertly facilitated by author, mentor and speaker **Amanda Blesing** who drew out the key discussion points around what helps and what hinders the entry and progression



of women in the manufacturing and engineering industries.

The June event featured **Male Champion of Change Tony Frencham**, Executive Consultant for New Energy and Chemicals at Advisian, previously Regional President, SE Asia, Dow Chemical. Tony spoke of his time with Dow, an organisation that recognised the need to focus on strategies to reinvigorate career development to remain competitive. Following a series of Listen and Learn programs around the business the key themes of increased flexibility, better parental leave and addressing bias in the workplace emerged. Tony shared with the audience how the company invested in strategies and policy deployment to shift the needle on these key issues.

If you would like to join the network, have any questions or are interested in being mentored, or being a mentor, please get in touch

jenny.Perks@geelongmanufacturingcouncil.com.au

REGIONAL INDUSTRY COLLABORATION PROGRAM & INDUSTRY INNOVATION PROGRAM



Growing
Advanced
Technology



Encouraging
Operational
Excellence



Developing
Skills

The RICP was launched in early 2017, building on the success of the Industry Innovation Program (IIP) which closed in 2016. Key differences between the programs are that the RICP covers a wider region in Victoria by adding the Ballarat and Bendigo regions to its established Geelong presence and is particularly focused on regional development of investment and jobs.

The RICP and its predecessor program IIP differ from other industry/researcher engagement models in that the main driver is industry need, by specialising in the implementation of research into economic gains for industry through connecting industry and researchers to explore, develop and implement innovative solutions.

In contrast to typical industry engagement by universities and other publicly funded research organisations targeted at large companies with equally large projects and resources, the RICP targets regional companies, mostly SME's. This will facilitate the goal of shorter term regional economic development and developing regional innovation ecosystems.

Organisations face key challenges facing collaboration at this level. These are differences in timeframes, lack of investment for R&D and innovation and often only a fledgling culture of innovation. The RICP seeks to close the gap in these differences and to help to facilitate collaboration that will be rewarding in terms of creating jobs, capital investment and research and development investment in regional Victoria.

The RICP furthers three of the five key themes of the Geelong Manufacturing Council: Encouraging Operational Excellence, Developing Skills and Growing Advanced Technology.

Operational excellence can be demonstrated in each company, in part, through building a culture of innovation. Studies and experience show that companies that promote and measure their progress implementing new ideas which develop new products or processes will build sustainability in the business. Similarly, companies are inevitably **developing skills** internally in parallel with their innovation program. The RICP is particularly strong on **growing advanced technology**. The common theme through RICP projects is the application of industry ready technology that in many cases provides the participating company with a competitive advantage.

Key Activities

The initial months of the RICP were spent establishing new contacts and networks across all three regional areas of Geelong, Ballarat and Bendigo, including both stakeholders such as local business groups, local government and state government representatives as well as individual companies. It was pleasing to encounter much welcoming support in the new RICP regions of Ballarat and Bendigo. This activity will be ongoing and essentially triples the number of stakeholders engaged in the program. Currently there are 70 companies listed as of interest to the RICP and 18 stakeholders through the regions.

Successes

The successes of the **IIP** at the end of the program have been catalogued by Regional Development Victoria in an Evaluation Report as:

"Since its establishment, the Geelong Manufacturing Council/Deakin University Industry Innovation Program (IIP) reached 405 businesses in the Geelong area, and supported 163 research projects with Deakin University."

The evaluation found that the IIP had achieved all of its primary objectives being:

- Develop strong connections between industry and Deakin University
- Provide greater access to new research and technologies to businesses
- Enable businesses to develop advanced capabilities needed to remain sustainable and competitive
- Create opportunities to apply research outcomes in practice
- Provide the opportunity for businesses to expand to new markets

Predicted flow on benefits were also met:

- Support, grow and re-invigorate the existing industry base
- Stimulate the Geelong economy and have a positive impact on the GDP
- Improve business productivity and grow employment through R&D and innovation
- Promote the manufacturing industry as a viable and stimulating career option
- Facilitate the retention of post education students in Geelong

Although the IIP was not focused on stimulating and capturing resulting investments, jobs and export growth, these were sometimes flow on benefits of the projects undertaken.

The IIP provided significant value in making initial introductions and connections as well as a continued brokerage role in facilitating the engagement between Deakin University and industry in the delivery of the identified research projects.

The evaluation found that the IIP was addressing all reported barriers to industry engaging with research institutions, apart from the unavailability of government funding to undertake research projects. There was a reported need for government funding to support research projects in order to encourage innovation in the manufacturing sector in Victoria. This has been addressed with the availability of seed funding in RICP.

RICP Benefits to Flow

Studies show that persistent innovators achieve 18 times the growth of other organisations. The RICP proactively approaches companies to address the gap between industry and research, and create a sustained innovation ecosystem without significant government investment. To that end, the RICP will work with companies and research organisations to:

- Create awareness in Victorian regional industries of the research capability and infrastructure in the region and the mechanisms for access
- Create the capacity to identify innovation needs in companies and prioritise projects that will provide the best results for the company
- Create capacity in the companies to identify and access specific grants to fund innovation
- Create exemplars of Researcher/Company interaction that can be used as a model and inspiration for other collaborations
- Demonstrate the value-add of the program and the value proposition to stakeholders to fund the program going forward
- Award seed funding to worthy projects to leverage development and growth of industry in regional Victoria
- Ongoing support of the transition from a traditional manufacturing base to advanced manufacturing in regional Victoria

For more information on RICP, please email Michael Williams

michael.williams@geelongmanufacturingcouncil.com.au



ENGINEERING NETWORK GEELONG



**Positioning,
Networking &
Advocacy**



**Building
Industrial
Synergies**

Since the formation of Engineering Network Geelong (ENG) in 2009 to support engineering and manufacturing capability in the Geelong region, it has continued to provide information, opportunities and connections for members to grow their businesses. To date ENG has facilitated \$180m of opportunities for members.

ENG consists of a diverse group of 40+ companies having a broad range of engineering capabilities including engineering design, project management, fabrication, machining, installation, process solutions, engineering support, commissioning and ongoing maintenance support.

Tenders of approximately \$200m pa are being advised to members.

The Objectives of ENG

- To identify, profile and promote regional capability and capacity in areas such as engineering, project management and associated manufacturing
- To identify and pursue opportunities for work by network members within and outside the Geelong region with major project proponents and provide updates to members on supply opportunities.
- Provide networking and collaboration activities for members

Activity Areas of ENG

ENG concentrates on activities promoting existing capability of its members both within the Geelong region and further afield, such as holding regular briefing sessions advising of local, regional and Australia-wide opportunities. ENG and GMC both provide representation on the Geelong Defence Alliance, promoting the region's manufacturing and engineering capability to a buoyant defence procurement sector. Cleantech Innovations Geelong, a partnership between ENG and Future Proofing Geelong manages a program of activities to promote the manufacture of goods and services in the cleantech sector, as well as the use of Cleantech products to improve environmental and commercial outcomes for the region.

Meshnet

Meshnet (Sydney) sought to establish a manufacturing operation arrangement in Victoria to manufacture and distribute their power pole monitoring system product into power utility companies, such as Powercor, Jemena and Ausnet within VIC. Meshnet approached ENG due to its reputation as a strong base for manufacturing and engineering with access to world class research and support out of Deakin University.

Meshnet is essentially a technology company and so being able to tap into a quality manufacturing base is crucial to their success in order to service their growing customer base.

ENG met with Meshnet on a number of occasions to determine their needs and make appropriate introductions with members.

Meshnet is in negotiations with an ENG member to manufacture and assemble their devices. Current sales value in excess of \$1m pa.

ICOA Australia

Original equipment supplier to Toyota Australia, ICOA approached ENG to help them secure new work for their factory post closure of Toyota manufacturing in Australia. ICOA is a GMC member.

ENG made a number of introductions for ICOA to entrepreneurs seeking a suitable company to manufacture their products. Utilising ICOA's strength in quality control, production coordination and logistics, ENG worked with ICOA to develop opportunities, including a home composting machine, folding pram and an organic pest control device.

ICOA proceeded with the pest control device, as its specifications suited their capabilities. The device works by attracting certain species of insects that attack growing crops or vegetables, catching them and storing them for disposal, eliminating the need for pesticides. The CSIRO completed an evaluation on the pest control device reporting a high efficacy, supporting the inventor's claims. There is a growing market for organic produce in Australia and overseas, and demand for the device is expected to be strong.

ICOA has confirmed it will manufacture the product and in doing so employing approximately 10 people.

IXL – Aikman

Machining and fabrication company Aikman Engineering secured first orders from IXL to supply steel bushings for IXL's heater range, following an introduction by ENG (both companies are ENG members). Volume 1000-2000 components/mth.

Geelong Defence Alliance (GDA)

GMC/ENG is a founding member of the GDA and provides insights to Geelong industry capabilities and facilitating connections.

The GDA fielded stands at Land Forces (Adelaide) and the Australian International Airshow (Avalon), promoting Geelong's location, manufacturing, infrastructure and education capabilities to key defence primes.

The GDA has continued to arrange briefings in Geelong on major Defence platforms seeking Australian content. This has included briefings on Land 400, SEA5000, SEA1000 and SEA 1180.

Tenders

ENG continues to provide a tender sorting and notification service to members. Small to medium enterprises make up the bulk of members of ENG and as such the tender service ENG provides to members can be a valuable source of information and leads for new work. This year alone ENG estimates that \$5m worth of work was won by members receiving the tender notifications service. Wins have included work with Barwon Water, Lower Murray Water (new customer), processing plant upgrade and content for a new hospital build.

Large projects can provide unique opportunities for members to collaborate and ENG supports co-ordination of members to bid for packages of work locally and Australia-wide.

Working with members to develop new markets has also been a focus. 2016/2017 saw the closure of Ford manufacturing in Australia as well as the pending closure of GMH and Toyota. ENG members have not been immune to the impact of these closures but have embraced the challenges in front of them to move their offerings into different market segments. This included the water and power sectors, transport, industrial products, automotive related areas such as vehicle manufacture and fit-out in the ambulance, fire and rescue, police, search and rescue and electric vehicle markets. ENG has continued to work with members to explore new markets, opportunities and customers since inception with an increasing focus on diversification pathways for members.

These have included briefings and updates on the following:

- Defence SEA1000, SEA5000, SEA1180 and Land 400 programs
- High Capacity Metro Trains Project – Train build and tunnels program
- Westgate Tunnels project (formerly Westgate distributor project)
- Mercy hospital expansion
- RPC technologies Geelong
- COGG – Statutory Planning update for business
- Project management essentials (2 day workshop)
- Electric Vehicle Conference
- Avalon International Airshow – Geelong Defence Alliance stand including ENG/GMC representation
- SEM Fire and Rescue – plant tour and supply chain opportunities for ENG members

Cleantech Innovations Geelong continued to deliver successes throughout the year. Projects & events supported included:

- Electrical Vehicle Conference with 150 attendees
- CLO'ey in home composter trial
- Zero Maintenance Recreational Bridge scope and technical support
- Geelong's first Environmental Upgrade Agreement
- ASPIRE – Online Waste matching service for business
- Black Shed Project – Energy efficiency display for home and business education
- Polymeric Powders manufacturing operation – Using recycled tyre crumb to manufacture high value goods

Since inception ENG has assisted with \$180m of work activity and opportunities for members.

For further information please contact Kevin Foard, ENG Manager on Tel. 5222 8000 or email kevin.foard@geelongmanufacturingcouncil.com.au

ENTREPRENEURS' PROGRAMME

Background

The Geelong Manufacturing Council has been a long-standing key partner organisation delivering the Business Management elements of the Entrepreneurs' Programme. GMC has a dual focus:

- Delivering Business Evaluation services in the region across an expanded geography including Geelong, South-West, and North-Central Victoria; and
- Delivering Supply Chain Facilitation services across Australia including several projects directly impacting on the broader Geelong region.

The Entrepreneurs' Programme offers easy-to-access practical support for Australian businesses in a simplified and streamlined way. The GMC has three Business Facilitators and two Business Advisers in place to provide services as part of the Entrepreneurs' Programme. The five growth sectors that Entrepreneurs' Programme is tasked to work with are:

- Advanced manufacturing
- Food and agribusiness
- Mining equipment, technologies and services
- Oil, gas and energy resources, and
- Medical device and pharmaceutical

Both the Business Evaluation and Supply Chain Facilitation Business Management elements of the program delivered by GMC promulgate the key themes of the GMC's charter by:

- Developing the internal **operational capabilities** of SME's necessary to grow profit, diversify revenue, access and/or remain in global and domestic supply chains, and accelerate business agility & responsiveness;
- Enabling SME's to network and **develop synergies** with R&D organizations;
- Facilitating peer-to-peer **learning** events designed to increase **internal skillset**;
- Encouraging SME's to leverage world-leading advanced **research, design, and innovation** technologies in order to build unique competitive advantage and readily adapt to the disruptive changes taking place in market drivers and customer purchase behaviour.



Growing
Advanced
Technology



Encouraging
Operational
Excellence



Developing
Skills



Building
Industrial
Synergies

Business Evaluation Service

The Business Evaluation (BE) service enables SME's to access an experienced Business Adviser to identify issues and opportunities and offer impartial unbiased advice (at no charge).

Key activities & deliverables include:

- Business diagnostic and assessment;
- Market forces analysis;
- Development of long-range strategic direction;
- Access to diagnostic tools to measure against best practice;
- Development of action (improvement) plan;
- Access to matching (1:1) grant funds designed to defray cost of implementing action plan;
- Connection into R&D and Industry Networks;
- Helping build internal skill-set; and
- Ensuring SME's have the requisite knowledge and skills to make business improvements long after the service has ended.

Key success in 2016/17 period

- Continuing to provide support and focus to the Greater Geelong region whilst also expanding the reach of the programme and providing tailored advice to regional SME's in Central and South-West Victoria.
- Using the expanded programme remit to identify and target large \$100m+ buyers with well-developed supply chain eco-systems and providing tailored advice to **micro-businesses** operating within these supply chain eco-systems.
- Continuing to apply Continuous Improvement to the programme via the ongoing development and improvement of **customer-facing** engagement, assessment and diagnostic tools;
- Engaging in one-on-one sessions with **time-poor** SME's to help them refocus on key business priorities and ensure they absorb and understand the **call-to-action** priorities outlined in their business report;
- Continuing to provide up to 5 days of additional **post-report support** to SME's in order to maintain focus on **call-to-action** priorities;

Key Recommendations

Since 2008 approximately 200 companies have engaged in the programme with each business report delivering on average three plus recommendations.

Entrepreneurs' Programme Recommendations Summary 2016-17

35 >>>>

recommendations for **Strategic Business Planning & Succession/Exit Planning**

29 ✓

recommendations for **Lean, Continuous Improvement & QA Systems**

7

recommendations for **Safety Management Systems**

21

recommendations for **Digital Branding & Marketing**

20

recommendations to redesign **Organisational Socio-Technical Systems**

2 | | | | |

recommendations for **Financial & Operational Measures**

Both Peter Veal (Food/Agri-Business sector) and Vlado Baban (Advanced Manufacturing sector) are pleased to continue offering their support to SME's in the region via the Entrepreneurs' Programme.

For more information go to:

<https://www.business.gov.au/assistance/business-evaluation> or

<http://www.geelongmanufacturingcouncil.com.au>

Supply Chain Facilitation Service

The focus of Supply Chain Facilitation is to work with a **key Buyer** in a supply chain to improve their eligible suppliers' performance through **Supplier Improvement Plans (SIP)**. One of our Business Facilitators works closely with the Buyer to develop a project that focuses on what the Buyer needs of their suppliers and to address issues. Proposed projects are subject to an approval process within AusIndustry.

Business Advisers then work with the individual **SME Suppliers** that choose to participate by conducting individual SIPs that assess each supplier against the Buyer's specific **Buyer Needs and Requirements**. Improvement measures are recommended to address gaps between delivery and buyer expectation and to look at continuous improvement.

After receiving their SIP, the **SME Supplier can access up to \$20,000** on a dollar for dollar basis to get external assistance to implement the recommendations. The Business Adviser provides on-going support and consultation with suppliers over the course of an up to one year engagement.

Key successes in 2016/17 period

GMC Supply Chain Facilitators have managed projects with a number of large organisations during the period including:

- Accolade Wines
- Bombardier
- Edlyn Foods
- Gekko Systems
- Hi Performance Health
- Komatsu
- Patties Foods
- Portland Aluminium (Alcoa)
- SEM Fire and Rescue
- SRX Global
- Value Added Meats
- Woolworths

These projects engaged over **60 SMEs** in Supplier Improvement Plans during 2016/17. Some of these projects have now been finalized, but most remain active

with a few still in the initiation stage. New projects are also in the pipeline to be commenced in 2017/18.

Some GMC members have undertaken Supplier Improvement Plans during 2016/17, with yet others identified as key suppliers in projects continuing into 2017/18.

Each project has a specific focus. Some of the key focuses of these projects have included:

- Electronic Data Interchanges (EDI)
- Plant and facilities maintenance
- Steel fabricated and machined components
- Gear and hydraulics manufacture
- Quality systems
- Matching supplier capabilities with specific buyer needs
- Identifying opportunities to support innovation and commercialisation
- Strengthening customer focus by addressing supply chain pain points

Recommendations delivered in the 60+ Supplier Improvement Plans have enabled SMEs to access grants to assist in implementing improvements concerning:

- Business Information system implementation
- Quality assurance and quality systems improvements
- Safety management systems and accreditation
- Lean manufacturing
- Marketing plan and diversification
- Operational improvement and plant reliability
- Business continuity and operational succession measure
- Delivery system improvement and traffic management for inward logistics
- Capability statements refinement
- Capacity planning
- Improved stock control, storage, rotation and stock carriage
- Increased plant capacity and layout improvement
- Capital improvement planning and budgeting
- Skills matrix, training and professional development

- Strategic planning
- Product line expansion
- Establishing product standards in the absence of industry standards
- Increased regularity of tool box meetings
- Implement accounting system improvement
- Customer relationship management
- Buyer/supplier collaboration for continuous improvement
- Establishment of internal safety committees

Mark Amirtharajah, Brett Henderson and Bryan Moroney are all experienced Business Facilitators and look forward to continuing to work with GMC members and SMEs right across Australia in 2017/18.

For more information go to:

<https://www.business.gov.au/assistance/supply-chain-facilitation> or
<http://www.geelongmanufacturingcouncil.com.au>

Learning Events

As part of its Entrepreneurs' Programme contract, the GMC manages and delivers targeted learning events incorporating subject matter experts delivering seminars, site visits and training programs on topics of direct interest to SMEs.

During 2016/17, GMCs Entrepreneurs' Programme staff delivered 11 such events across Victoria. Four of these events were held in Geelong.

Topics delivered included:

- A two day training program on Project Management
- E-commerce – "How to Generate Leads and Increase Sales"
- A three day Lean Design masterclass
- Market Diversification for Agribusiness
- Export readiness
- Brand marketing
- Logistics workshop
- Quality improvement workshop
- Private label readiness

SUPPLY CHAIN FACILITATION CASE STUDY

Project Customer/Buyer: SEM FIRE & RESCUE

Location: Ballarat, Vic

Key Growth Sector: Advanced Manufacturing

SEM Fire & Rescue specialises in the design, manufacture and service of special purpose vehicles for fire brigades, emergency services and private customers in the Australian and export markets. SEM assists its clients in determining their exact emergency service vehicle requirements via a professional team of design engineers and technical support staff, enabling them to design and then produce quality vehicles and equipment which specifically suit their client's exact specifications.

The aim of this project was to assist SEM to continue to deliver a quality end product and a stronger customer focus by addressing the points of pain in its supply chain. In addition to this, the company was also seeking to identify opportunities to support innovation and commercialisation within the supply chain which will assist the buyer to maintain its reputation in both the domestic and global markets.

In undertaking this project, SEM was also keen to investigate suitable suppliers in the Geelong region who had the capability to meet their requirements. Working collaboratively with GMC's ENG Network, SEM visited five ENG members which resulted in one of the firms winning work to supply SEM. Future opportunities will be investigated as the project progresses.



FINANCIALS

For the Year Ended 30 June 2017

A full set of Financial Statements for the year ended 30 June 2017 is available in the Members' section of our website or by request (www.geelongmanufacturingcouncil.com.au)

FINANCIALS

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2017

	2017 \$	2016 \$
Corporate Membership & Sponsorship	266,464	240,942
Project Sponsorship & Grants	1,602,415	1,667,407
Project management	-	913
Interest received	3,138	3,179
Total Income	1,872,017	1,912,441
Depreciation and amortisation expense	(6,177)	(1,905)
Administration expense	(214,256)	(171,898)
Marketing expense	(12,627)	(15,162)
Office, IT, and Occupancy expense	(198,949)	(182,912)
Project expense	(1,409,514)	(1,509,438)
Loss on net assets transferred from Enterprise Connect	-	(8,619)
Total Expenditure	(1,841,523)	(1,889,934)
Surplus from continuing operations	30,494	22,507
Other Comprehensive Income	-	-
Net Surplus for the year	30,494	22,507

STATEMENT OF FINANCIAL POSITION

For the Year Ended 30 June 2017

	2017 \$	2016 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	556,380	427,927
Trade and other receivables	73,612	141,507
Financial Assets	-	100,000
TOTAL CURRENT ASSETS	629,992	669,434
NON-CURRENT ASSETS		
Property, plant and equipment	14,703	4,430
TOTAL NON-CURRENT ASSETS	14,703	4,430
TOTAL ASSETS	644,695	673,864
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	33,211	117,156
Provisions	36,913	-
Income in Advance	93,198	105,829
TOTAL CURRENT LIABILITIES	163,322	222,985
TOTAL LIABILITIES	163,322	222,985
NET ASSETS	481,373	450,879
ACCUMULATED FUNDS		
Retained earnings	481,373	450,879
	481,373	450,879

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