

Media Release

AUSTRALIANS' PERCEPTION OF LOCAL MANUFACTURING ON THE RISE

- *Advanced Manufacturing Growth Centre (AMGC) research finds that Australians rank local manufacturing higher now than in 2019*
- *Three-quarters of Australians believe manufacturing is important to the economy – highlighting manufacturing's importance to Australians' standard of living*
- *Australians are more optimistic about local manufacturing and believe the industry is globally competitive, high-tech, vital to trade, and makes products of high quality*
- *AMGC data reveals that the impact of local manufacturing is underquoted by ~30% due to outdated measures, contributing to misperceptions*

The Federal Government's Advanced Manufacturing Growth Centre (AMGC) has released its latest body of research which reveals the general public's perception of Australian manufacturing and its understanding of this critical industry.

Comparing data collected in early 2019, before the COVID-19 pandemic, to today, AMGC has contrasted the awareness and attitudes toward local manufacturing showing that support is higher compared to pre-pandemic times.

The research has evidenced that manufacturing is highly regarded by the public, viewed as vital to our nation's economy, and is critical to maintaining our high living standards. Yet, the full impact of the industry is misunderstood and mismeasured.

The report states that having a holistic view of manufacturing and its impact is crucial, as it affects everything from people's understanding of our economy to their purchasing decisions and career choices – the latter being highly significant given current skills shortages.

Data highlighted in the report includes:

- **72% (+7% from 2019)** of Australians believe manufacturing is important, or very important to the economy. (Page 9)
- **Double the number of respondents** believe manufacturing will get stronger in the coming years, compared to responses in 2019. (Page 20)
- **79%** of Australians perceive trade and export of manufactured goods are important to the economy. (Page 9)
- Tasmania, Northern Territory, South Australia, and Western Australia rate manufacturing more highly than the Eastern States. (Page 10)
- The importance of **manufacturing is rated more highly in regional areas**, compared to metro. (Page 10)
- **69% (+6% from 2019)** of Australians believe manufacturing is important to maintain our standard of living. (Page 11)

- **Manufacturing perceived as the 7th most important** industry to the Australian economy (+4 from 2019) relative to other industries. [NB: the top six industries amongst others are also manufacturing]. (Page 12)
- The **appreciation of manufacturing and its importance increases with age**, for example, ~85% of Australians over 65 agree manufacturing is important to the local economy. (Page 13)
- **80% of Australians believe it is important to purchase local** products where possible (Page 18)
- **63% believe these products are of higher quality** and **58% noted that locally made products were worth paying a premium for**. (Page 18)
- **Almost half of the respondents** view Australian manufacturing as high-tech and globally competitive. (Page 19)

The research reveals that the public is less clear as to the value and breadth of manufacturing's contribution to local jobs, economy, and trade (Page 17). This arises from a disconnect between the advancement of the industry and the measures used to evaluate it, which fail to recognise many higher-skilled, higher-paying, and more resilient roles across the manufacturing "**smiley curve**" (Page 5).

This is of importance as it impacts policy development, access to capital, and most importantly the pipeline of future talent – despite the industry being one of the largest employers of engineers and investors in research and development.*

AMGC data estimates that manufacturing contributes over \$100 billion to the local economy each year, representing 10 per cent of Gross Domestic Product (GDP) – rather than the often quoted 6 per cent. This same data finds that manufacturing directly employs 1.27 million Australians, 30 per cent higher than official figures while creating 3.6 indirect roles elsewhere in the economy for every direct manufacturing role.

Minister for Industry, Science and Technology Christian Porter, said "Australian manufacturers have stood tall during the pandemic, helping to keep Australians working and our economy strong during what has undoubtedly been the most challenging period in our recent history,

"It is essential that we have public support for our efforts to strengthen manufacturing. AMGC's survey is important reading for all involved in Australian manufacturing and a valuable guide for both the industry and government," said Minister Porter.

Managing Director for AMGC, Dr Jens Goennemann said, "This latest body of AMGC research demonstrates that manufacturing is highly valued across our population. The industry is well respected for the products it makes, and for the prosperity and opportunities it generates."

"The research reveals that although manufacturing continues to evolve, our perceptions and measures of this vital capability have room to improve. Critical to this is the narrative the public are presented with from influential sources – which is far more positive than some present,

"Manufacturing is far more than production. Manufacturing is present anywhere something is being designed, made and commercialised – from medications to spacecraft to food. Manufacturing is an enabler, the capability that allows us to sustain ourselves, our communities, and our planet."

"Australian manufacturing is transforming and is one of the nation's most dynamic industries. Yet, if we do not evolve our understanding and evaluation of this critical industry, we will fail to recognise its true importance and potential to transform Australia from a lucky country to a smart one," Said Goennemann.

The full report can be downloaded from www.amgc.org.au/wp-content/uploads/2021/09/AMGC-Public-Perceptions-Report-2021.pdf

To learn more about how Australian manufacturing is changing and the people driving the change; industry, media, students, teachers, professionals and parents are encouraged to visit any of AMGC's vast resources:

- To read more of AMGC's research reports – www.amgc.org.au/resources/
- To view some of AMGC's industry-leading manufacturing projects visit – www.amgc.org.au/all-projects/
- To join, explore and learn about manufacturing and Industry 4.0 visit AMGC's Manufacturing Academy - www.amgc.org.au/manufacturing-academy/
- To access media resources visit - www.amgc.org.au/newsroom/
- To learn more about the Advanced Manufacturing Growth Centre – www.amgc.org.au/our-purpose/
- To explore how AMGC, in conjunction with the Department of Industry, Science, Energy and Resources, along with Australia's manufacturing industry has responded to COVID-19 visit - www.amgc.org.au/covid-19-manufacturer-response/

* <https://www.abs.gov.au/statistics/industry/technology-and-innovation/research-and-experimental-development-businesses-australia/latest-release>

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About Advanced Manufacturing Growth Centre (AMGC)

The Advanced Manufacturing Growth Centre (AMGC) is an industry-led, not-for-profit organisation established through the Australian Government's Industry Growth Centres Initiative. AMGC's vision is to transform Australian manufacturing to become an internationally competitive, dynamic and thriving industry with advanced capabilities and skills at its core.

Through the delivery of its world-leading research, Manufacturing Academy, workshops, and ground-breaking projects, AMGC aims to develop a highly skilled and resilient local manufacturing industry that delivers high-value products – via the integration of innovative technology – to domestic and international markets.

<http://www.amgc.org.au>

Industry Growth Centres

The Australian Government targets sectors of competitive strength and strategic priority through the Industry Growth Centres Initiative. The Industry Growth Centres Initiative is strategic, sector based approach to growing our industries and creating jobs by focusing on areas of competitive strength and strategic priority. This approach supports economic growth and job creation for all Australians.

The six Industry Growth Centres address barriers to productivity, competitiveness and innovative capacity to support the growth of the Australian economy.

For more information: www.industry.gov.au/industrygrowthcentres