

BUSINESS SOUTH-EAST

Manufacturing's taxing times

By CAM LUCADOU-WELLS

MANUFACTURING industry jobs in Melbourne's south-east have dropped 10.1 per cent in the past 12 months, according to Australian Bureau of Statistics data.

In the year up to May, manufacturing jobs in the region dropped from 56,400 to 50,700.

It was more than double the rate of manufacturing jobs lost in the state overall.

Narre Warren North state MP Luke Donnellan, who visited reconditioned engine supplier HM Gem in Dandenong last week, blamed the State Government for allowing the manufacturing industry to be "torn apart" in the region.

Mr Donnellan said manufacturing jobs increased in Queensland and South Australia during the same period.

"We are currently in an industry-wide crisis, with many families ... suffering from Denis Naphthine's failure to implement any form of jobs plan for the region," he said.

A spokesman for Minister for Manufacturing David Hodggett said busi-



Production manager Dean Taylor, Narre Warren North MP Luke Donnellan and Bruce Parker. 123618

Picture: ROB CAREW

ness in the south-east was "generally quite strong" - employment overall had increased by 2 per cent in the region.

"The manufacturing sector is facing some enormous challenges, but we as a government have continued to support

the industry as it transitions.

"The south-east is a hub of manufacturing, and many strong companies

are well placed to take advantage of upcoming opportunities with growth in Asia."

HM Gem managing director Bruce Parker said manufacturers had struggled, mostly because of the Federal Government Carbon Tax.

Since the tax came into effect two years ago, his nationwide company's workforce had shrunk 15 per cent to accommodate the extra \$165,000 in annual electricity bills.

Mr Parker said energy suppliers had also played a part, taking advantage of the tax to exorbitantly jack up prices.

He hoped the repeal of the tax would be swift because it would take 12-18 months for manufacturers to recover from the "damage" caused by The Carbon Tax.

"A lot of people I talk to in the businesses we deal with say The Carbon Tax was what broke the camel's back," Mr Parker said.

On the State Government level, Mr Parker said removal of payroll tax would lead to the employment of an extra worker for every 20-strong workforce.

"I have a problem with the logic of a tax on employing people."

H M GEM
RECONDITIONER ENGINE SUPPLIES