



Defence Industry

The Australian Industry Group Defence Council has continued to work hard during the 2005/06 year to promote the capabilities of the country's defence industry to governments and has lobbied the Federal Government for clearer directions on the future needs of Australia's Defence Force.

Ai Group Defence Council

Ai Group Defence Council is the peak defence industry body and an important channel for liaison and input to Government and the Australian Defence Force (ADF). Membership spans the spectrum from SMEs to tier two companies and prime contractors, with member capabilities ranging from the provision of day-to-day supplies and services to the construction, delivery and maintenance of major defence equipment. This includes ships, armoured vehicles and aircraft.

Deployment Support

Ai Group Defence Council has contributed substantially to the high level tempo of the Australian Defence Force during the past year, both directly and through its members. In addition to ongoing commitments in Afghanistan and Iraq, the ADF's operational role expanded to include a return to East Timor and the Solomon Islands to deal with outbreaks of violence against members of the local populations. Australian defence industry has supported each deployment through the provision of new and improved equipment, maintenance and other support such as catering and medical services.

Assistance and Representation

In its role in providing advice to and engagement with Defence, particularly the Defence Materiel Organisation (DMO) and Capability Development Group (CDG), Ai Group Defence Council National Executive has continued to assist with the implementation of a number of important measures. These include the new contracting template, called the Procurement Improvement Program (PIP) and assistance to DMO to develop more responsive, timely and effective project management skills. It has also offered advice on improvements to the Skilling Australia Defence Initiative (SADI), which aims to address skills shortages in the defence industry.

Defence Capability Plan

Defence Minister Dr Brendan Nelson issued a new Defence Capability Plan (DCP), which provided helpful guidance to industry on government plans for the acquisition of new major capabilities such as the three new Air Warfare Destroyers (AWDs), Joint Strike Fighter and two large Amphibious Ships.

Defence Industry Policy Review

Ai Group also welcomed Dr Nelson's decision in May to implement a review of Defence Industry Policy. The Defence Council viewed this as an opportunity to address a range of matters including providing greater clarity to Australian defence industry on the capabilities the Government believe are essential to retain within Australia and further improvements to Defence's procurement processes. Ai Group also believes the review should look at the promotion of further opportunities for exports, the development of improved opportunities for small and medium enterprises, and addressing defence industry skills shortages.

Air Warfare Destroyers

Ai Group member and Adelaide-based company ASC Shipbuilder Pty Ltd holds the contract to build the new AWDs at a cost of \$4 billion to \$6 billion. The first destroyer is due to enter service with the Royal Australian Navy (RAN) from 2013. More than 1,000 jobs will be created in South Australia during construction, while more than 70% of the hull module construction will occur at shipyards around Australia, creating a further 1,000 jobs.

Amphibious Ships

Ai Group Defence Council made strong representations to Prime Minister John Howard and other Federal ministers to commit to Australian construction of the two amphibious ships for the RAN. Two member companies, ADI Ltd and Tenix Pty Ltd, have been invited to submit tenders for construction of the ships. The project is estimated to cost as much as \$2 billion.

Procurement Improvement Program (PIP)

Work on the new contracting template, or PIP, has seen the devotion of considerable effort by Ai Group Defence Council National Executive. The Defence Council convened a dedicated working group of contracting experts from member companies to develop an appropriate response to it. Members have shown a keen interest in the streamlining of defence contracting arrangements to align more closely with accepted commercial practices, while reducing the cost and length of time to tender and reach contract agreement.

Primes Briefings

Ai Group Defence Council has continued an ongoing program of briefings by prime contractors at various locations during the 2005/06 year. These briefings have kept Ai Group Defence Council members regularly informed on the progress of a range of defence activities. Ai Group intends to maintain the rolling program of prime contractor briefings, which have proved so valuable, especially to SME members.



Three dimensional representation of one of the potential Air Warfare Destroyer designs.

Ai Group Defence Council has contributed substantially to the high level tempo of the Australian Defence Force during the past year, both directly and through its members.





“I want to thank Ai Group for all the work you have done on workers’ compensation.”

Robert Faraguna, Advanced Processes

New South Wales

In 2005/06, there were encouraging signs the lemma Government was ready to engage with business in order to reinvigorate growth in New South Wales. The Premier formally strengthened dialogue with business with the formation of the Premier’s Business Roundtable. After years of Ai Group lobbying, the State Government also announced reductions in workers’ compensation premiums and proposed changes to make the Occupational Health and Safety Act much fairer for employers.

Premium reductions

Ai Group celebrated a big representation win in 2005/06, with the State Government announcing it would reduce workers’ compensation premiums by 5% (in late 2005), followed by a further 10% (in early 2006). Ai Group had consistently called for the NSW Government to reduce employer premiums on the back of positive valuations of the state’s workers’ compensation scheme. The valuations showed a steady reduction in the scheme’s deficit from \$3.4 billion five years ago.

Ai Group NSW Director Mark Goodsell said the first reduction in workers’ compensation premiums, announced in November 2005, was a reward to employers for improvements in workplace safety. Mr Goodsell said the Government was taking a positive step towards encouraging employers to continue to improve safety management in the workplace, and there was room for further cuts.

In March 2006, the State Government announced a further 10% reduction in premiums, based on an updated valuation of the scheme that showed its deficit was almost halved. This came from lower claims, more immediate reporting of injuries, and better care for injured workers, who were returning to work earlier. The total 15% workers’ compensation premium reduction took effect for most Ai Group members on June 30, 2006.

Harmonising WorkCover

Ai Group has been instrumental in gaining the cooperation of the New South Wales and Victorian WorkCover Authorities in a project to harmonise the processes of workers’ compensation and OHS regulations in the two states. Competing regulations across the two states have been a major source of cost for national companies. Ai Group is calling for workers’ compensation and OHS regulations to be harmonised in all states and territories.

‘Open for business’

Ai Group welcomed the NSW Government’s Economic and Financial Statement in February, which signalled the state’s intention to engage with business to reinvigorate growth. In addition to announcing a reduction in workers’ compensation premiums and injecting much-needed resources into the Department of State and Regional Development, the Statement set out the NSW Government’s plans to improve its budgetary position by reducing costs and improving efficiencies. While the initiatives announced by the Premier were welcome, the Statement failed to provide sufficient information about specific policies in a number of important areas. NSW Director Mark Goodsell said the statement was a step in the right direction, but Ai Group was not as excited about the detail of the package.

Premier's Business Roundtable

NSW Premier Morris Iemma's Business Roundtable was announced as part of the NSW Government's Economic and Financial Statement and is intended to act as a conduit between the business community, the Premier and State Government.

State Budget

The NSW Budget in June delivered relatively minor improvements to Land Tax, introducing the use of average valuations over a three-year period. This will reduce the sudden impact on Land Tax liabilities associated with sharp increases in land valuations. The Budget tax changes came on top of a range of other tax measures introduced since the 2005/06 Budget. These included the abolition of the Vendor Duty and the removal of a range of Stamp Duties (as part of an arrangement with the Federal Government stemming from the time of the introduction of the GST).

The NSW Budget also heralded an increase in investment in infrastructure, a measure strongly advocated by Ai Group and outlined in our Pre-Budget Submission.

While the reductions will save taxpayers slightly more than \$1 billion over the next four years, Ai Group members in NSW are still paying the highest rates of payroll tax in Australia.

After the release of the Budget, Ai Group renewed its calls for the State Government to do more to reduce the cost of doing business in NSW. NSW Director Mark Goodsell said NSW was still the most expensive state in Australia in which to do business and was foregoing investment and jobs that would bring much-needed revenue as a result. On June 7, the *Australian Financial Review* quoted Mr Goodsell as saying: "Businesses see NSW as a high-cost state, and some are looking at other options like moving interstate. The budget does little, if anything, to reverse that perception."

Secure Employment Test Case Decision

In February 2006, the NSW Industrial Relations Commission accepted Ai Group arguments against unreasonable restrictions on allowing companies to use labour hire and to contract work out, rejecting the majority of claims put forward by Unions NSW in the Secure Employment Test Case Decision. However, the Commission added to the already confusing state of safety regulation in NSW by deciding to include provisions in Awards that regulate certain aspects of workplace safety. Ai Group is concerned this is unnecessarily complex for business and potentially inconsistent with the OHS Act.

OHS Act Amendments

Ai Group welcomed the NSW Government's proposed amendments to the *Occupational Health and Safety Act*, which will provide a fairer framework for employers who are prosecuted under the law. The proposed amendments to the *OHS Act* have been released for public comment. The changes include a fairer test of what reasonable measures employers must take to ensure safety, and removing the unfair onus of proof on individual managers and directors who have to prove their innocence if they are prosecuted personally for safety breaches.

State Wage Case Decision

Ai Group described the NSW Industrial Relations Commission's decision in June 2006 to award a \$20 increase in the safety net wage as "extraordinary and unhelpful". Ai Group said the increase exceeded any safety net wage increase awarded by the Australian Industrial Relations Commission and the decision was unhelpful at a time when the NSW economy is struggling. While the increase did not apply to the vast majority of NSW employers, as corporations are now covered under the federal WorkChoices legislation, meaning they are subject to minimum wage decisions of the Australian Fair Pay Commission, Ai Group said the decision could hurt the smallest and most vulnerable employers in the state (non-corporations). Those employers could end up paying higher minimum wage rates than big business.

Regulation Review

Ai Group is representing members on a Small Business Regulation Review Taskforce, established by Premier Iemma in January 2006. The Taskforce was established as part of a renewed focus from the State Government on regulatory reform in NSW. The NSW Government recognised the impact of business regulation may fall disproportionately on small firms, which might not have the resources of large businesses to comply with regulatory requirements. The role of the Taskforce is to assess regulations that impact small firms and recommend actions that will make compliance simpler for them. Manufacturing is one of the first sectors the taskforce will focus on.

Public – Private Infrastructure Projects

In June 2006, Ai Group and the Australian Constructors Association (ACA) called on the NSW Government to resolve its dispute with the Cross City Motorway in order to preserve the faith of the industry and the community in public private partnerships for infrastructure development. The Government needs private sector resources and expertise to meet its infrastructure challenges and successful partnerships need to be nurtured.

Manufacturing + engineering Apprentice Recruitment Strategy (MARS)

The Manufacturing + engineering Apprentice Recruitment Strategy (MARS) is gaining strength in the Macarthur/Liverpool region of NSW. MARS is a local partnership between industry and schools formed to attract high quality apprentices to meet skills shortages in the metals and engineering industry. The initiative involves forging alliances with the NSW Department of Education and Training, South Western Sydney Institute of TAFE, Macarthur Group Companies and Ai Group representing manufacturers such as Broens Industries, Wisby & Leonard, Favelle Favco, Advance Metal Products and Clapham Industries.

Safety Leadership

2005/06 was a successful year for Ai Group's Safety Leadership initiative – bringing members from metropolitan and regional areas in NSW together to share information and ideas on managing OHS, dealing with ill and injured workers, and lowering workers' compensation premiums. The initiative is aimed at fostering a safety culture among Ai Group members and allowing employers to feel more confident and secure in the safety of their workplaces. It allows Ai Group members from similar sized organisations, and from similar industry sectors, to share experiences and even take part in site visits to see how other employers are managing workplace safety.

“I want to start by thanking you, that is the Ai Group, for the part you’ve had in the development and expansion of the manufacturing sector in this state. Manufacturing is now Queensland’s largest provider of full-time jobs and generates more than 10% of GDP. You are absolutely crucial to the future of the Queensland economy. You are producing enormous outcomes for this economy – not just in terms of jobs, but in terms of what it means for the strength of the economy generally.”

Queensland Premier Peter Beattie

Queensland

Ai Group achieved significant gains for its Queensland members in 2005/06. Intense Ai Group lobbying resulted in Queensland retaining its lead as the state with the lowest workers’ compensation premiums and Ai Group played a key role in the development of the Government’s Queensland Skills Plan.

WorkCover Premium Reductions

Queensland continued to boast the lowest workers’ compensation premiums in the country for the eighth consecutive year with WorkCover premiums cut to 1.2% from 1.43% in 2005/06. The low rate is an important competitive advantage for Queensland companies and reflects ongoing cooperation between industry, Queensland WorkCover and OHS authorities to improve workplace safety.

Queensland Skills Plan

Ai Group played a key role in the development of the State Government’s Queensland Skills Plan, which was announced in March 2006 and included the introduction of 14,000 additional training places for higher level qualifications. The Skills Plan, aimed at addressing the state’s skills shortages, also included the establishment of a \$138 million Trade and Technician Skills Institute to focus on the development of specific skills in the automotive, building and construction, engineering and manufacturing, utilities, and electrical and electrotechnology areas.

Queensland Budget

Ai Group was successful in securing a positive Government response to many of the issues it raised in its pre-budget submission. In its 2006/07 Budget, the Queensland Government announced it would increase its borrowings, as sought by Ai Group, to fund critically needed transport infrastructure projects around the state. It also met Ai Group’s request for appropriate fiscal support for the important Queensland Skills Plan. However, the Government’s decision to raise the threshold for payroll tax, instead of cutting the rate, was disappointing.

Workplace Relations

The Federal Government’s WorkChoices reforms prompted an immense amount of activity on the workplace relations front in Queensland. Ai Group helped employers across the state to raise their awareness and understanding of the new laws through multiple BIZassistBriefings and worksite visits. Thousands of employers attended seminars as part of the WorkChoices Delivers program, as well as industry specific workshops and individual employer consultations. Ai Group also provided support to members required to review their existing industrial practices to ensure they complied with the broadening of the National Construction Industry Code.

Trade Mission to Russia

Queensland Director Andrew Craig took part in a State Government-organised trade mission to Russia in June 2006, which resulted in the signing of a Joint Co-Operation Agreement between Ai Group and the Leningrad Region Chamber of Commerce and Industry (LRCCI). The agreement aims to assist industry to establish relations in each country and help them to identify business opportunities. Ai Group believes the agreement provides a sound base for Queensland industry to promote their businesses to the Leningrad Region specifically but also to the huge and emerging Russian market in general.

Red Tape Taskforce

Through its position on the State Government’s Red Tape Reduction Taskforce, Ai Group has been pushing to reduce the regulatory burden placed on industry. The comprehensive review conducted by the Taskforce throughout 2005/06 has identified the key areas of regulation requiring either simplification or abolishment to ease the burden as well as reduce compliance costs for industry. The full outcomes of the review will be released in late 2006.

Water concerns

Ai Group has been active in liaising with the Queensland Government on strategies for new water supplies including dams, recycling and conservation measures. Planning is now underway for a massive dam construction program, a water distribution grid and pipeline infrastructure for reclaimed water. The Government is also implementing a Business Water Efficiency Program and Ai Group has established a Water Users' Group of member organisations to develop responses to the issues of water pricing, quality and security of supply.

Workplace Health and Safety Laws

Ai Group led a joint employer association campaign in April against the State Government's move to fast track legislation through parliament in an effort to bypass the WorkChoices reforms. The changes to the Workplace Health and Safety Act extended the right of entry provisions for union officials, enabling them to circumvent the WorkChoices reforms and enter workplaces on health and safety grounds. Ai Group, Master Builders Queensland, the National Retail Association and the Road Transport Association joined forces in condemning the changes.

Manufacturing Leaders' Group

Ai Group maintained its involvement with the Queensland Government's Manufacturing Leaders' Group, which is proving to be a useful vehicle for constructive debate and for communicating the interests of industry to the State Government. Ai Group has taken a leading role in redefining the Manufacturing Leaders' Group agenda to ensure it is focused on addressing contemporary issues.

Smart Awards

Several Ai Group Queensland members were among companies singled out for praise as part of the Government's 2006 Smart Awards. Claypave Pty Ltd was highly commended in the large manufacturing and mining division of the awards, while Orford Refrigeration Pty Ltd and Ludowici MPE were both finalists in that section. Crystalaid Pty Ltd/CUC was a finalist in science, innovation and technology division and Hardchrome Pty Ltd was a finalist in the small-to-medium manufacturing and mining section.

Membership

The Queensland Branch continued to experience steady growth in membership through 2005/06. The changing nature of industry has seen the scope of membership broaden into non-traditional markets and emerging industries. Regional activities have increased on the back of a number of projects and will continue to be an area of future development.

Energy Changes

The Queensland Government is selling off its gas and electricity retailing assets and will implement full retail competition in gas and electricity supplies from July 1, 2007. Ai Group has been involved in intensive consultation to protect the interests of industry in this period of changing legislation and government policy.

Mature-Aged Skills Project

Ai Group secured a further \$171,000 in Queensland Government funding to further develop its successful project to recruit and prepare long-term unemployed aged over 40 and unemployed migrants for jobs in industry. The "Maturity and Skills at Work" program forms part of the State Government's Breaking the Unemployment Cycle initiative. The program will now be delivered until April 2007 across Brisbane and Toowoomba and has the possibility of going regional.

Career Advice Australia

Ai Group was successful in winning eight of the nine Regional Industry Career Adviser (RICA) positions available in Queensland under the Federal Government's new Career Advice Australia (CAA) initiative. National Manager – Careers and Industry Education Sally Naughton is based in Ai Group's Brisbane office and spent early 2006 recruiting to fill these positions. Queensland's RICAs are already developing close relationships with industry and local businesses, aimed at promoting careers in industry and combating skills shortages. These relationships will help to build the industry/school partnerships needed to implement CAA's three programs. Proposals have been submitted and meetings organised to help bring industry into the school system and get young people involved in industry.

MESCA

The Mining Equipment Services Council of Australia (MESCA) provided information to its members on 211 projects and 324 sales leads worth billions of dollars throughout Australia and Papua New Guinea, New Caledonia and the Asia Pacific region. This information is provided through project updates, a monthly newsletter and industry briefings. More than 2,000 people have attended MESCA briefings over the past year and membership has grown to more than 270 companies across the whole supply chain. MESCA is Ai Group's representative body to the mining, minerals processing and energy sector. Notable among its many projects this year was the signing of an MOU with the Queensland Resources Council, a research tour of China with six members, and its involvement in the Australia-India Mining Forum in February 2006.

Competitive Manufacturing Initiative

Ai Group played a leading role in the establishment of an ongoing Competitive Manufacturing Training Package, following the success of a pilot program in which Ai Group members took part. The Competitive Manufacturing Initiative is a joint project of five manufacturing industry skills councils which collectively designed the structure for the new qualifications. Ai Group continues to provide significant investment and support to the initiative by working with TAFE to develop learning and assessment resources and implementation strategies.

Group Training in Queensland

Australian Industry Group Training Services began operations in Queensland in February, aiming to address the skills shortage within the trades area in Brisbane and encourage and guide young people to join the workforce of quality tradespeople. The service is initially concentrating on automotive, engineering, electrical (industrial area), stores and warehousing, CAD, air conditioning and refrigeration, business and IT trainees. With four apprentices already on board, the Queensland service has achieved strong results in a short period and this will further improve as the number of enquiries continues to rise.

Business Over Breakfast

The popular Business Over Breakfast networking events continued to attract Queensland members, with around 100 people attending each event this year. Speakers included Lord Mayor of Brisbane Councillor Campbell Newman, Australian Building and Construction Commission head John Lloyd, and Queensland Gas Company Managing Director Richard Cottee. The breakfasts were again sponsored by St George Corporate and Business Bank.



“Ai Group has played a critical role in helping the Government to develop positive economic and business policies, offering sound advice and excellent policy initiatives that shape legislation. I thank Ai Group for the strong leadership it gives to industry.”

Victorian Treasurer John Brumby

Victoria

Ai Group’s Victorian members benefited from the continuation of Ai Group’s significant interaction with the State Government in 2005/06. Ai Group’s strong relationship with all ministers - particularly those in economic and industry portfolios - proved extremely valuable, with the Government implementing numerous policies that were either proposed or supported by Ai Group.

State Budget

Ai Group achieved a trifecta of wins for Victorian members in the 2006/07 State Budget with the Victorian Treasurer also speaking publicly on Ai Group’s pre-budget submission and its role. Ai Group’s positions were also recognised in the announcements made in the Budget where a number of important Ai Group recommendations were accepted, particularly in respect to WorkCover, payroll tax and land tax reductions. These changes reduced costs on businesses and demonstrated the influence of Ai Group.

The Victorian Government adopted Ai Group’s recommendations in full:

- ✓ We sought a 10% cut in workers’ compensation premiums;
- ✓ We sought a reduction in payroll tax to 5%; and
- ✓ We sought land tax reductions.

Red Tape Reduction

Ai Group also secured a commitment from the State Government to cut regulation by 15% over the next three years and 25% over the next five years, a move that Ai Group has encouraged governments at all levels to follow. Ai Group members consistently rated red tape as one of their top issues of concern and Ai Group devoted considerable effort over 2005/06 to lobbying the State Government for meaningful action.

WorkCover Premium Cuts

In the lead-up to the State Budget, Ai Group devoted considerable energy to advocating for a cut of at least 10% in workers’ compensation premiums. In February, Ai Group Victoria Director Timothy Piper called on the State Government to use WorkCover’s operating surplus to reduce premiums. He followed this with further

pressure in March, saying Victoria must act to keep pace with reductions in New South Wales and Queensland. Ai Group consistently argued that a premium reduction would encourage Victorian firms to grow their workforces, while also providing an incentive for companies to start their businesses in the state. The issue was a key element of Ai Group’s pre-budget submission.

Skills

During 2005/06, the Victorian Government announced it would spend \$241 million over the next four years on improving vocational education and training. The announcement followed Ai Group calls for a major increase in training places in key occupation areas such as building and construction, automotive design, and information and communication technology.

The funding program included \$11 million for a Business Skills for the Future program to assess the levels of workforce skills, \$32 million for four new TEC colleges, and an information campaign on careers in manufacturing. It also included \$2 million for Industry Skills Advisers in a range of key industry areas including advanced and competitive manufacturing, logistics and supply chain management, packaging technologies and environmental industries.

Port of Melbourne

Ai Group was successful in 2005/06 in securing State Government support for the Port of Melbourne’s timelines for completing the environmental processes for channel deepening of Port Phillip Bay. A deeper channel is a crucial element of the future success of Victorian industry as it relies heavily on having effective and efficient port facilities.

Victoria: Working Futures

Ai Group Victoria Director Timothy Piper took part in the Victorian Government's Workforce Participation Taskforce, which released its *Victoria: Working Futures* report in 2005/06. The Taskforce was set up to examine the impact of demographic change on Victoria's workforce. The report recommended improvements in the skills formation system, greater support for increased flexible working arrangements, and removing barriers to work, particularly for women with dependants and for mature workers. The State Government has committed to developing a long-term Workforce Participation Strategy for Victoria that will identify practical responses to increase Victoria's workforce participation over time.

Manufacturing Skills and Training Taskforce

The Manufacturing Skills and Training Taskforce was established in 2005/06 and was successful in securing funding to develop practical solutions to helping young people gain a clearer understanding of the benefits of a manufacturing industry career. Chaired by Ai Group Victoria Director Timothy Piper, the taskforce also provided a central point for the exchange of information and worked to foster the development of stronger relationships between a wide range of stakeholders.

Environmental Focus for Victorian Council

Environmental sustainability issues were the focus for Ai Group's Victoria Council meeting held in April. Notably this was the first occasion where the entire meeting agenda was dedicated to environment-related themes. The session discussed issues of emerging priority for industry in Victoria including water supply and availability, trade waste management, EPA licences, greenhouse, and security of energy supply. The meeting provided an opportunity for discussion between the Council – Ai Group's Executive, and distinguished guests about initiatives such as the forthcoming Ai Group Sustainability Covenant with the Victorian Government, as well as our proposed Environment Code of Practice for Manufacturers.

Sustainability Covenant

Preparations continued on the development of a Sustainability Covenant with the Environment Protection Authority Victoria. The Covenant was signed in late 2006, and will provide funding for projects that will promote better environmental and business outcomes. A Steering Committee has been established to assess project proposals for initiatives that reduce the ecological impact of products and services throughout their lifecycle.

Resource Efficiency Advisers

Collaborative projects with EPA Victoria and Sustainability Victoria included the development of a resource efficiency service for small and medium-sized enterprises to encourage improved performance through better use of materials, energy efficiency, waste minimisation, recycling and water efficiency. Sandra Wilson and Mathew Walker commenced as Resource Efficiency Advisers in September 2005 to provide on-site assessment and advice to companies, and promote sustainable industry practices to member companies.

Nowingi Trade Waste Dump

Ai Group continued to make representations to the Victorian Government regarding the proposed development of a long-term containment facility for industrial waste at Nowingi, about 400 km from Melbourne. EPA Victoria has estimated the cost of using the proposed facility will be more than \$1,200 a tonne plus transport costs.

While Ai Group recognises a destination for residual waste is essential for industry in Victoria, we are concerned about the high costs associated with the proposal and their potential impact on industry. The Government is due to decide whether to proceed with the proposal in late 2006.

Environmental Challenges

Ai Group was involved in a number of environmental regulatory, compliance and policy areas on behalf of members, making submissions in relation to the following:

- Sustainable Water Strategy for the Central Region;
- State-wide Review of Victoria's Trade Waste Management Framework;
- Review of State of Environment Reporting by the Commissioner For Sustainability;
- Briefing to the State Opposition's Industry Commission on environment and energy issues; and
- Environmental Scorecard for the 2006 Commonwealth Games in Melbourne.

It also represented members in networks such as the Steering Committee for the Eastern Water Recycling Proposal feasibility study, the Commonwealth Games 2006 Environmental Committee, the Essential Services Commission Customer Consultative Committee, and the Business Energy Innovation Initiative Advisory Panel of Sustainability Victoria among others. Ai Group also took part in the SaveWater! Awards judging panel, the Premier's Business Sustainability Awards judging panel and the Banksia Environmental Awards judging panel.

Environment Working Group

Ai Group's Environment Working Group met regularly to help environment and energy managers in industry to keep up-to-date with regulatory and compliance issues that impact on their operations. The group provides an opportunity to inform industry about changing compliance requirements and also for consultation and feedback to regulators on behalf of industry.

Trade Missions

Ai Group led a successful Biotech Trade Mission to Japan that was part of the larger Victorian Government commitment to Australia's participation in the World Expo 2005 Aichi. Delegates had the opportunity to understand the local environment for potential collaboration as well as creating business connections and outcomes.

Companies that took part in the mission were highly satisfied with the outcome and the linkages created between Australian and local connections in Japan will prove to be profitable in the future. The mission's major achievement was the positioning of Victoria as a centre of biotechnology excellence in the Japanese marketplace. Meetings with organisations such as the Kobe BioCluster and Boehringer Ingelheim have already led to further discussions and will undoubtedly result in further collaboration.

Opening Doors to Export

Ai Group won a two-year contract to deliver the Victorian Government's Opening Doors to Export programs to 10 companies a year. Under the program, the Victorian Government worked with Ai Group to provide companies with access to specialist export advice. The program provides a small number of existing exporters with access to an experienced Export Adviser for one year to enable them to significantly grow their export business. The Advisers assist companies

to further develop their export business strategies and implement market development initiatives designed to boost their performance in new or existing markets. Key successes for the first year included a significant sale of Australian-made towels to the Middle East, new sales of chocolate to the United Kingdom, and engineered products to the United States.

Another aspect of the Opening Doors to Export strategy is the provision of funding for Export Networks, which are designed to bring companies together to exchange practical knowledge, experience and ideas. For the second year, Ai Group won a contract to administer the Ballarat Export Network. The program aims to assist participants to gain valuable awareness of export practices.

National Manufacturing Summit

More than 200 delegates including a significant number of Ai Group members attended a National Manufacturing Summit in Melbourne in December 2005 to discuss how manufacturing could secure a thriving future in a highly competitive global environment. Ai Group Chief Executive Heather Ridout addressed the summit and Ai Group Victoria Director Timothy Piper and Ai Group Victoria President Roger Leeming also participated. The summit resolved to establish a National Manufacturing Forum to steer the future growth of manufacturing in Australia.

Career Advice Australia

Ai Group was successful in winning 10 of the 13 Regional Industry Career Adviser (RICA) positions available in Victoria under the Federal Government's new Career Advice Australia (CAA) initiative. Late 2005 and early 2006 was spent recruiting to fill these positions. Victoria's RICAs are already developing close relationships with industry and local businesses, aimed at promoting careers in industry and combating skills shortages. These relationships will help to build the industry/school partnerships needed to implement CAA's three programs. Proposals have been submitted and meetings organised to help bring industry into the school system and get young people involved in industry.

Member Support

Ai Group provided extensive support and information services to assist members in 2005/06. This included tailored communication programs such as webpages, e-newsletters and briefing sessions specifically designed for the Printing and Packaging, ICT, Food, Aviation and Construction industries. Victoria also held well-attended new member cocktail evenings with guest presenters including Victorian Manufacturing and Export Minister Andre Haermeyer, CSIRO Nanotechnology Centre Director Terry Turney, and Innovic Director Roger la Salle.

Regional Human Resource Management Conference

About 100 people attended Ai Group's Regional Human Resource Management Conference in Albury in November 2005. The conference provided an opportunity for HR managers to discuss contemporary HR practices without the expense of travelling to a metropolitan centre. Topics canvassed at the conference included WorkChoices, OHS, skills shortages, EEO and work/family balance.

Ballarat Business Month – B31

Ai Group partnered with the State Government to conduct the highly successful B31 – Ballarat Business Month in August 2005. Over 36 events were held for the local business community and a number of events were held for secondary school students, teachers, parents and industry.

Boardroom Luncheons

The Victorian branch ran an extremely successful program of boardroom luncheons in 2005/06, hosting well-attended functions for an extensive array of politicians, policy makers and business leaders. Guests included Federal Employment and Workplace Relations Minister Kevin Andrews, Federal Industry Minister Ian Macfarlane, Federal Minister for Vocational Education and Training Gary Hardgrave and Federal Shadow Treasurer Wayne Swan. Victorian Treasurer John Brumby, Water and Environment Minister John Thwaites, Attorney-General Rob Hulls and Opposition Leader Robert Doyle also attended luncheons as did several Victorian Shadow Ministers. Others included Australian Building and Construction Commissioner John Lloyd, Port of Melbourne Chairman Bill Scales and Victorian WorkCover Authority Chair Elana Rubin.

Journey of Excellence

The popular Journey of Excellence breakfast seminars on lean manufacturing and leading edge manufacturing continued to attract strong attendances. The briefings are sponsored by St George Corporate and Business Bank and the Victorian Government.



Regions

Regional economic development in Australia is vital to our economic stability as a nation in the global market. Ai Group's key regional offices provide support and services to centres that provide regional communities with jobs, investment, new technology, skills, growth opportunities, exports, global links and more.

Regional Membership

About one in every five Ai Group members is based in a regional area. These companies span the spectrum of manufacturing, construction and related industries and in many communities, they are the main drivers of local economic activity and jobs.

Albury: Hume – Riverina

Ai Group's reputation in the region received a boost this year through the successful delivery of the WorkChoices Delivers education program. The reforms had a significant impact on members and businesses in the region and Ai Group's education program was professionally presented and well received by those who attended, prompting positive feedback from both members and non-members.

The Federal Government's Small Business OHS Advisers Programme is in full operation in the region with more than 70 SMEs committed to participating in training, on-site audits and development of a workplace safety plan. The OHS adviser is operating from the Albury office.

Career Advice Australia, a Federal Government Initiative aimed at providing young Australians with improved access to high quality information on career opportunities in industry, was launched. The Ai Group Regional Industry Career Adviser operates from the Albury office and services the Riverina area.

The region's manufacturers continue to provide support and development for the nationally recognised model Solar Car project. Eleven member companies formed partnerships with local schools to build a model solar car, which promotes interest in manufacturing skills and careers in the industry.

Ballarat and Wimmera

The Ballarat office successfully continued its Ballarat Export Network with ongoing funding from the State Government through its Opening Doors to Export Program with workshops and networking functions held for potential and current exporters. In addition, several senior Austrade Trade Commissioners made presentations to members of the network during the year.

The Ballarat office also partnered with the State Government to conduct B31 – Ballarat Business Month during the month of August. More than 36 events were held for the local business community and a number of events were held for secondary school students, teachers, parents and industry.

A number of Ballarat members provided input into Ai Group's *Manufacturing Futures* survey. The report highlighted a number of concerns facing these members and industry generally, including skills shortages, competition from low cost countries, and the inability to keep pace with regulations.

The drought continues to have an impact on regional companies. Several manufacturing companies have reported skills shortages and this, coupled with an ageing workforce, continues to be a major concern across the region. Rising fuel prices and high transport costs are also impacting on businesses in the region.

The sector remains strong in the region, which has maintained its reputation as an attractive location in which to operate.

Bendigo: North and Central Victoria and Goulburn Valley Region

Jim Dannock was appointed as the new Regional Manager in 2005/06. His appointment meant there was a continued focus on supporting members in the region and promoting the work of Ai Group in advocating for industry at all levels of government and within the members' local community. Services to the region also increased through government programs that provided a Resource Efficiency Adviser, Regional Industry Careers Adviser, and Small Business OHS Adviser. All three initiatives were well received.

The inaugural Business and Industry Environment Network event was one example of how Ai Group is engaging with regional communities to benefit members. Ai Group also actively supports HR Managers Networks in the central Victorian and Goulburn Valley regions. Ai Group assisted members to understand how to compete in the global market through the delivery of Lean Thinking seminars in both Bendigo and Shepparton.

Geelong

The Geelong office continued to deliver professional and informed industrial representation as well as building strong relationships with members.

As a result, membership retention remained solid, due partly to Ai Group's professional and practical approach to handling industrial issues. The office also had some success in attracting new members, thanks to support from the Melbourne office membership team.

Ai Group focused its community presence on bodies such as the Geelong Manufacturing Council, the Geelong Export Network and the Geelong Textile Network, all of which have strong links to the manufacturing sector.

For members in the Geelong region, the past 12 months were reasonably active on the industrial relations front, mainly in the area of dispute resolution.

The addition of advisers for both the Small Business OHS and Career Advice Australia programs helped to boost the resources of the Geelong office. Both programs are running well.

The Geelong office continues to provide administrative and logistical support to the Geelong Manufacturing Council in the work it is doing to promote manufacturing in the Geelong region.

Central and Northern Queensland

Queensland's resources boom drove a significant amount of activity in central and northern Queensland in 2005/06, which included great demand for WorkChoices Delivers seminars and briefings and the appointment of three Regional Industry Career Advisers (RICAs) under the Career Advice Australia program.

Since their appointment in March 2006, the RICAs have met with industry and other key stakeholders in their respective regions to gain a more in-depth knowledge of the areas and their skilling needs. In June 2006, a highly successful launch of the program was held at the The Barrel Bundaberg Brewed Drinks, generating a greater awareness of the services the RICAs can provide.

Ai Group's regional BIZassistBriefings are particularly important in regional Queensland, where enormous distances make it difficult for members to keep in touch with regulatory and other policy developments. BIZassistBriefings were held during the year at Bundaberg, Rockhampton, Gladstone, Mackay, Toowoomba and Townsville. Other events included nine Mining Equipment and Services Council of Australia (MESCA) briefings in Townsville, Mackay and Gladstone, which included presentations from PNG Gas Pipeline, Rio Tinto Coal, GHD, and CS Energy.

Hunter and Northern NSW

2005/06 saw many positive achievements for Ai Group members in the Hunter and Northern NSW Region. The Hunter Manufacturing Council, Ai Group's policy formation body in the region, continued to focus on addressing the key priorities of skills shortages, workplace safety, lifting awareness of manufacturing in the region, and establishing and participating in regional networks.

Council meeting discussions on skills shortages resulted in implementation of the Hunter Skills Development Program to help alleviate identified skills shortages in the region. This is a second phase continuation of initiatives originating with the Hunter Skills Development Taskforce pilot program, which contributed to a 40% increase in manufacturing and engineering trade apprenticeships last year.

Many members participated in the Hunter Safety Leadership Network. Ai Group members set a program of bi-monthly meetings for the network to foster a culture of sharing good safety practice initiatives and continuous improvement to build on the positive safety performance in the region. The 2005/06 keynote speakers addressed topics such as Critical Incident Management and Protocols, Dangerous Goods / Hazardous Facilities, and WorkCover's Business Assistance Unit. Bechtel Australia also hosted a major construction site visit as part of the network's activities.

Several Hunter Manufacturing Council members attended Ai Group's National Forum, providing them with the opportunity to network with industry leaders and debate policy platforms with each of the major political party leaders.

Services provided by Ai Group's Hunter regional office expanded during the year to include the appointment of Sally Purcell as the Regional Industry Careers Adviser under the Career Advice Australia program and the appointment of Barbara Nesbitt as the office's Small Business OHS Adviser.

Other activities included BIZassistBriefings in Coffs Harbour for North Coast members in addition to the BIZassistBriefings on the Central Coast, Hunter and mid North Coast, which were well attended by local members. Production of *Industry Matters* newsletter, the Hunter Manufacturing Council's regional quarterly newsletter, continued, focusing on regional initiatives and issues, and Ai Group's regional webpage was launched.



Illawarra and South Eastern NSW

Workplace issues were a strong focus in the Wollongong region in 2005/06, mainly due to the introduction of the WorkChoices legislation. In addition to running a number of workshops and seminars, the Wollongong office experienced a much higher demand for industrial relations advice.

The industry-led Skills Shortage Taskforce continued to implement a number of initiatives over the 2005/06 year. Of particular significance was an initiative to raise the awareness of careers in the manufacturing sector. The Taskforce oversaw the development and launch of the Illawarra Careers Surfing website. This website acts as a portal to existing government and non-government online assistance with careers advice and job seeking information as well as information about Illawarra employers and training providers.

Members of the Industry Council took active roles in initiatives to address the skills shortages with the Chairman taking up a position on the Board of Institute of Trade Skills Excellence and the Deputy Chairman taking up the position of Chairman of the Board of the Illawarra Australian Technical College.

The Safety Taskforce continued to provide a forum for members to draw on the experiences of others. In addition to undertaking a number of site visits, the Taskforce also heard from key speakers about the best OHS practices.

The extent of services to local members increased with Ai Group's success in securing two Federal Government programs - Career Advice Australia and Small Business OHS Advisers Programme. Both programs started at the beginning of 2006 and provided significant support to the business community in the region.

The Wollongong office also continued its proactive role in the economic development of the region by providing representation on a number of key committees.



South Australia

The past 12 months has seen the South Australian economy in a state of transition. While some traditional industries are facing enormous global pressure, the state is experiencing considerable new investment in mining and defence. Engineering Employers Association South Australia (EEASA) is adapting to meet these challenges.

Skills for Manufacturing Industry Employees

Throughout 2005/06, EEASA, in conjunction with the Department of Trade and Economic Development, promoted the Manufacturing Upskilling Program, aimed at expanding and improving the skills of existing manufacturing industry employees. Dozens of applications across the state were approved in areas of CAD/CAM, basic TIG and MIG welding, lean manufacturing skills, industrial engineering and a range of other areas. EEASA estimates the program, which provides financial incentives, has been pivotal in delivering more than \$300,000 of extra training during the year. The program will continue through 2006/07.

Apprentice of the Year

EEASA's separately incorporated Group Training Scheme (GTS) proudly achieved back-to-back National Apprentice of the Year Awards. Christine Stock was announced the 2005 National Apprentice of the Year in November 2005 after Brad Donaldson won the award in 2004. Christine has been an outstanding apprentice and representative of the EEASA GTS and we wish her well in her future career in engineering.

Workers' Compensation

EEASA has been concerned over the last 12 months about the increasingly uncompetitive position of the State Workers' Compensation Scheme. In representations to the Government, EEASA has indicated that every other major workers' compensation jurisdiction has dropped average levy rates at least once and in some cases twice, while South Australia continues with a 3.0% average levy rate. The Association has urged WorkCover and new Industry Minister Kevin Foley to focus on reducing the average levy rate as well as the overall unfunded liability.

Occupational Health and Safety

The State Government introduced its new Safework Advisory Board, which has EEASA Board member Amanda Wood as a member. The Government also announced increases in fines under the *OHS Act* and has begun an inquiry into other aspects of OHS which should be considered for legislative reforms. The outcome of the Government deliberations should be known in 2006/07.

High Level Automotive Working Party

The automotive assembly and component industry is an important part of the State's manufacturing sector. In response to the massive global pressures on the industry and the resourcing of some components from overseas suppliers, the State Government formed a high level working party of broad industry and Government representatives, including EEASA, to look at initiatives to sustain the industry in Australia. The working party has a wide-ranging brief to formulate recommendations for Government consideration.

WorkChoices

EEASA, in conjunction with Ai Group, has been instrumental in delivering national WorkChoices programs in South Australia. It has also made available Ai Group training courses and seminars to South Australian members and businesses. EEASA is committed to helping existing member companies on an individual basis to meet the requirements and obligations of the WorkChoices legislation as well as taking advantage of the opportunities.



EEASA Group Training Scheme apprentice Christine Stock, won the 2005 Australian Apprentice of the Year at the National Training Awards. It was the second year in a row that an EEASA Group Training Scheme apprentice won the title.

Alliance

During the year, EEASA formally signed an alliance with Ai Group. While EEASA has long had an affiliation with Ai Group, the alliance will build on the affiliation providing Ai Group with an opportunity to build its brand exposure in South Australia with EEASA's help, and also providing EEASA members with services and training programs from Ai Group that are not presently delivered in South Australia.

Environmental Legislative Developments

The Association has been in constant contact with the Environmental Protection Authority (EPA) in relation to a range of legislative initiatives. The key developments relate to a civil penalty regime and load based licensing. The civil penalty regime will come into operation on September 1, 2006, and South Australia is the first jurisdiction to incorporate such an arrangement. Load based licensing is a significant issue for the metal and engineering manufacturing industry and we will continue to work over the next 12 months in relation to ensuring our views are heard in response to discussion papers.



Ai Group Policy Makers (as at June 2006)

Ai Group's policies are developed on the basis of extensive research and member consultation and are overseen by the National Executive and State Branch Councils comprised of senior executives from our membership.

National Executive

Mr John Ingram was re-elected National President of The Australian Industry Group at the Annual General Meeting on 23 November 2005.

Other National Office Bearers re-elected at the meeting were Mr Rod Chadwick as Deputy National President, Mr Roger Leeming as National Vice President and Dr Walter Uhlenbruch AO as National Secretary/Treasurer.

Messrs Graham Smith and Michael Symes were also elected to the two vacant National Vice President positions. Following the resignation of Mr Graham Smith in December 2005, Mr Trevor Carroll was appointed to fill the vacancy of National Vice President.

Former Alternate National Executive members, Messrs Chris Raine, Angelo Conte and Graham Lockhart were appointed members of the National Executive and Messrs John Gaskell, Peter Lancaster, Gerard O'Brien and William Hutchinson were appointed as new Alternate National Executive members.

Mr Lance Hockridge did not seek re-election as a member of the National Executive.

During the year Mr Doug Harland resigned as an Alternate National Executive member.

Mr Bob Hill-Ling AO and Mr Richard Colebatch retired from the National Executive as representatives of the Engineering Employers Association of South Australia.

Mr John Langoulant replaced Mr Len Roy as a representative of the Chamber of Commerce and Industry, Western Australia.

New South Wales Branch

In New South Wales, Mr Graham Smith was elected as Branch President following the resignation of Mr Lance Hockridge. Other office bearers elected or re-elected at the 2005 Annual General Meeting were the Deputy President, Mr Trevor Carroll, and Vice Presidents Mr Lucio Di Bartolomeo and Mr Chris Raine. Mr Graham Lockhart was elected as Secretary/Treasurer.

Unfortunately, Mr Graham Smith moved back to the United Kingdom in early 2006. Mr Trevor Carroll was appointed NSW Branch President. Mr Lucio Di Bartolomeo was appointed Deputy Branch President and Mr Darron McGree was elected to the vacant Vice President position. Mr Alan Watkins was appointed to the vacant General Councillor position.

Queensland Branch

Mr Michael Symes was elected as the Queensland Branch President for 2005/06.

Other branch office bearers elected or re-elected at the annual general meeting were the Deputy President, Mr Ken Bridges, and Vice Presidents Mr Angelo Conte and Mr Peter Lancaster. Mr Ken Porter was re-elected as Secretary/Treasurer.

Mr Allan Andersen, Mr Rex Vegt and Mr Graham Bourne took up positions as Advisory Councillors for 2005/06.

Victorian Branch

Mr Roger Leeming was re-elected as Branch president and Mr Don Matthews was appointed Deputy President, replacing Mr John Hale. Vice Presidents Mr Ian Campbell and Mr Peter Nicholls were re-elected as was Mr Russell Rolls as Secretary/Treasurer.

Five new General Councillors joined the Branch Council following the 2005 election. They were Mr Colin Bickerstaff, Mr Russell Cooper, Mr Steve Fraser, Mr Stephen O'Rourke and Mr Glenn Triggs.

Mr Graeme Wheeler took up a position as a new Section Councillor and Ms Cheryl Batagol was appointed as a new Advisory Councillor.

Mr Bill Coulter resigned during the period under review and Mr David Baker did not seek re-election.

South Australia

Engineering Employers Association, South Australia

Mr Grant Price was re-elected President of the affiliated Engineering Employers Association, South Australia at the annual general meeting held in November 2005.

Other office bearers re-elected at the meeting were Dr Geoff Blomfield as Deputy President, Mr Chris Stathy as Vice President, and Mr David McNeil as Treasurer.

Mr Stephen Richter, Mr Steen Saubrey and Mr David Wilson were elected to the Committee of Management at the meeting.

Committee of Management members appointed to fill casual vacancies during the year included Mr Ric Gros and Mr Leon Andrewartha.

Mr Nick Daly, Mr Stan Ward, Mr Richard Colebatch, Mr Paul Hyland, Mr David Wylie and Mr Mike Terlet AO resigned from the Committee during the year.

After 34 years of service, Mr Bob Hill-Ling AO resigned from the Committee in July 2005. A resolution was unanimously endorsed by the Members that an Emeritus Committee of Management Member be established and that Mr Hill-Ling be the first recipient of such a position.

Emeritus Councillors

The honour roll of Australian Industry Group Emeritus Councillors recognises the outstanding contributions to industry policy development and representation by former and current members of Ai Group National Executive and councils.

G J (Geoff) Ashton AM

M A (Tim) Besley AC

J M (Jim) Dowrie OBE

R D (Bob) Hill-Ling AO

J A (John) Hale*

I D (Ivan) James*

G (Graham) Kraehe AO

F R D (Frank) Morgan CBE

P G (Peter) Thomas AM

W (Sir William) Tyree OBE

W W J (Dr Walter) Uhlenbruch AO*

* *Current National Councillors*

National Executive (as at 30 June 2006)

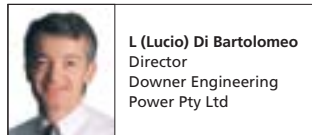
National President



Deputy National President



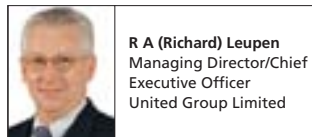
National Vice-President



National Vice-President



National Vice-President



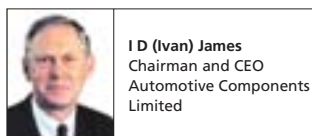
Alternate National Councillors



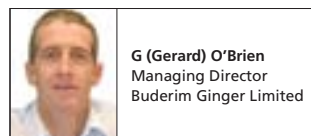
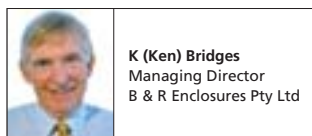
National Secretary / Treasurer



Immediate Past National President



National Councillors



Affiliate Delegates

ENGINEERING EMPLOYERS ASSOCIATION, SOUTH AUSTRALIA

Dr G A (Geoff) Blomfield
Chief Executive Officer
Intercast & Forge Pty Limited

G (Grant) Price
Company Secretary
Gerard Corporation Pty Ltd

C (Chris) Stathy
Managing Director
Philmac Pty Ltd

Alternates

D B (David) McNeil
Director
Safe Care Optical

C J (Colin) Peters
Director
EEA Group Training Scheme Inc.

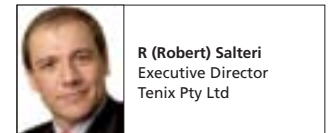
CHAMBER OF COMMERCE AND INDUSTRY, WESTERN AUSTRALIA

J (John) Langoulant
Chief Executive
Chamber of Commerce and Industry
Western Australia

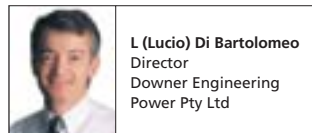
B (Bruce) Williams
Executive Director - Workplace
Relations
Chamber of Commerce and Industry
Western Australia

State Branch Councils New South Wales (as at 30 June 2006)

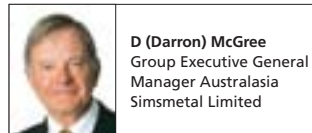
President



Deputy President



Vice-President



Vice-President

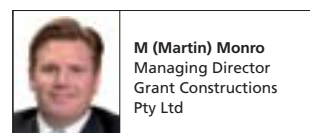
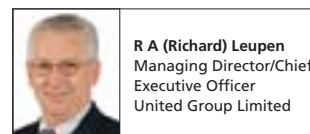
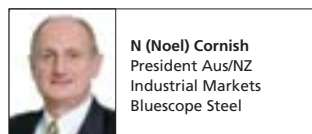
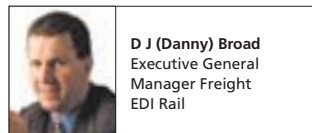


Section Councillor

Secretary / Treasurer



General Councillors



State Branch Councils Queensland (as at 30 June 2006)

President



M (Michael) Symes
Chief Executive Officer
Triasx Pty Ltd



S D (Simon) George
Managing Director
Monarch Industrial
Products



R (Rex) Vegt
General Manager
Atlas Heavy Engineering
Pty Ltd

Deputy President



K (Ken) Bridges
Managing Director
B&R Enclosures Pty Ltd



R (Rob) Noble
Managing Director
Noble Engineering
Pty Ltd

Vice-President



A (Angelo) Conte
General Manager,
Structural Mechanical
Process
John Holland Pty Ltd



G (Gerard) O'Brien
Managing Director
Buderim Ginger Ltd

Vice-President



P J (Peter) Lancaster
Chief Executive Officer
Food Spectrum Pty Ltd



J (Jim) Vaughan
Managing Director
Vorn Australasia Pty Ltd

Secretary / Treasurer



K J G (Ken) Porter
Chief Executive Officer
QMI Solutions Limited



M (Max) Voigt
General Manager
PAC Foundry Group
- Maryborough

General Councillors



G R W (Glen) Battershill
Managing Director
Sikorsky Aircraft
Australia



R (Bob) Townsend
Managing Director
Kador Engineering (Aust)
Pty Ltd (MESCA – Mining
Equipment and Services
Section)

Advisory Councillors



D A (David) Blower
General Manager Finance
Century Yuasa Batteries
Pty Ltd



A (Allan) Andersen
Director
Claypave Pty Ltd



P A (Paul) Cooper
General Manager
Queensland & Northern
Territory
Skilled Group



G D (Graham) Bourne
Managing Director
Bouredrill Pty Ltd

State Branch Councils Victoria (as at 30 June 2006)

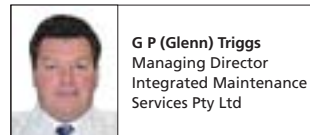
President



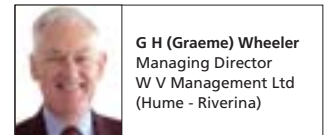
R (Roger) Leeming
President
Pilkington
(Australia) Limited



R (Russell) Cooper
Chief Executive
Goulburn Murray Water



G P (Glenn) Triggs
Managing Director
Integrated Maintenance
Services Pty Ltd

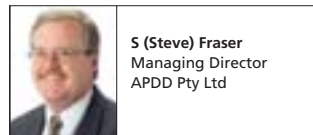


G H (Graeme) Wheeler
Managing Director
W V Management Ltd
(Hume - Riverina)

Deputy President



D (Don) Matthews
President
SCA Hygiene Australasia



S (Steve) Fraser
Managing Director
APDD Pty Ltd



**W W J (Walter)
Uhlenbruch AO**
Director and Deputy
Chairman
Hella Australia Pty
Limited



C (Cheryl) Batagol
Chairperson
Melbourne Water

Advisory Councillors

Vice-President



I (Ian) Campbell
Managing Director
GUD Holdings Ltd



J A (John) Hale
National General
Manager - Group
Procurement &
Employee Services
Spotless Group Limited



G (Greg) Waters
President
Bluescope Steel Ltd
Westernport

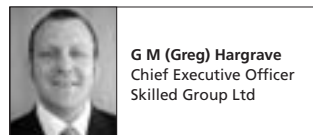


A D (Alan) McGarrigle
Director - Corporate
Services
Toyota Motor Corporation
Australia Ltd

Vice-President



P J (Peter) Nicholls
Managing Director
Production Parts Pty Ltd



G M (Greg) Hargrave
Chief Executive Officer
Skilled Group Ltd



R J C (Robert) Wilson
Managing Director
Wilson Transformer Co
Pty Ltd

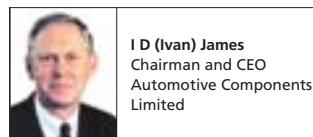


C (Chris) Ogilvy
Chief Executive Officer
Note Printing Australia
Limited

Secretary / Treasurer



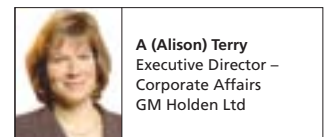
R J (Russell) Rolls
Chairman
R G Melgaard and Co
Pty Ltd



I D (Ivan) James
Chairman and CEO
Automotive Components
Limited



Peter Doyle
Chief Executive Officer,
Hella Australia Pty Ltd



A (Alison) Terry
Executive Director -
Corporate Affairs
GM Holden Ltd

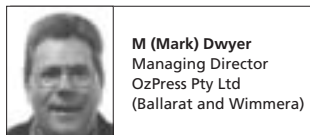
General Councillors



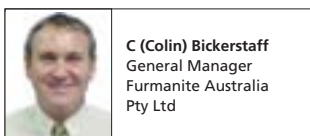
W (Wayne) Austen
Director
Haycolec Industries
Pty Ltd



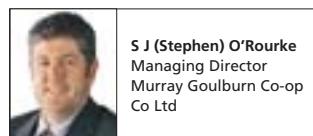
P R (Paul) Mracek
Managing Director -
Asia Pacific
Fasco Australia Pty Ltd



M (Mark) Dwyer
Managing Director
OzPress Pty Ltd
(Ballarat and Wimmera)



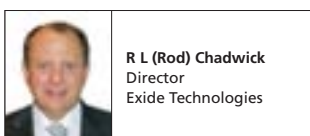
C (Colin) Bickerstaff
General Manager
Furmanite Australia
Pty Ltd



S J (Stephen) O'Rourke
Managing Director
Murray Goulburn Co-op
Co Ltd



B M (Barry) Ellis
Chief Executive Officer
Keech Castings Australia
Pty Ltd
(North, Central and
Goulburn Valley)



R L (Rod) Chadwick
Director
Exide Technologies



W W (William) Purton
Managing Director
Dolphin Products Pty Ltd



D B (David) Sinclair
Human Resources
Manager
Basell Australia Pty Ltd
(Geelong and South
Western)

Affiliated Industry Organisations (as at 30 June 2006)

SOUTH AUSTRALIA

Engineering Employers Association,
South Australia

Committee of Management

President

G L (Grant) Price
Company Secretary
Gerard Corporation Pty Ltd

Deputy President

G A (Geoff) Blomfield
Chief Executive Officer
Intercast & Forge Pty Limited

Vice President

C X (Chris) Stathy
Managing Director
Philmac Pty Ltd

Treasurer

D B (David) McNeil
Chief Executive Officer
Tytronic Pty Ltd

Committee Members

L R (Leon) Andrewartha
Managing Director
Orrcon Pty Ltd

P D (Paul) Bradley
Managing Director
Peterson Industries Pty Ltd

J (John) Cloonan
General Manager
Nylex Fuel Tank Systems

R K (Bob) Cusworth
General Manager – National Quality
Electrolux Home Products Pty Ltd

E (Eduardo) Donoso
Managing Director
Louminco Pty Ltd

A S (Andrew) Downs
Managing Director
Sage Automation (SA) Pty Ltd

B D (Brian) Freeborn
Managing Director
Schefenacker Vision Systems Australia
Pty Ltd

P R (Peter) Gardner
Director, Manufacturing – Brake &
Fuel, Asia Pacific
Bundy Tubing Co (Australia) Pty Ltd

R (Ric) Gros
Managing Director
Korvest Ltd

D I (David) Heaslip
Managing Director
Century Products (SA) Pty Ltd

B F (Bernie) Kavanagh
Director
A. Noble & Son Ltd

C J (Colin) Peters
Director
EEASA Group Training Scheme Inc

S J (Stephen) Richter
Managing Director
S J Cheesman

S (Steen) Saubrey
Managing Director
Trident Tooling Pty Ltd

B (Brian) Smith
General Manager – Operations of
Australasia
Exide Australia Pty Ltd

M (Mike) Terlet AO
Chairman
United Water International Pty Ltd

B F (Brenton) Thorndike
Managing Director
Key Manufacturing

G R M (Grant) Tinney
Sales & Marketing Director
Precise Tooling Australia

D G (David) Wilson
General Manager SA
KONE Elevators Pty Ltd

A M (Amanda) Wood
Managing Director
A Class Metal Finishers Pty Ltd

WESTERN AUSTRALIA

Chamber of Commerce and Industry
of Western Australia

President

Dr B E (Brian) Hewitt

Vice-Presidents

P J (Peter) Hood
Chief Executive Officer
Coogee Resources Ltd

W (Wayne) Osborn
President and Managing Director
Alcoa World Alumina Australia

Immediate Past President

A G (Andrew) Thompson
Partner
Minter Ellison

Committee

J K (John) Atkins
Head of Office
Freehills

R B (Bob) Browning
Chief Executive Officer
Alinta Limited

D (David) Charles
General Manager Corporate Services
Tiwest Joint Venture

R B (Russell) Chapman
Managing Director
Budget 4WD

Dr P (Penny) Flett
Chief Executive Officer
Brightwater Care Group (Inc)

I P (Ian) Gay
Regional General Manager WA
Qantas Airways Limited

K (Keith) Gordon
Managing Director
CSBP Limited

D J (David) Gray
Managing Director
David Gray & Co Pty Ltd

W D (Warwick) Hemsley
Managing Director
Peet Limited

T (Tracey) Horton
Dean, Business School
University of Western Australia

A J (Tony) Howarth

P A (Pat) Leighton
Principal
Pat Leighton Chartered Accountants

W (Bill) Marshall
Chief Executive Officer
SwanCare Group

R H (Bob) Muirhead
Managing Director
Remote Control Technologies Pty Ltd

P J (Phil) Nixon
General Manager
United Farmers' Co-operative Ltd

P (Paul) Norman
General Manager
The Furniture Spot Pty Ltd

R S (Bob) Phelps
Managing Director
Maxwell Robinson & Phelps

R (Ray) Sputore
Director & General Manager
Leighton Contractors Pty Ltd

S M C (Sam) Walsh
Chief Executive
Rio Tinto Iron Ore

Life Members

W H (Harold) Clough

R L (Roger) Day

D J (David) Gray

G J (Graham) Greig

A J (Tony) Howarth

F A (Tony) Manford

L G (Lyndon) Rowe

A G (Andrew) Thompson

A K R (Kevin) Watson

Defence Council (as at 30 June 2006)

Chair

P (Paul) Johnson
Managing Director
Lockheed Martin Australia Ltd

National Executive

N (Norm) Gray
Managing Director
ADI Ltd

G (Greg) Tunny
Managing Director
ASC Pty Ltd

J (John) Rothwell
Executive Chairman &
Chief Executive Officer
Austal Ships Pty Ltd

J (Joseph) Saporito
Chief Executive Officer
Australian Aerospace

M (Mike) Turner
National President
Australian Industry & Defence
Network

J (Jim) McDowell
Chief Executive Officer
BAE Systems Australia

P (Peter) Smith
Chief Executive
Barton Vale Group

D (David) Gray
Managing Director
Boeing Australia Ltd

M (Michael) Zimmer
Managing Director
Cablex Pty Ltd

O (Owen) Martin
Director
Connell Wagner

P (Peter) Rehn
Chairman, Australian Group
CSC Australia Pty Ltd

M (Mark) Diedrichs
Managing Director
General Dynamics Land Systems
- Australia

T (Tony) Quick
Director & General Manager
GKN Aerospace Engineering
Services Pty Ltd

T (Tony) Carolan
General Manager - Business
Development
Hawker de Havilland

P (Peter) Nicholls
Managing Director
Production Parts Pty Ltd

M (Mike) Caldwell
General Manager
Qantas Defence Services Pty Ltd

R (Ron) Fisher

Managing Director
Raytheon Australia

I (Ian) Ashbrook
Executive Director and Head of
Defence
Rolls-Royce Australia Ltd

M (Merv) Davis
Managing Director
Saab Systems

R (Ross) Johnston
National General Manager - Property
& Facilities
Spotless Group Ltd

R (Robert) Salteri
Chief Executive Officer
Tenix Defence Pty Ltd

A (Ali) Baghaei
Vice President
Thales Naval Australia

W (William) Hutchinson
Managing Director
Thomas Electronics of Australia Pty
Ltd

G (Guido) Belgiorno-Nettis
Managing Director
Transfield Holdings Pty Ltd

P (Peter) Watson
Managing Director
Transfield Services (Australia)
Pty Limited

Industry Councils, Sections, and Groups / Trade Associations

(as at 30 June 2006)

INDUSTRY COUNCILS, SECTIONS AND GROUPS (as at June 30, 2006)

NATIONAL

Australian Industry Group Defence Council

Chair

P (Paul) Johnson
Managing Director
Lockheed Martin Australia Ltd

Australian Industry Group Personnel and Industrial Relations (PIR) Group

Chair

H (Heather) Ridout
Australian Industry Group

Mining Equipment and Services Council of Australia

Chair

R (Bob) Townsend
Kador Engineering (Aust) Pty Ltd

NEW SOUTH WALES

Hunter Manufacturing Council

Chair

Dr A (Alan) Broadfoot
Ampcontrol Pty Ltd

Illawarra Industry Council

Chair

M (Mark) Finlay
Joy Mining Machinery

Macarthur/Liverpool Member Network

Chair

M (Max) Strassmeir
Strassmeir Industries Pty Ltd

Western Sydney Manufacturers Network

Chair

G (Graham) Choice
Industrial Galvanizers Corporation Pty Ltd

Southern Section

Chair

W A (William) Hutchinson
Thomas Electronics of Australia Pty Ltd

VICTORIA

Ballarat and Wimmera Section

Chair

P (Peter) Carthew AM
AME Systems Pty Ltd

North Central and Goulburn Valley Section

Chair

G (Geoff) Holland
Bendigo Truss Plant Pty Ltd

TRADE ASSOCIATIONS (As at June 30, 2006)

Air Pollutions Control Equipment Manufacturers Association

President

P (Peter) Stephenson
Stephenson Environmental Pty Ltd

Australian Constructors Association

President

W M (Wal) King AO
Leighton Holdings Ltd

Concrete Cutters Industry Association

President

G (Greg) Mahoney
Condrill Services Pty Ltd

Diagnostic Imaging Association of Australia

Chair

M (Monica) King
Toshiba (Aust) Pty Ltd - Medical Division

Federation of Automotive Product Manufacturers – Northern Region

President

R (Ray) Petty
Toyo Tyre & Rubber Australia Limited

Federation of Automotive Product Manufacturers – Southern Region

President

R (Robert) Franklin
Autoliv Australia

Gas Appliance Manufacturers Association of Australia

President

A (Andrew) Creek
SIT Gas Controls

National Product Liability Association

President

P (Peter) Holloway
Freehills

Potato Processors Association of Australia

President

P (Paul) Frost
Saffries

Process Engineers and Constructors Association

Chair

R (Raouf) Mina
McConnell Dowell Constructors

Refrigeration and Air Conditioning Contractors Association of Australia

President

K (Kevin) O'Shea
Cold Rae

Refrigeration and Air Conditioning Contractors Association of Victoria

President

R (Robert) Taylor
Airfour Airconditioning

Structural Steel Fabricators Association

President

A (Andrew) Matthews
F & B Skrobar Engineering Pty Ltd

Textile Rental and Laundry Association (Australia)

President

J (John) Ellis
Woolloongabba Laundry

Textile Rental and Laundry Association (Victoria)

President

R (Ralf) Pelz
Cabrini Linen Service

Vehicle Manufacturers Group Industry Committee

Chair

C (Chris) Meallin
GM Holden Ltd

METROPOLITAN OFFICES

SYDNEY

51 Walker Street,
North Sydney
NSW 2060
PO Box 289
North Sydney
NSW 2059
Tel: 02 9466 5566
Fax: 02 9466 5599

MELBOURNE

20 Queens Road
Melbourne VIC 3004
PO Box 7622
Melbourne VIC 8004
Tel: 03 9867 0111
Fax: 03 9867 0199

BRISBANE

202 Boundary Street
Spring Hill QLD 4004
PO Box 128
Spring Hill QLD 4004
Tel: 07 3244 1777
Fax: 07 3244 1799

CANBERRA

44 Sydney Avenue
Forrest ACT 2603
PO Box 4986
Kingston ACT 2604
Tel: 02 6233 0700
Fax: 02 6233 0799

REGIONAL OFFICES

ALBURY/WODONGA

560 David Street
Albury NSW 2640
PO Box 1183
Albury NSW 2640
Tel: 02 6021 5722
Fax: 02 6021 5117

BALLARAT

15 Dawson Street Sth.
Ballarat VIC 3350
PO Box 640
Ballarat VIC 3353
Tel: 03 5331 7688
Fax: 03 5332 3858

BENDIGO

92 Wills Street
Bendigo VIC 3550
Tel: 03 5443 4810
Fax: 03 5443 9785

GEELONG

'La Cabine'
1 Yarra Street
Geelong VIC 3220
PO Box 638
Geelong VIC 3220
Tel: 03 5222 3144
Fax: 03 5221 2914

NEWCASTLE

16A Bolton Street
Newcastle NSW 2300
PO Box 811
Newcastle NSW 2300
Tel: 02 4929 7899
Fax: 02 4929 3429

WOLLONGONG

Level 1,
166 Keira Street
Wollongong NSW 2500
PO Box 891
Wollongong East
NSW 2520
Tel: 02 4228 7266
Fax: 02 4228 1898

AFFILIATE OFFICES

ADELAIDE

Engineering Employers
Association South Australia
136 Greenhill Road
Unley SA 5061
PO Box 767
Unley SA 5061
Tel: 08 8300 0133
Fax: 08 8300 0134

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Chamber of Commerce &
Industry Western Australia
180 Hay Street
East Perth WA 6004
PO Box 6209
East Perth WA 6892
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Fax: 08 9365 7550

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For all your workplace related questions, please call BIZassistInfoline Tel: 1300 78 38 44

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AUSTRALIAN INDUSTRY GROUP