



Arnott's Biscuits Ltd managing director Paul Bourke . . . "From a sentimental point of view, I suppose it was a difficult decision"

End of a local Arnott's looks

TAKE a drive on the M4 Motorway near Homebush or a train on the Hornsby via Strathfield railway line and the presence of Arnott's Biscuits is hard to miss.

The flashing neon SAO sign, the delicious smells and imposing presence of the 90-year-old Homebush factory demand attention.

But nearby residents and passers-by only have another 18 months to wonder

Another industrial icon, Arnott's Biscuits, is set to disappear from the inner west landscape. But as MICHAEL BRUNING reports, the company still wants to maintain a corporate presence in Homebush. Photos by JULIAN ANDREWS

whether the wafting air of excitement at a particular moment means Jatz or Mint Slice are on the baking line.

In December last year, Arnott's finally made the

long expected announcement it would close its historic Homebush factory, going ahead with a plan worth more than \$200 million to relocate production west to

Huntingwood, near Blacktown.

Publicity shyness is a trademark of the company since its controversial takeover by American multi-national Campbell Soup Co in 1992 and Arnott's Biscuits Ltd uses globe-trotting managing director Paul Bourke as its only media spokesman.

But last month in an interview with the *Weekly*, Mr Bourke said Arnott's was still going to maintain a presence in Homebush by

Bold move pays off

THE Arnott's move to Huntingwood in Sydney's west is probably a far cry from the brave decision made nearly 90 years ago to build the company's new factory at Homebush.

Founder William Arnott began his first bakery business in 1865 in Newcastle and expansion of the family-owned company continued rapidly even after his death in 1901.

In January 1906 Arnott's bought 6½ acres (2.6ha) of land on the western side of the main northern railway line but its plans to build a new Sydney factory were regarded as a "folly".

Critics said there was too much land for a biscuit factory and it was too far for workers to travel.

But the company pressed ahead and by early 1908 production started and the company had no problem in finding

eager workers in the district.

The Homebush factory could not keep up with demand and expanded to the western side of George St. By 1933 the number of employees peaked at 2500 and annual production exceeded 10,250 tons (10,455 tonnes).

Discipline on the production lines was strict in the 1920s where women were not allowed to talk. Workers would gather in the horse paddock (today's car park) after work to fight each other.

Horses made way for the famous red delivery trucks in the late 1920s.

Today Arnott's Homebush is the largest biscuit factory in the southern hemisphere and 64 of the 150 or so biscuit varieties are made on the 5.5ha Homebush site.

Managing director Paul Bourke said the Homebush factory had an output of

more than 30,000 tonnes annually and produced major sellers such as SAO, Jatz, Tim Tam, Mint Slice and Monte Carlo.

It has 11 ovens while its Huntingwood replacement will have only four. But they will be much larger ovens with space for a fifth to maintain capacity for the next 20 years.

Huntingwood will have the capacity to produce 45,000 tonnes of biscuits per year.

The Homebush factory covers three floors. The bottom level has an ingredients preparations section and processing department where icing, chocolate coating and cream filling are made. The middle level has a mixing room, bakehouse and wafer and packaging departments. The top floor has packaging facilities, office space and

era as ahead

keeping its corporate headquarters there.

He said the company seriously started considering relocation three years ago and after sorting out issues with the State Government, made a decision last October.

"From a sentimental point of view, I suppose it was a difficult decision," Mr Bourke said.

"But from a business perspective it was fairly simple.

"The major reason is that we were unable to achieve the efficiencies needed in the Homebush factory through the technology which would be used at Huntingwood.

"In our business, layout and space are critical. Homebush is over three levels while at Huntingwood there will be a 43,000 sq m facility on one level.

"There's a lack of space in Homebush needed to come through with new technology.

"We intend to keep this office because it is a pretty good location. The new factory will be just down

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the freeway, the airport is close and our customer suppliers are in the city."

The technical and information services departments will also remain at Homebush while the company plans to sell the 3 ha factory site which covers both sides of George St.

Mr Bourke said Homebush had about 820 workers at the time it announced its relocation decision and there would be less than 400 by the time production was due to stop.

The company has already allocated \$17 million for redundancies in its annual report.



The Arnott's Biscuits factory at Homebush . . . going in 1997

The new Huntingwood factory will be located next to the Homebush factory site and probably attract a housing developer because it is close to the city and the Olympic site but it would depend on Concord Council.

Huntingwood is expected to be fully operational in early 1997 after the building is completed next

January. Mr Bourke said the Homebush factory site would then be sold off and probably attract a housing developer because it is close to the city and the Olympic site but it would depend on Concord Council.

"We won't be out of here until early 1997 and what happens from there on is up

to the new owner," he said. Mr Bourke said since the company had re-focused on its core business of biscuit manufacture, all its Australasian factories were becoming specialised in product lines.

The biggest changes in the industry apart from technology are the moves to

export to Asia and set up joint ventures.

"We're going through the process of establishing ourselves as a truly Asia-Pacific regional company based in Australia," he said.

"I just think Australia is a terrific manufacturing base for food products. There's

an ample supply of raw ingredients and the cost base is very competitive.

"Whether the company has a majority shareholder that is foreign or not is a very emotional argument. The food industry in Australia has been 80 per cent foreign owned for many years."