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China's Metal Push Threatens 73,000 Aussie Jobs

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Tens of thousands of Australian manufacturing jobs are under threat as China ramps up its state-backed industrial expansion, placing heavy pressure on regional industries that have supported local communities for generations.

A recent report from the McKell Institute warns that approximately 73,000 jobs, mainly in metal refining and smelting, are vulnerable across Australia. The impact is expected to hit regional areas the hardest, where entire towns rely on heavy industry as an economic backbone.

One of the starkest examples is Port Pirie in South Australia, home to a long-standing lead smelter that provides hundreds of jobs. State officials are now calling for urgent federal support to prevent its closure. The report suggests that if the smelter shuts down, around 2,000 residents, 11 percent of the population, could leave within a year, seeking employment elsewhere.

“South Australia simply cannot afford to lose industrial anchors such as the Port Pirie smelter,” said McKell Institute chief executive Ed Cavanough. “Our analysis shows that if the Port Pirie smelter were to close, the town’s population could drop by around 2,000 people in the first year alone.”

The report outlines a broader concern: China’s aggressive industrial policy, which has seen it pour billions into subsidizing its heavy manufacturing sectors. In 2019 alone, Beijing directed an estimated \$407 billion into industrial subsidies, enabling Chinese producers to manufacture refined metals at much lower costs. This has flooded international markets with underpriced exports, creating serious challenges for Australian producers competing without equivalent government backing.

Cavanough notes that China’s current approach is part of a deliberate geoeconomic strategy to onshore as much global heavy industry as possible, giving it dominant control over key materials used in global manufacturing.

For Australia, the consequences could be long-term. Without decisive national policy intervention, the country risks hollowing out its industrial capacity, especially in regional towns where alternatives are limited. The Port Pirie case illustrates the potential social fallout: population decline, reduced local services, and the erosion of community identity tied to industrial employment.

While the McKell Institute stops short of proposing specific legislative measures, it urges the federal government to reassess its industrial policy in light of increasing international competition, especially from countries using large-scale subsidies to outpace global rivals.

The future of Australia’s regional manufacturing sector, the report warns, may depend on how quickly and effectively the nation responds to this strategic economic shift.