Sir/Madam,
I would like to give my input into the productivity commissions' automotive studies. I'm an Engineer who has worked in the Australian Auto industry for 12 years.

The automotive industry in Australia is a currency hedge for the nation. If the resources boom were to slow dramatically and the AUD weaken automotive investment would flow into the country creating jobs and export dollars. There is no other manufacturing industry large enough remaining in Australia which could be scaled up to support the economy if a situation like this occurred. The auto industry is knowledge and skill intensive, it can't be turned on and off overnight - once it's gone, it's gone for good. This does not work in reverse for other technology based industries either - if the dollar were to drop significantly foreign companies will not create greenfield industries in Australia. This is mostly due to the modern complexity of R&D, equipment and tooling, start up costs are too high for tech industries like semiconductors, aerospace and power/control systems companies to economically start greenfield companies in any developed country anymore (without very large subsidies perhaps).

The Auto industry feeds technology into other industries. I can cover a few examples I know of. The military developed the Australian 'Bushmaster' with Thales, with much of the development and sourcing being done by Australian auto suppliers for electrical systems, pressed metal and some plastic parts. The mining industry uses local automotive lighting suppliers such as Hella. Most of Australia's tool making capability for press metal and blow/injection moulding originated from the Auto industry in the past, which now carries into packaging industries, household goods and building services equipment.

Most of all, an Automotive industry creates a large R&D base, which creates high skill, know how based jobs (which do not require heavy government subsidies). The fact of the matter is if no base manufacturing industry exists these R&D jobs are very difficult of sustain separately to manufacturing, due to the close relationships between the two. I know for a fact my design engineering job would not exist now if there was no base manufacturing industry existing to train me in how the details of devices, shapes of parts, assembly, cost, logistics, evaluation and tooling factors work and come together for design. A base manufacturing industry is required to sustain the R&D.

Thank-you for your consideration,
Kind Regards,

Tim deVries