

**GEELONG MANUFACTURING COUNCIL**

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November 26, 2013

Review of the Automotive Industry
Manufacturing Industry
Productivity Commission
LB2Collins St East
MELBOURNE VIC 3002

Dear Commissioners,

Review of the Automotive Industry Manufacturing Industry

I write to you to register an interest in the above review.

The Geelong Manufacturing Council is the peak manufacturing and processing body in the Geelong Region and is industry funded and governed. The GMC works across the 550 industry members in the region to progress this important sector. The GMC has support across the majority of the major industry in Geelong including companies such as Alcoa, Ford, Shell, Air Radiators, Lyondellbasell, Downer EDI, Worley Parsons, Godfrey Hirst and Backwell IXI. Collectively manufacturing accounts for 42% of regional output.

Geelong is undergoing significant transitioning of the economy and the announcement in May 2013 by Ford Australia will adversely impact on the economic base of the region.

Automotive is a strategic industry with a significant component and research and development investment and capability. The GMC understands the importance of retaining the automotive industry. We also note the research published detailing the relatively low level of government support for the industry in Australia compared to other countries with an automotive industry.

We propose to work with the City of Greater Geelong in undertaking economic modelling to be able to more fully respond to the Commissions' position paper planned for 31 January 2014.

The future viability and support for the automotive industry in Geelong should be seen in light of how this supports existing component suppliers, research and development organisations and the continuing operation of Ford Australia's activities in Geelong following October 2016.

The importance of the automotive industry to the supply chain in the region is significant. It provides technical skills and capability which flows through to other manufacturing sectors. If automotive declines then the impact will be magnified across other sectors with linkages to automotive.

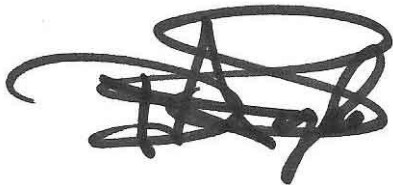
Geelong has developed a significant capability in automotive over many years which has been able to translate across to other related sectors. Automotive is a cutting-edge industry which provides linkage benefits to other manufacturing sectors such as Defence, Cleantechology, Materials including Carbon Fibre and other manufacturing areas.

We are concerned that the further erosion of assistance for the automotive sector would have a significant negative impact on the Geelong region, through the loss of employment opportunities and flow on impacts.

Ford Motor Company as a good corporate citizen, has also invested significantly in the regional community and has been a strong supporter of community events over many years.

I ask for your help to do all you can to ensure that the automotive industry is provided with the confidence to continue investing in Australia and Geelong.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Sykes', with a large, stylized flourish above the name.

David Sykes

Chairman