
Submission to the Productivity Commission's Review of the Australian Automotive Manufacturing Industry



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SUMMARY

The FCAI welcomes the opportunity to respond to the Productivity Commission's Review of the Australian automotive manufacturing industry.

The FCAI is the peak industry organisation representing manufacturers and importers of passenger motor vehicles, SUVs, light commercial vehicles and motorcycles in Australia.

The Commission has been asked to:

- examine national and international market and regulatory factors affecting the industry
- identify and evaluate possible alternative public support mechanisms
- identify any significant transition issues or adjustment costs that may arise from alternative support mechanisms or policy changes and how they might be best managed
- assess the significance of the capabilities within the industry, its direct employment and economic benefits, and its secondary impacts on other sectors of the economy, and
- quantify the costs and benefits of existing and alternative assistance mechanisms.

Australia is one of only a few nations in the world with the capability to produce a car from concept to delivery. The Australian automotive industry competes globally and designs, engineers and manufactures a complete range of automotive components including body and chassis systems, electrical and control systems, drivelines, interiors and aftermarket accessories.^A

Australian-made cars feature prominently in the top ten sales for motor vehicles in Australia showing, despite media commentary to the contrary, Australian manufacturers are producing vehicles Australians want to buy.

The Productivity Commission's review comes at an important time in the history of the domestic automotive manufacturing industry in Australia. Automotive manufacturing in Australia receives around \$500 million in government funding each year, which is around 0.11 per cent of total Commonwealth expenditure. This funding is transparent, dependent on a contribution from the manufacturers, and encourages investment and innovation in the Australian industry.

Manufacturing is a significant part of the Australian economy, representing around 8.6 per cent of economic activity, compared to agriculture (2.7 per cent) and mining (11.3 per cent).^B By employment, manufacturing is considerably more significant than either agriculture or mining.^C Automotive manufacturing in Australia directly employs around 50,000 people. Recent research has found the Australian economy is \$21.5 billion larger (based on an economic welfare net present value calculation) for having a domestic automotive manufacturing industry.^D

Automotive manufacturing in Australia is facing significant challenges, including increased competition, export barriers, a fragmentation of the market and the strong appreciation of the Australian dollar in recent years. Despite these challenges, the industry is competitive and has the potential for a bright future. To do so, it requires support from government. This is something that is not unique, as every imported car on our roads has received some form of assistance from the government of the country where it is produced.

For Australian automotive manufacturing to continue into the future, government support and investment must be long-term. Industry funding cannot be matched to government election or financial cycles. It must be in line with at least the industry's investment cycle.

Support must also be internationally competitive. As reported by the Sapere Research Group in a report for the FCAI in 2011, budgetary assistance provided to the Australian automotive industry is relatively modest compared to other countries.^E

Failure to achieve this strongly increases the possibility that Australia will lose its automotive R&D, design, engineering and manufacturing capabilities for good. This also means the loss of:

- \$21.5 billion from the Australian economy
- Around 50,000 jobs—mostly in the regions of Melbourne and Adelaide
- spillover benefits, such as skills transfer and R&D, to other industries in Australia, reducing the broader manufacturing industries capacity to undertake advanced manufacturing, and
- Australia's link to the world's most sophisticated and advanced manufacturing supply chain.

THE AUSTRALIAN AUTOMOTIVE MANUFACTURING INDUSTRY

Recent economic analysis by Monash University's Centre of Policy Studies and research by the Allen Consulting Group identifies the value of the automotive manufacturing industry, including the impact on Australia if automotive manufacturing in Australia was to cease. The research shows the Australian economy would be \$21.5 billion smaller if automotive manufacturing left the country in 2018. It also shows Melbourne and Adelaide will be heavily impacted with significant job losses and a long-term fall in gross regional product (GRP).

The FCAI commissioned report with this analysis and research (*The strategic role of the Australian automotive manufacturing industry*, Allen Consulting Group, September-2013) is the basis of this submission and is **attached**.^F

As reported by the Sapere Research Group in a report for the FCAI in 2011, budgetary assistance provided to the Australian automotive industry is relatively modest, around US\$18 per person, compared to other countries—around US\$96 per person in Canada, \$147 in France, US\$90 in Germany, US\$334 in Sweden and \$28 in the United Kingdom.

The Allen Consulting Group Report also highlights that government assistance to automotive manufacturing is low by international standards, but points out that with this investment, the Australian economy is \$21.5 billion larger (based on an economic welfare net present value calculation). This \$21.5 billion return equates to \$934 per person.

The Productivity Commission's Trade and Assistance Review 2011–12 identified that the level of budgetary assistance provided to other sectors (Agriculture, Utilities, Financial and insurance services, and Mining) were all higher than the support provided to automotive manufacturing. We note this not to make commentary on the appropriateness of support to other sectors, but to balance the debate in the public arena about the 'high' level of support provided to the automotive sector.

Automotive manufacturing in Australia receives around \$500 million in direct government funding each year. For this investment, the Australian economy is \$21.5 billion larger. The \$21.5 billion return does not include significant benefits provided to other parts of the economy as spillovers. These spillovers include:

- technology transfers through R&D, and innovation
- lean management techniques and applications, and
- advanced labour skills and manufacturing techniques.

Such spillovers benefit the economy in ways that are recognised by industry leaders around the nation. These include chief executives of companies like Boeing, BHP Billiton, Rio Tinto and Coca-Cola Amatil, each of whom have directly related the success of their own businesses to the skills and expertise gleaned from the automotive industry in Australia.⁶ The Australian Government has also recognised that the automotive industry benefits the broader economy through its extensive linkages into other parts of the economy like heavy engineering, tool making, aerospace and marine.⁴ Many of these spillovers cover across related industries like defence. The FCAI understands the Federation of Automotive Products Manufacturers will be providing detailed modelling of these and other spillovers to the broader economy.

Expanding on R&D and innovation, Australian car manufacturers are recognised by the Australian Bureau of Statistics as 'innovation active' businesses. ABS data shows that, in the Australian economy, innovation active firms are more productive, more profitable and they create more jobs. They typically focus on R&D and they spend time and money training their employees as they know that this is the key to competitiveness.

The Department of Industry's *Innovation Systems Report 2012* identifies that innovative businesses are:

- nearly twice as likely to report an increase in productivity
- 42 per cent more likely to report increased profitability
- three times more likely to export and eighteen times more likely to increase the number of export markets targeted, and
- more than twice as likely to increase employment.

The Allen Consulting Group Report shows Victoria and South Australia, in particular, will be heavily impacted with significant job losses and a long-term fall in GRP if automotive manufacturing were to cease in this country. The operational and component spend of domestic automotive manufacturers today amounts to around \$2.25 billion in Melbourne, \$629.84 million in Adelaide and around \$159 million in Sydney. This investment supports many small and medium-sized enterprises throughout the supply chain, many of which are contained in Appendix C of the Allen Consulting Group Report.

This is significant economic activity in its own right. The economic modeling prepared by the Centre of Policy Studies highlights that the economic activity generated by automotive manufacturing means that GRP in 2018 would fall by 1.4 per cent in Melbourne and nearly 1 per cent in Adelaide, if automotive manufacturing were to leave the country in 2018. Nearly 40,000 jobs would be lost in the regions of Melbourne and Adelaide and, at the national level, Australia's GDP would be \$7.3 billion smaller (in today's dollars).

INDUSTRY CHALLENGES

The Australian automotive manufacturing industry faces significant challenges from a range of sources. This includes:

- increased competition from imports due to trade liberalisation, leading to significant market fragmentation with more than 67 brands in a new vehicle market of around only 1.1 million sales each year
- increased competition by emerging economies for automotive investment
- increasing use of non-tariff barriers in export and potential markets, and
- a fragmentation of the market with more models of smaller cars, SUVs and light commercial vehicles available.

These points have been compounded by the current high value of the Australian dollar, which has appreciated from less than US\$0.50 in 2001 to around US\$0.95 today.¹ This has reduced the cost of imports in the domestic market and made Australian motor vehicles less price competitive in export markets. An additional factor has been the more recent so-called currency wars, with some car-producing countries significantly devaluing their currency, effectively making car imports into Australia even cheaper, in addition to the pre-existing non-tariff barriers. This was most recently observed by RBA Governor Glenn Stevens who noted that the ‘...“extraordinary” monetary policies of the US, Japan and euro zone...are “outside” any historical experience.’

The Australian passenger car market is one of the most open and progressive automotive markets in the world. Around 1.1 million new motor vehicles were sold in Australia in 2012. In that year, 88 per cent of all motor vehicles sold in Australia were imported. This has occurred in part because of the high value of Australia’s dollar, but also because of our low tariff levels, minimal barriers to entry and minimal overall protection. Australian automotive tariffs are amongst the lowest in the world and were reduced on 1 January 2010 from 10 per cent to 5 per cent, resulting in an average tariff rate of around 3.5 per cent, as cars imported from countries with which Australia has Free Trade Agreements (FTAs), such as Thailand, are landed without being subject to any tariff.

While this competition has been good news for consumers, it has contributed to tougher times for Australia’s domestic manufacturers, with around 220,000 motor vehicles produced domestically in 2012 (down from 325,000 in 2008). The fragmented nature of the Australian new car market has meant that achieving volume for any one brand or model is difficult. While Australian-made passenger cars continue to occupy three of the top ten sales spots, in an industry where economies of scale are important in achieving cost competitiveness, the current lack of volume is a real disadvantage—both in itself and in flow on to major parts makers.

The impact of the global financial crisis on the car industry has also been a significant contributor to the state of Australia’s domestic car industry today. The financial crisis provided a significant shock to the automotive industry globally, with demand dropping significantly. The crisis led several manufacturers into bankruptcy and many others to the brink of bankruptcy. It directly resulted in the demise of the Pontiac brand in the United States (and through it the demise of GM Holden’s substantial export program to the US, at the time) and it further contributed to the global surplus of motor vehicles.

These developments precipitated major restructuring and rethinking in the industry. Around the world, many factories have closed and continue to do so as parent companies look to rationalise their global manufacturing operations. The industry has also consolidated model types through greater focus on global model platforms that are sold on a world-wide basis. Global models allow automotive manufacturers to focus their R&D spends on a smaller range of models.

The Australian automotive manufacturing industry has not been immune from these global developments. After 2016, Australian automotive manufacturers intend to produce cars based on a global platform, with locally developed platforms reaching the end of their product life. This has opportunities and challenges for the competitiveness of future export operations as Australia will be one of several locations around the world producing the same models.

WHAT OF THE FUTURE?

Combined, the factors highlighted above have contributed to an erosion of domestic automotive manufacturing in Australia. In addition, Ford’s announcement earlier this year that it would cease manufacturing in 2016 and ongoing speculation of GM Holden and Toyota’s manufacturing operations, together with the government’s decision to reduce Automotive Transformation Scheme funding by

\$500 million, has created a situation where speculation is rife that automotive manufacturing is at real risk of ceasing in Australia over the next few years.

If such a situation were to occur, the Australian manufacturing sector would be at risk of being hollowed out. As a volume-based, high-technology industry linked into global supply chains, automotive manufacturing is an incubator for other industries. It is one of the most significant sources of R&D and innovation in the Australian economy; and it is Australia's link into the world's most integrated supply chain. It also plays a key role in skills development in the labour market.

The closure of automotive manufacturing would have a profound impact across the manufacturing sector and the broader economy. The multi-billion dollar foreign direct investment that currently flows into Australia through automotive manufacturing would cease and not be replaced.

The capital that comes into automotive manufacturing facilitates innovation in production methods, research into new technologies and design; all of which spill into other industries. This includes heavy engineering, vehicle component design and development, software development, defence industries and marine. Much of this activity is undertaken by small and medium-sized businesses supporting the work of the car manufacturers themselves. This would cease and not be replaced, the result being that a significant component of Australia's manufacturing sector would be left to wither, isolated from the world's most sophisticated manufacturing sector and supply chain that incorporates and encourages the latest technologies, processes and skills.

The employment impact would also be significant and concentrated. Modelling in the Allen Consulting Group Report shows employment losses in Melbourne would equate to some 33,000 jobs in 2018, and around 6,600 in Adelaide. While employment levels would eventually return in both cities (but not until around 2027 for Melbourne and 2025 for Adelaide), they would do so with lower real wages. It would also mean considerable social dislocation as the work force looks for alternative employment, at a time that the economy is forecast to experience below average growth.

INTERNATIONALLY COMPETITIVE POLICY ASSISTANCE

The fate of the industry is not a foregone conclusion and the FCAI strongly believes that with the right long-term, ongoing and internationally competitive policy assistance, domestic automotive manufacturing in Australia has the potential for a bright future. This internationally competitive policy assistance needs to consider the policy environment in place in other countries and market access into foreign markets.

Government support, through funding and other mechanisms, is an important investment by the nation in a crucial industry. For it, the country receives returns in the way of direct foreign investment, employment, skills, training, technology transfer, research and more. This is a partnership between government and industry, and for their part, Australian manufacturers are responding forcefully to the combined effect of changing consumer sentiment and the persistently high Australian dollar through the introduction of new and innovative products. This is with assistance from the Australian Government through the Automotive Transformation Scheme and other mechanisms, including co-investment. Toyota, GM Holden and Ford have also undertaken, for some time, ambitious cost-reduction strategies with the aim of becoming leaner and more competitive in a high dollar environment.

Despite this, if Australia wants to continue to have this important industry, these steps will be insufficient by themselves.

Central to any consideration of whether Australia continues to have an automotive manufacturing presence is the policy environment. To continue to attract the necessary foreign direct investment, we must continue to have long-term, ongoing and internationally competitive policy certainty. The industry's

competitiveness in attracting global capital is strongly influenced by the level of support, including financial, provided by the national government. On this measure, Australia is at the bottom of the league table.^k Eroding this modest level of assistance, by reducing the quantum of financial support or by altering the Automotive Transformation Scheme in ways that deteriorate this policy framework, increases the level of uncertainty in automotive manufacturing policy and decreases the attractiveness of Australia as an investment destination, compared to competing economies.

We cannot overemphasize the need for long-term policy certainty. Industry funding cannot be linked to government election or financial cycles. It must be in line with at least the industry's investment cycle. This is because the automotive industry has long development lead times and requires long-term certainty from government to support product development. If funding is cut in the middle of this process, companies cannot be expected to invest in new vehicle production or design with confidence.

Policy decisions such as the immediate removal of the FBT statutory formula method for salary-sacrificed and employer-provided cars, the reduction of the Green Car Innovation Fund and the pending \$500 million cut to the Automotive Transformation Scheme do not provide long-term certainty to the industry.

An important first step for long-term, ongoing and internationally competitive policy certainty is a review and extension of the Automotive Transformation Scheme, or a modified version thereof, to 2022 or beyond. Early consideration and engagement with the industry on assistance beyond current legislated support is also needed.

EFFECTIVE MARKET ACCESS

Any consideration of Australia's automotive manufacturing future must consider ways that domestic manufacturers can achieve sufficient scale in order to justify their continued significant investment.

The FCAI is strongly of the view that while Australia has benefitted enormously from liberalising the domestic economy, we have failed to gain reciprocity of access overseas. Indeed, while the Australian automotive market has been progressively opened up to a greater degree of international competition and integration with the global industry, Australian automotive exporters continue to face significant barriers to entry in key markets or growing competition within existing export markets.

Effective market access to our trading partners is vital as part of a globally competitive policy framework for automotive manufacturing. The platform for a viable and vibrant Australian manufacturing industry demands that the Australian Government gain reciprocal access to overseas markets to enable investment in R&D, design and manufacturing, to reap the benefits of economies of scale. Toyota, GM Holden and Ford each have product design, development and manufacturing capabilities that are integrated into their company's global product strategies and supply chain. Their investment in these facilities, in Australia, is a significant part of the industry's \$693 million (in 2011–12) annual spend on R&D for motor vehicle and motor vehicle part manufacturing.

Effective market access is an important area that underpins and provides benefit to the Australian economy. Economic modelling undertaken by the Centre of Policy Studies showed that a pick-up in exports to 2008 levels, if barriers to export were lowered, would generate a considerable uplift in Australian consumer welfare of around \$7.1 billion. In addition, there are considerable opportunities that exist in other areas, like the export of four cylinder engines from Toyota to Thailand and Malaysia under the Thailand–Australia FTA and ASEAN–Australia–New Zealand FTA. This move supports volume production of engines at the new \$330 million engine facility opened in Altona in December 2012, whilst deepening integration of Toyota Australia into Toyota's regional operations.

Unfortunately such stories, in the last few years, have been few and far between. Despite having FTAs with a number of countries in our region, restrictions in the form of non-tariff barriers remain in place and are significant impediments to export. Some of these significant restrictions were introduced after FTAs were signed. The result of this is that the commercial export opportunities for our manufacturers are limited. In 2010, the Productivity Commission recognised the failure of Australia's trade policy to gain commercially viable export opportunities for Australian business, noting that:

...businesses have provided little evidence that Australia's BRTAs [bilateral and regional trade agreements] have generated significant commercial benefits. The information available suggests that, where benefits accrue, they are mainly to existing exporters.^L

To be effective, the Australian automotive manufacturing industry believes that more work needs to be done to remove both tariff and non-tariff barriers in our key trading markets. This applies, in particular, to our trading partners in Asia, many of whom are developing (and seeking to protect) automotive industries within their borders. These countries protect their automotive industry in various ways despite, in most cases, their automotive industries being vastly greater in scale than Australia's.

An example of non-tariff barriers harming Australian exports is Ford's recent experience with Thailand. A comprehensive FTA negotiated in 2005 saw the elimination of 94 per cent of Thailand's tariff and quota barriers on imports from Australia (with the remaining tariffs phasing to zero in 2015 or 2020). Despite this, Ford's efforts to export the Ford Territory to Thailand have been hindered because of the imposition of non-tariff barriers including an excise tax (which is applied as a multiplier to the relevant imposed duty), interior tax and VAT that push the price to an uncompetitive US\$100,000 equivalent—far above the price of a comparable locally made product.^M Clearly the imposition of such non-tariff barriers means that the Ford Territory cannot compete on a level playing field and subsequently get volume in the Thai market, despite its market leading qualities.

Another example is the ASEAN–Australia–New Zealand FTA. Toyota Australia's engine plant produces four cylinder petrol and hybrid engines for the locally built Camry, as well as for export to Malaysia and Thailand. Originally, it was planned that Toyota would also export engines to Vietnam (despite there remaining significant tariffs into Vietnam under the FTA). The Vietnamese Government provided Japan preferential tariff treatment outside of an FTA negotiation, resulting in the decision to switch engine supply from Australia to Japan for the Vietnamese market.

Likewise, Toyota has to compete in the Gulf Cooperation Council (GCC) against other imports that can enter those markets duty-free. This places Australian-sourced motor vehicles at a commercial disadvantage. The United States, for example, has FTAs with both Oman and Bahrain, allowing duty-free entry, whereas vehicles from Australia continue to be subject the 5 per cent tariff. This effectively means that Australian-produced motor vehicles start out at a price disadvantage. Despite this, Toyota exported 72,000 vehicles from Altona to the GCC in 2012, all this at a time when the exchange rate was at a historically high levels.

AUSTRALIA'S DESIGN ADVANTAGE

One of Australia's great strengths across each of the three domestic automotive manufacturers rests with their considerable design, engineering and R&D capacities. Currently, Australia is one of only a relatively small number of nations in the world with the capability to produce a car from concept to delivery.

The Australian automotive industry is able to take a vehicle, its component systems and sub-systems from a design concept through to manufacture, to safety and durability testing, to final delivery, whole of life service and materials recycling. The industry is integrated into global supply chains with strong capabilities in advanced and future technologies. With the skilled workforce, business culture and world class R&D, the industry is able to develop innovative products using sophisticated technology.

Indeed, automotive design and development is an area where Australia is a world class player. It is an existing competitive advantage that Australia can nurture, grow and exploit given the right policy settings. This is complemented by also having some of the best tertiary institutions in this field in the world. But it is an advantage that can be easily lost to overseas alternatives if it is neglected or ignored.

The Australian automotive manufacturers have globally significant engineering and design operations. Automotive design is the biggest employer of industrial designers in Australia and the design centres are leaders in clay modelling and digital animation, which are integral to the development of new products and complete motor vehicles. The engineering operations at Australian facilities include wide-ranging engineering skills, including specialising in mechanical, structural, electrical, safety and powertrain engineering. The proving grounds are technical centres for engineering validation and incorporate world-class safety and emissions laboratories.

Each of the local domestic manufacturers has a design and development capability that is highly integrated into their parent company's global strategy:

- Toyota Technical Center Australia was established in 2003 with a primary focus on product development for Australia and Asia in the areas of body design, chassis design, evaluation and specification development. Toyota Technical Center Australia is one of only five Toyota Technical Centers around the world and is one of the most advanced engineering design centers in Australia.
- Within the General Motors organisation, GM Holden designers and engineers contribute their expertise to major product programs. The GM Holden Design studio has been Australia's largest employer of industrial designers for decades. It is one of nine design studios for GM globally, and one of only two GM studios with the capability of taking a car from a blank canvas to a fully functional concept vehicle. GM Holden Design and Engineering was responsible for the design and engineering of the Chevrolet Camaro, which went into production in 2009. The Camaro won the 2011 World Car Design of the Year award at the World Car of the Year Awards.
- Ford Australia has an enhanced role as a design and engineering 'Centre of Excellence' for the Asia Pacific region. Ford's Product Development is spread across three sites—Broadmeadows, Geelong and Lara. Ford Australia is one of only four design hubs for Ford globally. Ford has the most advanced automotive product development operations in Australia. In this capacity, Ford Australia took the lead in the design and development of the Ford Figo (India's most awarded car) and the Ford Ranger (International Pick-up of the Year 2013), which is manufactured in three global locations and sold in some 180 markets.

These are important and unique national assets. They represent an investment by the domestic manufacturers in Australia's unique skills and capabilities and provide an avenue for significant value-adding in and of themselves, generating revenue for the companies and providing a direct link to their parent global operations. These facilities also provide important linkages into the university sector. While these functions may continue to exist in isolation of manufacturing, their real strength derives from the capacity to follow ideas through to the readily accessible factory floor in Australia and the ability to derive commercial applications.

To continue to realise the benefits of these important assets, ongoing investment by the motor vehicle companies and government is required. As with manufacturing, the additional benefits provided by Australia's considerable design and development capabilities will only continue with commitment from government to internationally competitive policy settings, including long-term financial support.

CONCLUSION

The Australian automotive manufacturing industry is one of Australia's most advanced industries in terms of manufacturing techniques and technologies employed, but it faces an uncertain future. Today Australia produces only around 225,000 motor vehicles per year. In an industry where economies of scale are very important in achieving cost competitiveness, this is a real disadvantage. The high value of the exchange rate in recent years has placed the industry under further competitive pressure, as have barriers to Australian exports.

The Australian automotive manufacturing companies have major decisions forthcoming on whether to invest in new models. If they do not make the investment, this will likely lead to the eventual closure of their Australian operations, with the risk this will impact on the broader automotive and manufacturing sector.

Long-term policy certainty with bipartisan support is necessary for companies to continue to invest in Australia. At present, the automotive manufacturing industry receives around \$500 million per year in government support. This is a small amount compared to the support given to automotive manufacturing in other countries. It is also small compared to the economic activities generated by local automotive manufacturing.

When suggestions are made by political parties to cut funding out of what is already a comparably small amount of assistance, parent companies overseas question if Australia is interested in continuing with its automotive manufacturing sector. The reality is that without this support, the three major car companies cannot compete with other countries for investment capital. This capital will be invested elsewhere in the world.

A shutdown of the Australian automotive manufacturing industry will lead to not just a permanent loss of \$7.3 billion to GDP, but a loss in economic welfare (measured as loss of consumption expenditure), amounting to \$21.5 billion, or \$934 per person. The economic loss will be particularly severe in the automotive industry-intensive states of Victoria and South Australia, especially in Melbourne and Adelaide.

A shutdown of the Australian automotive manufacturing industry will see the termination of the range of spillover benefits the industry currently provides to the broader economy. This includes technology transfer, lean management techniques and applications, and advanced labour skills and manufacturing techniques.

The FCAI believes this can be avoided, with the right policy settings and financial support from government, and the ongoing commitment to best practice and efficiency from the manufacturers. Central to that, is a review and extension of the Automotive Transformation Scheme, or a modified version thereof, to 2022 or beyond.

While these are necessary first steps, the Australian Government also needs to consider what sort of policy response extends beyond current legislated support. The FCAI looks forward to working with the government on the design of such a response.

^A Australian Trade Commission. May 2013. *Automotive Components and Vehicle Technologies*.

^B Department of Industry. 2013. *Key Facts Australian Industry 2011-12*.
<http://www.innovation.gov.au/industry/ReportsandStudies/Pages/IndustryDataCard.aspx>

^C Connolly, E and Lewis C. 2010. Reserve Bank of Australia Bulletin, September quarter. *Structural Change in the Australian Economy*. <http://www.rba.gov.au/publications/bulletin/2010/sep/1.html>

^D Allen Consulting Group. September 2013. *Strategic role of the Australian automotive manufacturing industry*.
<http://www.acilallen.com.au/projects/1/economic-analysis/108/the-strategic-role-of-the-australian-automotive-manufacturing-industry-september-2013-report-to-the-federal-chamber-of-automotive-industries>
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^E Sapere Research Group. 2011. *Budgetary Assistance to the Australian Automotive Sector*.
http://www.fcail.com.au/library/publication/fcai_report.pdf

^F The modelling and the assumptions underpinning that modelling are subject to a separate submission by the Centre of Policy Studies.

^G Allen Consulting Group. September 2013. p38. *Strategic role of the Australian automotive manufacturing industry*.
<http://www.acilallen.com.au/projects/1/economic-analysis/108/the-strategic-role-of-the-australian-automotive-manufacturing-industry-september-2013-report-to-the-federal-chamber-of-automotive-industries>
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^H Department of Industry. 2013. *About the automotive industry*.
<http://www.industry.gov.au/industry/automotive/Pages/AbouttheAutomotiveIndustry.aspx>

^I Garton, P; Gaudry, D; and Wilcox R. 2012. *Understanding the appreciation of the Australian dollar and its policy implications*.
[http://www.treasury.gov.au/~media/Treasury/Publications%20and%20Media/Publications/2012/Economic%20Roundup%20Issue%202/Downloads/03 Appreciation of the Aust dollar.ashx](http://www.treasury.gov.au/~media/Treasury/Publications%20and%20Media/Publications/2012/Economic%20Roundup%20Issue%202/Downloads/03%20Appreciation%20of%20the%20Aust%20dollar.ashx)

^J Greber, J. Australian Financial Review. 21 November 2013. *RBA governor Glenn Stevens Talks Dollar Down*.

^K Allen Consulting Group. September 2013. P6. *Strategic role of the Australian automotive manufacturing industry*.
<http://www.acilallen.com.au/projects/1/economic-analysis/108/the-strategic-role-of-the-australian-automotive-manufacturing-industry-september-2013-report-to-the-federal-chamber-of-automotive-industries>
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^L Productivity Commission. p107. 2010. *Bilateral and Regional Trade Agreements (Research report)*.
<http://www.pc.gov.au/projects/study/trade-agreements>

^M Manufacture Link. 16 November 2013. *Free Trade Agreements Don't Favour Australian Made Cars*.