



ENGINEERS
AUSTRALIA

27 November 2013

Productivity Commission
Level 12
530 Collins Street
Melbourne VIC 3000

Via email: automotive@pc.gov.au

Dear Sir/Madam

Re: Review of the Australia's Automotive Manufacturing Industry

Engineers Australia is the representative body for the engineering profession in Australia. With over 100,000 members across Australia, we represent all disciplines and branches of engineering. Engineers Australia is constituted by Royal Charter to advance the science and practice of engineering for the benefit of the community.

Engineering is a diverse profession, and engineers are involved in a wide range of organisations and industries typically associated with innovation. This includes everything from the design and maintenance of information technology and communications networks to the design of critical infrastructure and physical, virtual and manufacturing assets.

Engineers Australia welcomes the opportunity to comment as follows on the Productivity Commission's Review of the Australia's Automotive Manufacturing Industry.

- The Australian car industry provides over \$21 billion to the Australian gross domestic product and employs a significant workforce. In particular, there are almost 7,000 engineers directly employed in the transport equipment manufacturing industry in Australia, with over 40,000 engineers employed in the broader manufacturing sector in this country.
- One of the main reasons that Australia is being questioned as a location for manufacturing cars for the world market is that local designs do not meet the current demand for fuel efficient engines and for overall vehicle fuel economy. To compete globally, Australia's Automotive Manufacturing Industry needs a strategic vision. A strong manufacturing sector requires a high level of operational and technological innovation, with integrated programs between industry, government and the higher education sector. Worldwide, Governments are struggling to maintain efficient and

effective urban transport systems in the context of increasing density of cars and other road transport.

- To assist the automotive industry, collaboration between manufacturers is necessary. New and innovative ways need to be instituted to encourage and assist manufacturers to remain internationally competitive. The Australian environment offers some advantages to automobile manufacturers such as: co-operating road instrumentalities at state and national level; strong research; industry sectors in both automobile engineering and information technology, and a willingness to invest in new transport infrastructure.
- Skills in the engineering, science and technology professions are critical to ensuring Australia's international competitiveness and economic prosperity and for the future of Australia's automotive manufacturing sector. Australia cannot prosper on imported technology alone. Doing so places Australia at risk both strategically and economically. If Australia is to successfully transition from a resource-dependent economy to a high-tech, high-value economy, an advanced automotive manufacturing capability will be a critical part of this nation's future.

Engineers Australia strongly supports the Productivity Commission's Review of the Australia's Automotive Manufacturing Industry and awaits a favourable outcome.

I would be happy to provide you or your representative with a personal briefing on Engineers Australia's views on this matter.

Yours faithfully

Brent Jackson
Executive General Manager
Public Affairs and Marketing