



Submission in regard to the Australia's Automotive Manufacturing Industry

Background BuyAustralianMade - <http://www.buyaustrianmade.com.au/>

BuyAustralianMade (BAM) is a member based organisation founded in 2009 by Stephen Gately. It was developed out of personal savings and is now partially funded by BAM member's annual subscriptions. BAM members are from the Australian manufacturing sector, Australian primary producers and Australian delivered services sectors. No Government funding has ever been received in developing or sustaining BuyAustralianMade.

BAM's philosophy is that "if people don't know what is Australian made, Australian grown and know where and how to buy it, they won't." BAM's focus is to make it easy for people to find Australian made and Australian grown products.

BAM's membership is approaching 400 businesses. Products made or grown range from high tech products like solar panel through to dried fruits and everything in between. BAM promotes 1000's of different products. Some BAM members are multi-billion dollar businesses exporting to the world, others are operating from their garage. The majority of BAM members are SME's with less than 50 employees.

BAM actively engages with members and the general public. This engagement includes receiving regular comments and feedback on issues relating to the future of Australian manufacturing and Australian producers and making comments relating to issues which impact on Australian manufacturers, primary producers and service providers.

This submission will focus on 4 aspects of the Australian Automotive Manufacturing Industry

1. The so called "level playing field"
2. Other industries and subsequent employment relying on supplying the Australian Automotive Manufacturing Industry
3. Skills, infrastructure, capability and national security
4. Return on investment

The Fallacy of a Level Playing Field

There is not one country making automobiles in the world today where Governments are not providing support to that industry. The support may come in many different forms whether that be lower taxes, reduced energy costs, direct subsidies, reduced regulatory requirements, subsidized land and/or infrastructure regardless of the method the end result is that the businesses making automobiles in that country receive encouragement and enticements to do so. And why are these

enticements given? Simply because the country in question values the ongoing long term benefits of retaining and attracting such an industry within its borders. Australia should not be blind to the benefits that others see so clearly.

The flow-on to other industries and employment

The Australian Automotive Manufacturing Industry is not an island. There are 100's of other Australian businesses supplying components to the industry and as a consequence employing 10,000's of people in productive employment. In many cases not only do these businesses provide components to the Automotive Industry but also supplies other products and services to non-automotive industries. There is significant risk for some of these businesses if they were to lose the automotive component of their production that they would not be able to replace that loss and be either forced to close their facility or at very least reduce production to the point of laying off employees.

Skills, Infrastructure, Capability and National Security

Australia is one of around 13 countries with the skills, infrastructure and capabilities to design a vehicle and manufacture the vehicle. Just for that fact alone it is something that should be retained and treasured so that if there came a time when Australia had to be more self-reliant, we would have that capability to do so.

The skills developed in the Automotive industry filter through to many other sectors of the community and provide a skill base that would be difficult to replicate. The automotive industry is an industry which is continually developing and introducing new technologies and developments which then can be shared by other industries. To not have those developing skills and knowledge base into the future in Australia will be a disadvantage for other industries competing with offshore competitors.

Return on Investment

The Australian Automotive Manufacturing industry is not the only industry receiving money from Australian governments. The Banking sector although being the most profitable in the world receive subsidies, the mining industry despite the mining boom continues to receive subsidies and most other businesses receive some sort of subsidies and are able to apply for grants and new infrastructure support. The question becomes what is the return on the investment which according to industry figures return \$31 for every \$1 spent. This is a classic case of the more you spend the more you make.

Final point

If Australia is to remain a first world country and to maximise future opportunities we must retain a vibrant and growing Automotive Manufacturing Industry in Australia. To not do so will burden future generations with limited opportunities in employment and business options.

Regards

Stephen Gately

Founder and Managing Director Buy Australian Made

www.BuyAustralianMade.com.au