

November 20, 2013

Australia's Automotive  
Manufacturing Industry  
Productivity Commission  
LB2 Collins St East  
Melbourne Vic 8003

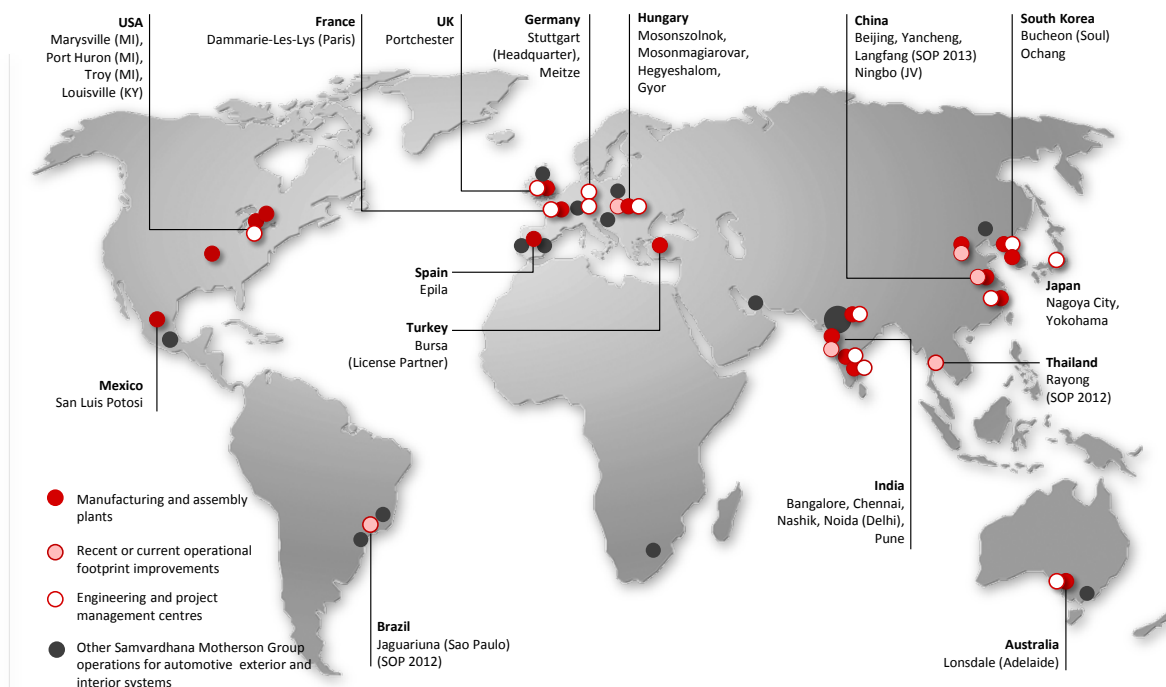
SMR Automotive Australia Pty Limited  
ABN 77 007 550 094  
Sherriffs Road, Lonsdale  
PO Box 37, Lonsdale  
South Australia, 5160  
Australia  
Tel: +61 8 8301 7777  
Fax: +61 8 8384 7634  
[www.smr-automotive.com](http://www.smr-automotive.com)

Dear Sir/Madam

### Company Profile

SMR Automotive Australia (SMRA) is an operating company within the SMR group of companies which are owned by the Samvardhana Motherson Group (SMG). SMG is a major global organization with its headquarters in India, the group employs over 60,000 people in 25 different countries with annual revenues in excess of US\$5 billion. (For further information on SMG see [www.motherson.com](http://www.motherson.com))

With world-wide network of manufacturing plants, design centres and representative offices on 5 continents, SMR is "local" to more than 80% of the global automotive industry.



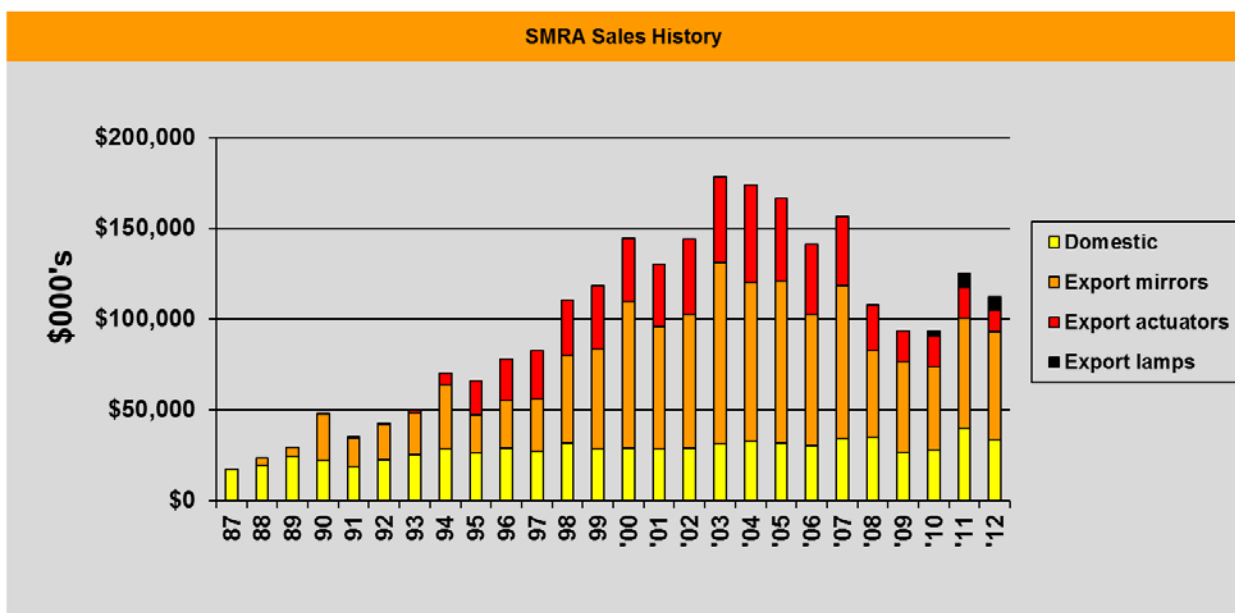
## History

The Australian business began in 1944 as a privately owned company known as Rainsfords Metal Products Pty Ltd. The company had a long history of manufacturing and distributing a large range of industrial and automotive products including such items as lighting products, roof racks, wheel barrows, swimming pool liners, mirrors, sunroofs, seatbelts etc.

In the mid 1980's the Rainsfords business was purchased by Britax International plc a publicly listed UK company. At this point in time a new business strategy was developed which focused on one major product line being automotive mirrors and a strategy to export our product globally. All our other products were gradually phased out of the business as part of this strategy.

In fact this strategy opened up so many opportunities for growth in the USA that we established a US based mirror manufacturing facility in Marysville, Michigan in 1990, while continuing to retain exports out of our Australian company.

In the late 1980's we were purchasing our mirror actuators (motor actuators adjust the mirror glass in electric mirrors) from Holland in Europe and were paying premium prices. As a strategy we decided therefore to manufacture our own actuator units and bring the profit in-house. This strategy was successful and as a result opened up opportunities for the sale of actuators to our sister companies globally.



One of the critical success factors is obtaining our export growth was the support given by the Australian Government by way of the Export Facilitation Scheme. The export credits earned by this scheme helped cover the logistics and freight and duty cost penalties associated with our export business.

Another very important success factor was the existence of our Australian domestic car industry, without having a core business in the Australian automotive industry we would not have had the foundation or springboard into exports. Our relationships with the local industry opened doors overseas, Chrysler contacts were made through Mitsubishi Australia and Ford North America contacts through Ford Australia.

## **SMRA Today**

SMRA employs 590 people in its Lonsdale facility in South Australia, we are a major global supplier of products for the automotive industry with annual sales of AU\$111M (2012-13). Over 75% of the products manufactured in our facility are currently exported to the US, UK, Korea, China, Thailand, India, Mexico, Hungary and France.

In the last 10 years, SMRA has successfully exported over AU\$1Billion of products from its South Australian operation and built a reputation as a major engineering centre and innovator of new products within the SMR Group.

Our business is over 98% dedicated to automotive products and as such our success is inherently linked to the automotive industry of which the Australian automotive industry plays an important part.

## **Innovation**

Innovation has been the key to the continued success and rejuvenation of the Australian operations. Today SMRA is a major design and development centre within the SMR Group. We employ over 45 engineers in our design centre, these engineers are designing new products both for our own manufacture and on behalf of our SMR regional partners who springboard off the skills and experience of our local talent.



As the chart above shows, many new products have been launched by SMRA in Australia and many of these are unique within the SMR Group. Some items of particular note are:

- 1) The Powerfolding/Powertelescoping towing mirrors developed for Ford for use on the F150 and F250 range of trucks in the US. These are a market leading towing mirrors in the US and have technology solely developed and manufactured in Lonsdale SA. The mirrors are branded 'Powerscope' by Ford and are major selling feature on the trucks. See the link to the Ford website for more information. [www.ford.com/trucks/superduty/trim/f250kingranch/](http://www.ford.com/trucks/superduty/trim/f250kingranch/) . Over 1Million of these mirrors have been supplied to the Ford US from the Lonsdale facility since launch in 2006.
- 2) The Logo Lamp is a courtesy lamp which illuminates area around the vehicle when the doors are unlocked. This unique version of the lamp, developed in Australia, is unique because it can project an image of the vehicle brand onto the ground close to the vehicle (see image). This lamp initially launched by Jaguar Land Rover (JLR) for use on the highly acclaimed Range Rover Evoque vehicle and is now produced for a range of other vehicle programs in Europe with a total annual volume of 700,000



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A significant enabling factor in SMRA's position as a leading Design Centre within the SMR Group has been the support provided by the Australian Government and SA Government through various funding and support mechanisms. Over the years, SMRA has received significant assistance through the ATS, ACIS, CRC, ARC and the Green Car Innovation Fund which has made the development of new products in Australia both relevant and attractive to the global owners of the SMR Group and provided opportunity for wealth and employment to be generated locally.

The recent thin film coating project undertaken by SMRA is a great example of how funding and collaboration facilitated in Australia helped secure a project for local research and ultimately, commercialization. How to design and manufacture a world class, 21st century plastic mirror for motor vehicles which was lightweight and strong, and which could be used in a number of applications was the challenge. The achievement of this challenge could only be realized through the hard work and partnership between SMR and the University of South Australia's Mawson Institute which was underscored by the funding and facilitation role played by the AutoCRC.

The mirrors are now being used on the new Ford 250 SUV sold in the United States as well as Venezuela and the advanced technology has created more jobs within SMR design and manufacturing. It will also likely produce spillovers into other sectors, opening the window to wider economic benefits in jobs, sales and broader business opportunities. There is good potential to develop opportunities for the application of this unique coating to such exciting areas as white goods, defence, aerospace and the all-important medical sector.

## **Conclusion**

The presence of the Automotive Manufacturing sector in Australia, with appropriate levels of Government support, is crucial for the ongoing relevance and prosperity of SMRA and its 590 valued employees. Without this, it is likely that support for the ongoing design and manufacture of products in Australia from our parent company would be extremely difficult to justify, putting the company's future existence in jeopardy. This loss would be devastating:

- Almost 70 years of history of our company
- 590 direct jobs in South Australia, including over 50 highly qualified Engineering positions
- Tax revenue for the Federal Government
- Export revenue would be lost and would have a negative impact upon the Balance of Trade
- Knock on effect to our suppliers who rely upon our success
- Knock on effect to our University collaboration partners

I submit this document to the commission on behalf of SMRA as a fine example of the importance of this industry to our employees, economy and future prosperity of our Nation.

Yours faithfully

**John Scott**  
**General Manager**