

Dear Productivity Commission,

I am a research and media worker with a strong background in industry research. I am very concerned that unemployment is rising, and I see my nephews and nieces having to travel far in Australia or go overseas to find a job after they graduate.

I think a closure of the car industry would be catastrophic in Adelaide, where I have some family, and also in Geelong, and even in parts of Melbourne. People I know who are TAFE teachers, as well as many different services and more direct suppliers of components would all get a huge impact if this happened.

The car industry has been a mainstay of the post-war Australian economy, and a significant buyer of steel and aluminium. In fact, it is hard to see more than a niche manufacturing sector surviving a closure of the car industry, and yet Australia needs to pretty well transform its transport and urban infrastructure to transition to a low carbon economy.

There are some important numbers that the Productivity Commission must really face, and I set them out below. But there is a bigger question about the future of Australia here too. Our forefathers after World War II decided to transform the war production base that had to be created for national defence into a long-term manufacturing base capable of supporting a larger and more skilled population. They succeeded, but now this historic achievement is in jeopardy.

Australia gives \$500 million in subsidies to its car industry, the lowest compared to the UK's \$978 million, Germany's \$518 million, and the USA's \$1.85 billion.

For every \$1 put into the auto industry, \$31 is generated in the whole Australian economy.

The auto industry receives the second lowest levels of subsidies in the country, well below the \$900 million given to the banking industry and the \$700 million given to the mining industry.

Shutting down the auto industry will mean the loss of 200,000 Australian jobs.

I feel that the Productivity Commission may be just a cover for a decision already made to close down the sector. This is already a view enunciated by the Business Council of Australia - manufacturing is no longer viable, they said in August this year. I urge the Commission to avoid being used, and to make a very robust report about the importance of the skills, technology and economic contribution of the car industry and manufacturing as a whole to Australian society.

Kind Regards,

Peter Murphy