

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
Additional Estimates 2005-2006, 16 February 2006

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES
TOPIC: AUTOMOTIVE INDUSTRY STRATEGIC GROUP
REFERENCE: WRITTEN QUESTIONS

QUESTION No.AI-53

Senator Campbell asked:

Can the Department detail the agenda and outcomes of the 9 November AISG meeting?

ANSWER

The first meeting of the Automotive Industry Strategic Group was held on Wednesday 9 November 2005 at Parliament House in Canberra. Relevant details are provided below.

Attendees

Members

- The Hon Ian Macfarlane MP, Minister for Industry, Tourism and Resources
- Mr Denny Mooney, Managing Director, GM Holden Limited
- Mr Ted Okada, Chief Executive Officer, Toyota Motor Corporation Australia Ltd
- Mr John Conomos, Executive Chairman, Toyota Motor Corporation Australia Ltd
- Mr Robert McEniry, Chief Executive Officer, Mitsubishi Motors Australia Ltd
- Mr Tom Gorman, President of the Ford Motor Company of Australia Ltd and President of the Federal Chamber of Automotive Industries (unable to attend – represented by Mr Russell Scoular, Government Affairs Manager, Ford Motor Company of Australia)
- Mr Grant Anderson, Director & CEO, MHG Plastic Industries (Vic) Pty Ltd
- Mr Bruce Griffiths, Managing Director, Air International Group Limited
- Mr Peter Gardner, Director-Manufacturing, TI Automotive Brake and Fuel, Asia Pacific
- Mr Ray Petty, General Manager-Business Development, Fidax Pty Ltd
- Mr Peter Upton, Chief Executive, Federation of Automotive Products Manufacturers
- Mr Peter Sturrock, Chief Executive, Federal Chamber of Automotive Industries

Invited Ministers:

- The Hon Andre Haermeyer, Victorian Minister for Manufacturing & Export
- The Hon Paul Holloway MLC, South Australian Minister for Industry & Trade (unable to attend, represented by Mr Ray Garrand, Chief Executive, South Australian Department of Trade and Economic Development)

Other Attendees (not members)

- Mr Barry Moncur, Victorian Department of Innovation Industry and Regional Development
- Mr John Egan, Government Affairs Manager, Toyota Australia
- Mr Kristian Aquilina, National Manager – Government Relations & Public Policy Corporate Affairs, GM Holden Ltd
- Mr Andrew McKellar, Deputy CEO, Federal Chamber of Automotive Industries
- Ms Shelly Freeman, advisor to Minister Haermeyer
- Mr Rob Underdown, advisor to Minister Macfarlane
- Mr John Ryan, Deputy Secretary, Department of Industry, Tourism and Resources
- Mr Ken Pettifer, Head of Division, Manufacturing Engineering and Construction Division, Department of Industry, Tourism and Resources

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
Additional Estimates 2005-2006, 16 February 2006

- Mr Peter Clarke, General Manager, Auto, TCF and Engineering Branch, Department of Industry, Tourism and Resources
- Mr Daniel Rex, Automotive Policy, Auto, TCF and Engineering Branch, Department of Industry, Tourism and Resources
- Mr Patrick McCormack, Automotive Policy, Auto, TCF and Engineering Branch, Department of Industry, Tourism and Resources

Agenda

The Agenda for the meeting was as follows.

- | | |
|---------|---|
| 9.30am | 1. Welcome and introductions by Minister Macfarlane |
| | 2. Overview of AISG role |
| | 3. Overview of Minister Macfarlane's visit to Japan, September 2005 |
| | 4. Chair of Working Group to report on draft strategy and work plan |
| | 5. AISG discussion on draft strategy and work plan |
| | 6. AISG recommendations to Working Group |
| 11.00am | 7. Meeting close |

Outcomes

Outcomes of the meeting were that the AISG:

- received a report from the Working Group on its activities;
- endorsed the terms of reference for the Working Group and committed itself to the broad approach to be taken;
- provided guidance on the priorities to be established;
- was briefed on the visit to Japan; and
- helped guide preparations for Minister Macfarlane's visit to the United States, January 2006.

QUESTION No.AI-54

Senator Campbell asked:

What is the forward agenda/timetable of the group? When is it scheduled to reconvene?

ANSWER

The objective of the AISG is:

- to bring motor vehicle producers and automotive component producers together to consider co-operative ways of enhancing Australian industry capabilities and competitiveness; and
- to seek out and facilitate opportunities for the Australian automotive industry, and the supply chain in particular, to access global markets.

No date has yet been set for the next AISG meeting. However, it is expected that this will happen in April 2006.

QUESTION No.AI-55

Senator Campbell asked:

Has the AISG working group met since 24 October?

ANSWER

The AISG working group last met on 1 December 2005.

QUESTION No.AI-56

Senator Campbell asked:

What is the relationship between the working group and the AISG?

ANSWER

The AISG is supported by a working group comprising representatives at a more junior level from the supply chain, motor vehicle producers, and representatives from the Victorian and South Australian state governments. The working group is responsible for developing strategies to achieve the AISG objectives. The AISG holds responsibility for providing high level direction and strategic oversight to the work of the working group.

QUESTION No.AI-57

Senator Campbell asked:

What specifically is the working group examining?

ANSWER

Following are the terms of reference for the working group.

**TERMS OF REFERENCE
WORKING GROUP FOR THE
AUTO INDUSTRY STRATEGIC GROUP**

Having regard to the objectives for the Auto Industry Strategic Group identified by Minister Macfarlane on 12 August 2005, the Working Group will:

Identify opportunities and develop strategies which will help bring motor vehicle producers and automotive component producers together in order to find cooperative ways of enhancing Australian industry capabilities and competitiveness:

Identify opportunities and develop strategies to facilitate opportunities for the Australian automotive industry, and the supply chain in particular, to access global markets.

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
Additional Estimates 2005-2006, 16 February 2006

In doing so, the Working Group will:

1. consider the impact of current purchasing arrangements and practices within the industry and develop alternative strategies to enhance the integration of Australian based ACPs into global supply chains and to promote increased access to global markets;
2. develop industry capability information to demonstrate the level of innovation and expertise within the Australian automotive component sector;
3. identify a role for state governments including areas such as clustering, networking and the development of management and other skills among the supply chain;
4. develop a forward program of possible ministerial visits aimed at maximising industry participation; and
5. make recommendations on any other initiatives which may be pursued in the future.