

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
Supplementary Budget Estimates 2005-2006, 2 November 2005

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES
OUTCOME/OUTPUT: Outcome 1, Output 1.2
TOPIC: MINISTER MACFARLANE'S TRIP TO JAPAN WITH THE AUTO INDUSTRY STRATEGIC GROUP
REFERENCE: WRITTEN QUESTION

QUESTION No.SBI-64

Senator Campbell asked:

I refer to the Minister's press release of 21 September that states:

Mr Macfarlane leaves this week with an auto industry delegation, representatives from the Automotive Industry Strategic Group, for Tokyo to press the case for greater Australian involvement in global auto manufacturing supply chains.

'We will be delivering the message in person to the decision makers in Tokyo – and Detroit next year – that Australian manufacturers deserve greater consideration in global supply chains because of our proven ability to supply competitively.

'This is about promoting one Australian auto and components brand, based on our ability to produce quality and innovative products. I think it's a message which needs to be heard firsthand in the overseas head offices,' said Mr Macfarlane.

- (a) Was this trip an industry led initiative or did the Minister take the lead?
- (b) When was it first suggested?
- (c) What role did the Department have in the meetings and its preparations?
- (d) Who did the Minister meet with?
- (e) What conclusions / outcomes were reached?

ANSWER

- (a) The Minister's trip to Japan and Thailand covered a range of portfolio interests, including interests related to the automotive sector. The automotive related meetings were initiated by the Minister.
- (b) In principle agreement to the Minister's overseas travel itinerary for 2005-06 was given in the second quarter of 2005. Final approval for travel to Japan was given in August 2005.
- (c) The Department played a coordination role with the Department of Foreign Affairs and Trade and Austrade.
- (d) The Minister met with:
 - Mr Itaru Koeda, Representative Director and Co-Chairman of Nissan Motor Co. and Chairman of Japan Automobile Manufacturers Association
 - Mr Takashi Nishioka, Chairman & CEO, Mitsubishi Motors
 - Mr Horishi Okuda, Chairman, Toyota Motor Corporation
 - Mr Hiromu Okabe, Chairman Japan Auto Parts Industry Association
 - Mr Masazumi Wakayama, Managing Executive Officer, Corporate Communications and Liaison, Mazda
- (e) The Minister secured agreement from Nissan and Mazda to actively explore opportunities with Australian component producers to source cars parts from them for their global operations (and particularly their South East Asian operations). Toyota announced that it would aim to boost production at its Altona plant to 150,000 units per year, with a possible increase to 200,000 per year if suitable export markets became available. This will have flow-on benefits throughout the whole supply chain.