

Mr. Gary Banks  
Chairman  
Automotive Industry Inquiry  
Productivity Commission  
PO Box 80  
Belconnen ACT 2616

8 May 2002

Dear Sir,

aiAutomotive Pty Ltd (aiA) is a company specializing in the manufacture of automotive components for the OE and P&A market segments with an operating turnover in the vicinity of \$70M per annum. Key product areas are metal pressing, sub assembly and E Coating. aiA operate from a 45,000 square metre premises at Woodville, South Australia employing approximately 260 personnel. In the last two (2) years aiA has experienced significant growth particularly in areas associated with supply of components in support of OE volume production. A significant contributing factor to achieving this growth has been the access to ACIS which has allowed for plant and equipment investments in excess of \$8M and encouraged significant additional investment in productivity improvements initiatives and personnel training.

The ACIS funding has been an essential element in developing our company's strategy in the automotive industry as it provides support and encouragement in ongoing investment both in plant and equipment and research and development. These ongoing investments will ensure that aiA is able to position itself as a Tier 1 supplier for metal forming and fabrication as well as E Coating.

Similarly future major outsourcing opportunities being considered for the next generation of vehicles in 2006 will be greatly enhanced in the event that ACIS is extended beyond its current timeline. The benefit to the Australian automotive industry of achieving significant outsourcing will be the establishment of industry centers of excellence that will enable focus on specific areas of technology which will improve Australia's ability and capacity to increase it's presence in the global market.

I would like to register aiA's support of the Federation of Automotive Products Manufacturers (FAPM) submission and recommendations as I believe that it accurately and comprehensively addresses the issue of post 2005 assistance as they relate to the automotive components industry.

As a company we have participated in the industry interview program with the Productivity Commission and studied the FAPM submission. We look forward to the findings of the Productivity Commission and the response of the Government as I believe that the automotive manufacturing sector is one of the underlying fundamentals of a healthy and prosperous Australian manufacturing industry.

Yours faithfully  
**aiAUTOMOTIVE PTY LTD**

**NJ DALY**  
**CHIEF EXECUTIVE OFFICER**

Mr. R. Sawford MP  
Federal Member for Port Adelaide  
PO Box 2038  
Port Adelaide, SA 5015

8 May 2002

Dear Rod:

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I have attached aiAutomotive's response to the Federal Government's Productivity Commission Review of Post 2005 Assistance Arrangements for the Automotive Industry for your information. aiAutomotive have chosen to provide their support to the detailed submission prepared and submitted by our industry body, the Federation of Automotive Products Manufacturers (FAPM). As you would be aware the automotive manufacturing industry is a significant employer in South Australia and also your electorate. The recommendations of the Productivity Commission will be crucial in maintaining South Australia's lead in automotive manufacturing with the flow on impact to the economy well known.

The key points that I would like to raise are the continuation of the Federal Government's ACIS program pass the current timeframe of 2005 and the freezing of automotive tariffs at 10% after the 2005 planned reduction from the current rate of 15%. Both of these points are crucial to maintaining our increasing export market for vehicles and ensuring that Australia attain and maintain world class manufacturing capabilities.

I would like to take the opportunity to invite you to visit aiAutomotive so that you can gain a first hand appreciation of the capabilities of aiAutomotive and further discuss the issues that I have raised and how they relate to the Productivity Commission's review.

Yours faithfully  
**aiAUTOMOTIVE PTY LTD**

**NJ DALY**  
**CHIEF EXECUTIVE OFFICER**

The Hon. J Weatherill  
State Member for Cheltenham  
98 – 102 Woodville Road  
Woodville, SA 5011

8 May 2002

Dear Jay:

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